Title:
Engaging Corporate Citizens as a Social Movement Strategy: Negotiating a Position for NGOs - The Community Aid Abroad Experience

Introduction
The increasing practice of ‘corporate engagement’ between NGOs and the corporate sector raises challenging questions for both parties. NGOs and corporations face risks in entering into any kind of relationship. The motivations for ‘engagement’ are based on either a perceived necessity or a set of complex ideas about seeking positive gains in terms of social, moral, economic, ethical or financial objectives. To demonstrate the complexities and challenges of corporate engagement, an Australian NGO, Community Aid Abroad’s (CAA) corporate engagement experience through its ‘Mining Campaign’, will be discussed as an example of how and why engagement may take place.

In discussing the CAA experience, this paper explores some important questions that have arisen in the emerging NGO debates about corporate engagement. The practice of corporate engagement precipitates a particularly polarised debate about its effectiveness and appropriateness as a social movement strategy amongst activists involved in advocacy work. The question of just how far an NGO should go in their engagement with a corporation confronts many international NGOs seeking to negotiate with multinational corporations and was a central concern for CAA in its Mining Campaign.

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1 Corporate engagement is commonly understood as the process whereby NGOs agree to or seek to engage with corporations. Although there are various levels of engagement on a continuum from 'confrontation' to 'sponsorship' (see Phillips, 1999) the recent use of the term implies a wider range of relationships with corporations. There are no clearly defined conditions for engagement and some NGOs participate in several forms of engagement.

2 This paper, in referring to NGOs, will focus on NGOs which have international activities referred to by some as INGOs (see Waites, 1998). In the Australian third sector context this is the generally accepted meaning of NGO. There is an awareness that the term varies according to general usage from country to country but the identification of INGOs and NGOs in this context is based on those existing in developed countries like Australia and Australian usage in the non-government or third sector.
In order to expand this discussion, three key areas will be addressed. First, it is important to establish the link between new social movements and NGOs, particularly as NGOs depend on social movements for legitimisation and the causes and objectives of new social movements can be seen as primary in the motivation for engagement for both NGOs and corporations. This discussion suggests that many NGOs, particularly international NGOs, share similar overall objectives with social movements and rely on the work of social movements for their broad support base as well as their legitimacy. For corporations, social movements’ objectives are essential to recent ideas about ‘corporate citizenship’ which sees links with NGOs as vital to good business practice and as a means of countering the pressures of social movement focus on their activities.

Second, the idea of corporate citizenship and the rapidly growing academic, and business organisations that have sprung from it, will be discussed in relation to its influence on the drive for corporations to engage with NGOs. Finally, the question of ‘for what and for whom?’ is addressed in the context of the CAA experience. What are the objectives in corporate engagement and who benefits from it?

Although there are anti-globalisation theorists who assert that it is nothing really new (Hirst & Thompson, 1996 and Bell, 1997 for example), the idea of globalisation is widely accepted. Within the processes of globalisation there is a uniquely contemporary context for the practice of corporate engagement and the transnational reach of new social movements. Globalisation is acknowledged as an important motivation for corporate engagement in recent corporate citizenship literature (see Tichy et al, 1997 or McIntosh et al, 1998). For the purposes of this discussion it is considered to be a given context that is all encompassing, because, as a set of processes, it affects, motivates and drives the agenda of and for change. The stage for corporate engagement is saturated with the effects of globalisation which, if definition is necessary, is “best thought of as a highly differentiated phenomenon involving domains of activity and interaction as diverse as the political, military, economic, cultural, migratory and environmental” (Held et al, 1999:23).

Social Movements: Links with NGOs
Social movements are not necessarily associated with the more formal and bureaucratic structures of NGOs. However, acknowledging the increased overlap of concerns and actions of NGOs and new social movements in particular, in the context of a more ‘globalised’ social, environmental and political stage, it is important to recognise the legitimising role social movements play for NGOs. Also, that NGOs function as nodes attached to social movements, and are only sometimes visible in social movement action. A social movement is defined more by its impact than structure, as an observable characteristic of social movements is that they don’t have a formal overall structure. Social movements function to
mobilise groups, communities, organisations and individuals in action or protest toward the goals of movements. Human rights, environment, peace, workers rights, women’s rights and indigenous rights are at once the essence of new social movements and the motivational causes for much of the work of many international NGOs. Social movements can be defined by their objectives, or their proposed outcomes and have played a vital role in putting these causes firmly on the global agenda through the mobilisation of support nationally and transnationally. Without broad-based social movement activism in all spheres of life, NGOs would struggle to have their causes recognised and to engender support from both the public and state institutions. This is particularly applicable to NGOs participating in advocacy strategies and campaigns for people in developing countries. NGOs which direct their resources toward developing nations recognise the lack of infrastructure and resources that are more readily available in developing countries and this is, in itself, a motivation for many of their activities. Like new social movements, it is a ‘moral’ or ethical motivation rather than an institutionally political or ideological one. This does not mean that their actions are not manifestly political in nature but that they are separate from institutional, state-based or party politics.

