



# EAPN-Principles on Corporate Funding

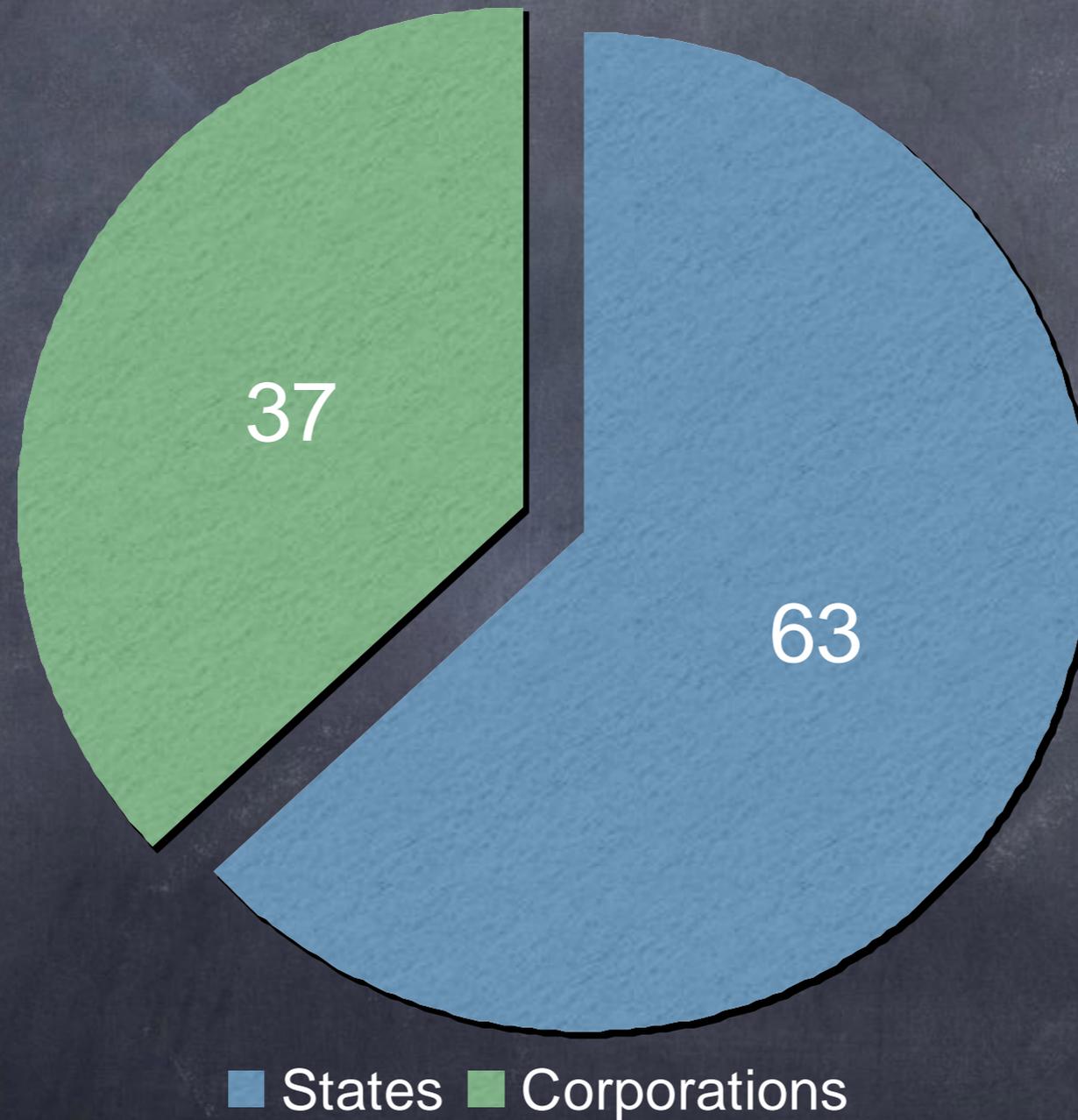
EAPN EXCO-meeting | Warsaw (PL) - March 2014  
Stephan Backes | Belgian Anti-Poverty Network (BAPN)

1. The Corporate Context
2. Relationship NGOs-Corporations
3. EAPN Principles

1.