The international human rights movement, for example, emerged, initially in the 1970s with the transnational anti-apartheid and anti-colonisation campaigns, generating “robust transnational political support” (Falk, 1999: 96). Falk notes that the weak support by sovereign states for human rights, beyond its use in diplomacy, created an environment where it was inevitable for non-state actors to take up the human rights agenda. This emerging transnational social movement was crucial for the legitimacy of international human rights NGOs such as Amnesty International (Falk, 1999: 97) and created a crucial grass-roots basis for human rights and self-determination in developing countries, previously insulated by their governments from neo-liberal human rights ideas from the ‘northern’ states.

As well as the legitimising role social movements play for NGOs, there are five similarities between NGOs and social movements pertinent to this discussion. They share a similarity:

- In the ‘moral’ or ethical drive and proposed outcomes for their activities.
- Of support base/membership and links to grass roots NGOs or organisations.
- In relationship to what should change based on identity with objectives rather than ideological goals.

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3 As this is not a discussion about the historical roots of social movements, the use of the term refers to what are considered ‘new’ social movements. This is as opposed to the original social movements understood to be driven by ideological, social group identity (Socialism, Nazism etc) and often analysed in the context of Marxist frameworks (see Nash, 2000 & Larana et al, 1994).
- In targeting civil society more than the state.
- In responses to globalisation and international/transnational action.

It is suggested that these parallels reflect a necessary context for the increasing engagement between NGOs and the corporate sector, which is also being influenced and prompted into action by the motivating causes of social movements (see Marsden & Andriof, 1998 and McIntosh et al, 1998). It is on the basis of these similarities and the convergence of motivations of social movements, NGOs and the corporate sector, that the idea of corporate engagement as a social movement strategy is put forward.

Social movements are less about the mobilisation of ideologies but rather the formation of identification, for individuals, with goals and proposed changes in prevailing values. Like NGOs, which rely extensively on voluntarism and public support, social movements, as Nash (2000) suggests, are “shaped by the need to act transnationally and internationally” and contribute to the shaping of globalisation as we currently understand it (Nash, 2000: 101). Like social movements, NGOs tend not to aspire to revolutionary goals and attract support from individuals drawn to the “elaboration in daily life of alternative meanings for individual and collective behaviour” which is, as Melucci points outs, their principal activity and “condition for their visible action” (Melucci, 1994: 107). In other words NGOs are seeking to identify with wider goals and objectives, pursued by their activities, campaigns and community service and are linked through social networks.

Identity-related values often override normative political action, and on the global stage particularly, organisationally side-step political and state institutions. The recent anti-World Trade Organisation protests in Seattle, then in Washington, reflect the free-flowing end of social movement action, where, in a seemingly organic way, many social movement organisations came together. United in a call to be heard for who they are by a global institution that they perceive to be behaving in unacceptable ways, these groups were part of a global network of protest. Utilising many NGOs in their networks, particularly in developing countries where the impact of the WTO is greatest, mobilisation was very effective and was noted with surprise by NGO lobbyists who have had long-term negotiations and dialogue with the WTO. The day to day activities of NGOs, in comparison, are highly structured and tend toward longer-term goals, even though they too represent people who feel they are not listened to by powerful institutions like the WTO. Whereas social movement protest aims to change the way people think about certain issues now and into the future, NGOs, although they may have been born from such movements and continue to share broader aspirations, differ

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4 This observation was made by Benedict Southworth from the Greenpeace Australia, in a guest lecture at Sydney University, Department of Government and International Relations, Course Govt. 2301 (2-5- 2000).
because their concrete activities must also achieve immediate material outcomes for their constituents. Tarrow (2000) argues that the most effective action on a transnational level takes place though NGOs and other formal organisation networks rather than through social movements, because they already have a vertical relationship between domestic support and transnational structures or institutions (Tarrow, 2000:7-8).

It is therefore not surprising that, in the late 1990s when globalisation reached a pervasive and dominant force in all spheres of life, corporate engagement has emerged. For NGOs and social movements more generally, a consciousness of globalisation equates with a consciousness of the power of the corporate sector in social, economic and environmental terms. Married to the global surge in dominance of the neo-classical economic paradigm is the idea of economic liberalisation where the relationship between developed countries and their developing country neighbours is now governed by assistance in economic restructuring which is driven by goals for economic growth. From the developed nation perspective, ideas of democratisation are now clearly secondary to improving access to foreign, private sector investors. Hence the overseas aid environment is concerned as much with how to assist entry into global markets as it is with basic survival. This post-1990s environment encompasses a shift of focus away from NGO/state advocacy toward NGO/private sector advocacy. It is now obvious, to many NGO activists, that most of the world’s resources are owned by the private sector. Because of the scale and pervasiveness of ownership by multinational and transnational corporations, they are a logical target for seeking changes that will benefit those on whose behalf NGOs work.

There are five key social movement issues which are being addressed through NGO/MNC engagement: environment; workers rights; consumer rights; indigenous rights and human rights. For international NGOs these issues are foremost on their agendas and many of their activities seek to address more than one of these issues.

**Corporate Citizenship**

Considered as key theoretical influences in the corporate citizenship literature, the work of Beck (1992) and Power (1997) support the idea that corporations need to develop good corporate citizenship practice. Although from very different perspectives, they both write about the need for corporations to develop processes of self-reflexivity. From Beck’s (1992) point of view, if they don’t they will eventually suffer from the long-term effects of their own errors and it will precipitate business failure. Power (1997), concerned about the false validity of the audit process, warns that if the audit process is to be used only to represent responsive, caring management then the pitfalls of using audit for audit’s sake will lead to an unsustainable, long term, negative impact. In the NGO sector there is a
high level of scepticism about the capacity for change in this direction, particularly when applied to multinational or transnational corporations with poor previous histories in the areas of human rights, environmental degradation and workers rights.

The ubiquitous rise of the ideas and theories of corporate citizenship have established a business practice and academic discipline that, on the one hand, facilitates improved corporate citizenship, and on the other, provides a shield of language and engagement for corporations. Although the idea of corporate citizenship is not entirely new, it has been reborn in the last decade as a growing academic discipline and as a management and public relations tool for corporations. Although there is extensive engagement between the corporate citizenship academy and corporations, it is as yet, questionable as to whether this has resulted in concrete outcomes from. The objectives of the corporate citizenship academy are an inevitable mix between profitability outcomes and the objectives driven by social movement concerns. The higher goals of human rights, ecological sustainability and social sustainability are in place but how are they married to the very contradictory processes of capitalism’s primary purpose - profitability via the exploitation of natural and human resources? The business off shoots from the academy, designed to function as consultants to make businesses better social and environmental performers, are placed in a murky void of credibility as social movement supporters and entrepreneurial ‘spin-doctors’. A prime example of this type or organisation is SustainAbility, a consultancy which proclaims strong environmental values whilst at the same time making available a quaint typology of NGOs based on their aggressiveness or passivity, as potential partners for engagement with corporations. Elkington and his colleagues are responsible for the now widespread notion of the “triple bottom line” (Elkington, 1998). This idea, derived from sustainable development theory, asserts a need for the simultaneous pursuit of “economic prosperity, environmental quality and social equity” as a goal for an individual company’s performance (Elkington, 1998: 397). The major theme of this type of consultancy is risk avoidance. Because of highly integrated information networks, and increasingly successful NGO campaigns against corporations, corporations will reduce risk of exposure and negative campaigning. They can do this if they embrace social movement causes and open their doors to NGOs, entering into dialogue and partnerships (see The Corporate Citizenship Guide to Avoiding the Threat of a Boycott, McIntosh et al, 1998: 256).