# THE CORPORATE CONTEXT

# World's 100 Biggest Economies



100 Biggest Economies, based on GNP (States) or revenues (corporations).  
Source: Transnational Institute, Amsterdam (2013)

# World's 100 Biggest Economies

## SOME COMPARISONS

in \$US billions

Royal Dutch Shell  
467

Austria  
399

Volkswagen Group  
254

Finland  
250

Toyota  
232

Portugal  
223

Allianz  
144

Hungary  
127

Nestlé  
103

Slovakia  
98

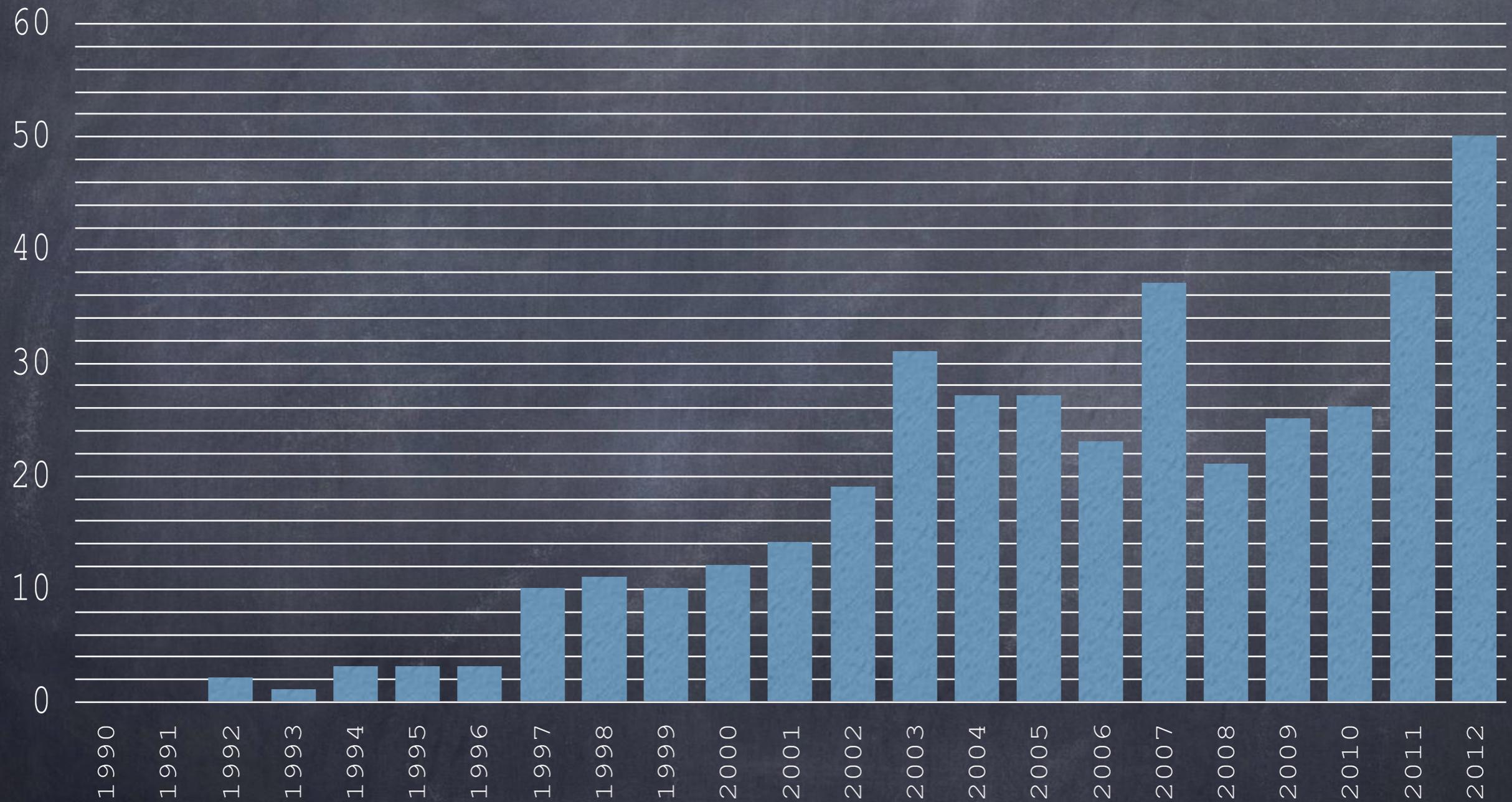
# WHAT IS DONE WITH THE MONEY?