5 Previously understood as corporate or business responsibility and ethics the idea of corporate citizenship has always hovered around the edges of business in civil society. It was particularly strong in the USA in the pre-depression era and then in the post-war period, but was threatened by accusations of “welfare capitalism” (see Heald, 1970). The most everlasting (but currently not accepted as true citizenship) business responsibility is within corporate philanthropy - not an extensive tradition in Australia.
Due to the poor human rights and environmental care record of many of the world’s largest multinational corporations (particularly in manufacturing and extractive industries), many NGO campaigns have been waged against them, both at local levels in sourcing countries, which are usually developing countries, and on a global scale. In this new climate of corporate citizenship, even the most offending companies such as the mining giants Rio Tinto (with primary bases in Australia and Britain) and BHP (Australian based) are attempting to re-construct themselves as good citizens. The depth and reality of such transformations are yet to be uniformly demonstrated, for change in operations in the field is slow and not highly visible. For some, it appears to be little more than "window-dressing" or "green-washing". However, there is optimism amongst some NGO campaigners and activists that through dialogue, negotiation or partnership, corporations can be reformed in their practices and, with the assistance of NGOs, can improve their social and environmental responsibility record. This optimism is encouraged by many small wins for NGOs and small projects sponsored by corporations. There are many enthusiastically reported examples of 'good' corporate citizenship ranging from companies recognising and consulting all 'stakeholders' to active participation in local environment, education and health initiatives or in the case of the environment, improved environmental cost outputs (see Tichy et al, 1997 and McIntosh et al, 1998).

Identity related activism inherent in social movements is not only important in explaining the nature of NGOs but highlights an often-mentioned characteristic of individuals working in corporations. In my research, I have regularly come across a clear recognition by activists and NGO employees caught up in engagement, that the individual executives and managers of mining companies can share some intrinsic social movement values. In what appears to be confusing on a structural level there are corporate actors who are attached to ideas of indigenous rights and environmentalism for example. Clearly, these individuals are motivated to engage on social movement issues and drive an agenda that welcomes NGOs to their doorstep for dialogue and information. Whether or not these values trickle down into the operations of a corporation is part of a larger question for corporate citizenship theorists concerned with changing the nature of contemporary capitalism (see Elkington, 1999; Birch, 1998; Tichy et al, 1999). As Beloe 1999, observed the battle for many corporations to become ‘green’ is likely to be going on within the company between those executives who recognise the strategic importance or corporate responsibility and those who have to be convinced (Beloe, 1999: 48). In much of the corporate citizenship literature corporations are not just being asked to act more responsibly but to take a leading role in the management of the world’s resources and social problems to ensure a global future.

The capacity for industry to mobilise against risks of negative exposure is enormous. An example of this, currently under way is the development of the
“Global Mining Initiative” (GMI). Starting in 1999 and initiated by nine of the largest mining companies, this is a global industry-wide effort to pre-empt the tide of NGO/social movement criticism against the mining industry leading up to the next World Environment Summit (Rio Tinto 2000: 1). Sounding more like an NGO than a mining giant, Rio Tinto claims that the GMI will provide benefits “in terms of capacity-building in areas such as education, health care and community development, innovation and…sustainable livelihoods” (Rio Tinto, 2000:1). It is also a massive exercise in corporate engagement. There are a number of high profile union and environmental NGOs associated with its development and a significant budget for its proposed two year lifespan. Rio Tinto is taking a lead role in this initiative and two other companies that CAA has been engaging with are also participating, (WMC and BHP). The World Business Council for Sustainable Development (WBCSD), an industry organisation made up of 120 large companies, launched and supports the initiative.

In light of this kind of corporate activity and the effusively positive corporate citizenship discourse, the challenge for NGOs is to maintain a critical distance. Resisting incorporation into such visionary agendas is clearly important in order to maintain their capacity to establish and change the nature of engagement on their own terms.

**Australian Research: Community Aid Abroad’s Mining Campaign**
CAA is recognisable as a social movement NGO and the Mining Campaign emerged within CAA because of close links to grass roots activism. For CAA, these links are formed on the basis of two constituencies. The first is based on the domestic (Australian) community groups which are comprised of mainly volunteers and activists and are concerned mostly with fundraising and community education. The second is comprised of grass roots NGOs linked to CAA through or as ‘programme partners’ acting as organisational conduits for CAA’s development, aid and advocacy activities overseas.

CAA’s activities reflect the importance of acknowledging the interconnectedness of social movements as part of NGO activism. CAA recognises the environmental costs of mining as well as the social, indigenous and human rights issues within its campaign. For example, CAA’s first precipitous act towards direct engagement occurred in Papua New Guinea, in 1995, at the Porgera Mine when a photograph that was taken of unrestrained effluent, pouring into a river below, was published in the CAA Horizons magazine. Mine owner, Placer Pacific, the Australian based mining company was offended and hostile in response to the photograph but eventually responded by beginning an ongoing dialogue to improve their practices and the impact of their practices on the local villagers around the mine. Further, CAA has recognised the importance of the environment more recently in an edition of Horizons (CAA, 2000) which focuses on the importance of the
environment as a development issue. It emphasises that “for poor communities in South East Asia and around the world, environmental issues can be matters of life and death” (CAA, 2000:2). This acknowledgment is also influenced by the inherent structural relationship between exploitation of natural resources by MNCs through extractive industries in particular and the high level of dependency indigenous and local people have on natural resources in developing countries.