	STATES	CORPORATIONS
OBJECTIVE	"SOCIAL CONTRACT" DISTRIBUTION WELL-BEING	PROFIT ORIENTED
TARGET GROUP	POPULATION	SHAREHOLDERS
<i>comments</i>	<i>This is far from being realized.</i>  <i>The proof: EAPN still exists.</i>	<i>This is evidence!</i>

CORPORATIONS  
SUE STATES



# Investor-State Dispute Settlements: Number of Cases (1990-2012)



# Transatlantic Trade & Investment Partnership



TTIP  
2015



- CREATION OF SPECIAL COURTS
- WHEN PUBLIC LAWS (PUBLIC HEALTH, ENVIRONMENT, SOCIAL PROTECTION...) INTERFERE WITH CORPORATE PROFITS
- MUCH EASIER FOR CORPORATIONS TO SUE STATES
- STATES (i.e. CITIZENS) HAVE TO PAY

2.

RELATIONSHIP  
NGOs-CORPORATIONS

# ATTITUDES OF NGOs TOWARDS CORPORATIONS

COOPERATIVE



POSITIVE

Dialogue and persuasion strategies

BENEVOLENT

Demand for codes of conduct

MODERATE

Demand for legal regulations

SUSPICIOUS

Lawsuits

HOSTILE

Call for boycotts

CONFRONTATIONAL

# ATTITUDES OF NGOs TOWARDS CORPORATIONS

CONFRONTATION	Antagonistic relationship
COMMUNICATION	One-way information flows
CONSULTATION	Two-way dialogue and processes to listen to and incorporate different views and feedback into organizational decision-making and policy making
COOPERATION	Formal agreements to work together in a mutually supportive manner

# What is the trend?

Study amongst several German NGOs:

"Amongst NGOs, there is a trend towards increased cooperation with corporations."

# What about other NGOs?

## Greenpeace

*"To maintain absolute independence Greenpeace does not accept money from companies, governments or political parties. We're serious about that, and we screen for and actually send checks back when they're drawn on a corporate account. We depend on the donations of our supporters to carry on our non violent campaigns to protect the environment."*

# What about other NGOs?

## Amnesty International

*The overwhelming majority of our income comes from individuals the world over. These personal and unaffiliated donations allow AI to maintain full independence from any and all governments, political ideologies, economic interests or religions. We neither seek nor accept any funds for human rights research from governments or political parties and we accept support only from businesses that have been carefully vetted. By way of ethical fundraising leading to donations from individuals, we are able to stand firm and unwavering in our defence of universal and indivisible human rights.*

# What about other NGOs?

## Human Rights Watch

*"We are a fully independent non-governmental organization, supported by contributions from private individuals and foundations worldwide. In order to maintain our independence, we accept no money from any government, directly or indirectly."*

HRW was criticized for having accepted a 10-year-long grant of 100 million US\$ by George Soros.

# What about other NGOs?

WWF

*Revenues:*

*Individuals, In-Kind Revenues, Government Grants and Contracts, Foundations, Corporate, etc.*

*"Working with business is as important to us as munching bamboo is for a panda".*

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Started in the 1980s (due to pressure of NGOs)
- Currently popular ideology by which companies claim to be good for society and the environment.

## HOWEVER:

- It ignores the fact that corporations are legally responsible only to their shareholders' profits.

"In the wake of the financial and economic crisis, voices are raised against irresponsible behaviour, lack of transparency or insufficient regulation. Due to the systemic nature of the financial crisis, adequate transparency and improved standards are crucial to restore confidence and stability in the financial sector. *However, this should not be confused with introducing CSR regulation as a preventive measure to generate more responsible companies. On the contrary, this could prove counterproductive and other methods should be explored.*"

BusinessEurope: "European Business Supports Transparency" (2009)

"EU policy should not interfere with companies seeking flexibility to develop an approach to CSR according to the specific needs of their stakeholders and their individual circumstances."

BusinessEurope: "EU Strategy 2011-2014 for CSR" (2012)

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## CSR Officers

- Isolated from actual core business
- Job internally not valued
- Frustration

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Basically: CSR = a hollow myth
- NGOs become great tools of storytelling and marketing for corporations selling a high-level CSR image

3.

EAPN PRINCIPLES

# VISION - MISSION - VALUES

## GUARANTEES

- EAPN's vision, mission and values have to be guaranteed.
- Corporate founding should, in no way whatsoever, interfere with them.
- The credibility and integrity of EAPN.

## EAPN VALUES

- EAPN believes in the possibility to achieve a better sharing of wealth, opportunities and resources.
- EAPN believes in seeking to work in partnership with other actors sharing a common vision including actors within: state authorities, public sector bodies, European Union Institutions and with trade unions and employers and with other NGOs.

## GOALS & OBJECTIVES

- Objective 1.3: EAPN will seek to engage and contribute to alliances for an alternative model of social and sustainable development that puts people and planet first.
- Goal 3: People Experiencing Poverty and Social Exclusion recognise EAPN as their Network.

# Strategies

EAPN seeks to be a critical voice, proposing solutions and defending the interest of people experiencing poverty and social exclusion by:

- Being an innovative and active partner and relevant reference point, shaping and influencing EU inclusion policies and strategies.
- Providing a space for exchange, debate and learning on practices and policies to fight poverty and social exclusion and to promote a better distribution of wealth.
- Contributing to developing and implementing a social and sustainable development model.

# QUADRENNIAL STRATEGIC ACTION PLAN 2014-2017

external issues central to EAPN's future work

4. The important debates and discussion about demographic change and globalisation

- "questions on the impact of globalisation, competitiveness, international regulation and global poverty"

5. The impact of liberalisation on the access of people experiencing poverty and exclusion to essential goods and services.

- "The question of access to affordable and quality of services of general interest. [...] There is a clear tendency to prioritize short-term narrow economic goals over long-term social and economic returns.

# Types of Corporations

## Amoral Corporation

Pursues winning at any cost; views employees merely as economic units of production.

## Legalistic Corporation

Concerned with the letter of the law, but not its spirit; adopts codes of conduct that read like products of legal departments (which they are).

## Responsive Corporation

Interested in being a responsive corporate citizen, but because it is expedient has codes of conduct that begin to look more like codes of ethics.

## Emergent Ethical Corporation

Recognises the existence of a social contract between business and society, and seeks to instil that attitude throughout the corporation.

## Ethical Corporation

Balances profits and ethics throughout its culture.

DECISION

EAPN:

A categorical, uncompromising position?

or

A case-by-case decision based on criteria?

Examples of criteria

# GLS-BANK (GERMANY)

YES	NO
socially and ecologically oriented corporate policy	violation of human rights
social commitment	violation of fundamental rights and labor laws
development policy objectives	child labor
energy efficiency and renewable energy	animal experiments
energy-efficient transport systems	controversial environmental behavior
resource efficiency	controversial economic practices
anthroposophic medicine, homeopathy, herbal and natural medicine	atomic energy
	biocides
	organochlorine mass products
	embryo research
	agro-genetic engineering
	pornography
	armaments
	addictive drug

# TRIODOS (BELGIUM)

YES

## Nature & environment

Biological agriculture	Eco-development	Ecological technologies
Biological food	Renewable energy	

## Culture & non-profit

Education	Health care	"Life philosophy"
Child care	Art & culture	Community projects

## Social Economy (Financial Labelling Organisation - FLO)

non-food retail (books, clothes)	Leisure	Development cooperation
Professional services	Housing	Fair trade
Production (printers, edition...)		

# TRIODOS (BELGIUM)

NO

## Non-sustainable products and services

Fur industry	Substances harmful to the environment	Armament industry
Gambling	Pornography	Tobacco
Nuclear energy		

## Non-sustainable work methods

Intensive agricultural production	Corruption	Dictatorial regimes
Animal experimentations	GMO	Violation of legislation, codes of conduct or conventions

if EAPN opts for  
a case-by-case decision  
based on criteria

1. Defining criteria of exclusion / acceptance
2. Prior screening
  - EAPN staff and/or Bureau?
3. Screening Information sent to EXCO
4. Decision taken by EXCO