The major focus of data collected in a ‘snapshot’ case study of Community Aid Abroad (CAA) is the emergence, purpose and progress of the Mining Campaign. The research details and documents how the campaign emerged. This occurred at the level of policy, and at the practical, responsive level. At the policy level, during 1994 and 1995, it had become apparent that the idea of engagement with the private sector was becoming an important consideration for NGOs, and, at the same time, a strong human rights advocacy focus in the organisation was emerging. This commitment was manifested in the launch of the Basic Rights Campaign in February 1997. The second level of development of the campaign occurred from 1995 onwards, as this focus became directed at the mining industry in response to demands from ‘the field’ and events around mines with majority Australian interests in the South East Asian region (see Atkinson, 1998).

CAA found it easy to justify this shift in direction and was well placed to embark on such a campaign. CAA had developed a very solid reputation with forty years experience in assisting in social and economic development in Africa, Aboriginal Australia, Asia, the South Pacific and Latin America. Its legitimacy was afforded by wide public support within Australia and its extensive overseas network with local NGOs (‘programme partners’). It has also built a very solid and reliable reputation with the Commonwealth Government’s AusAid Division and maintains significant funding for its development projects, despite its ongoing critical role in overseas aid politics.

Documentation of the emergence of the Mining Campaign reflects transformations in CAA towards an advocacy role as part of its core functions. CAA has always seen itself as a social change agency and its development programme has always recognised and been driven by key social movement issues such as human rights, environment, gender and race. The strongest motivation for this campaign relates to human rights issues. There have been many documented issues of human rights violations in Indonesia, Papua New Guinea and the Philippines, the three major sites of mining companies targeted by CAA’s campaign. These violations include: the displacement of people from their traditional land, loss of employment, loss of sustainable agriculture and livelihood due to pollution of waterways, violence

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6 AusAid is the Official Aid agency in the Australian Department of Foreign Affairs.
7 Based on information from interviews with CAA workers, Board members and CAA Executive Minutes, 1994 – 1999.
against people resisting mining encroachment and in some cases, repression of groups of people by the military and police acting to protect the interests of mining companies (Atkinson, 1998: 11, 72-73). Through its vast networks world-wide CAA recognised that these problems occur in all developing countries where internationally owned extractive industries exist. The growth in mining in the South East Asian region is directly related to growth in Australian mining interests (Atkinson, 1998:14).

The primary methodology for the research was interviews for the case study over the period of a year and primary sources from CAA and other agencies (such as the Minerals Policy Institute located in Sydney and the Australian Conservation Foundation based in Melbourne). The research relates to the specific activity of CAA working with Australian based multinational mining companies or companies with a majority Australian ownership, to achieve outcomes for people effected by those mines in the South East Asian region. It also describes CAA’s efforts to develop and contribute to best practice and benchmarks for Australian based mining companies. The focus of the Mining Campaign has been on five Australian based mining companies (including two of the largest mining companies in the world; Rio Tinto and BHP) operating in Indonesia, Papua New Guinea and the Philippines.

The links to a human rights campaign were fundamental to this campaign and are well summarised by the following:

The central tenet of Community Aid Abroad’s position with regard to mining is that landowners, whether indigenous or not, must have the right to determine whether exploration and/or mining goes ahead on their land. It is, we believe, a fundamental right that they should be able to retain control over what happens to the land on which they depend, and which is the basis of their economic and social well-being (Atkinson, 1999: 1)

Although there have been some direct successes in the campaign, it has been a long hard road for the individuals working for CAA. A major bump in that road has been the essentially incremental nature of the campaign that was largely driven by precipitous events that contributed to the way the campaign emerged. Another was the response to what they were doing. The idea of going to large corporations and sitting around a table with them was a big cultural and political shift within CAA and in the wider NGO community. The ‘distaste’ of corporate engagement arose out of a tradition of critical discourses towards large business interests, particularly mining companies, not only within CAA but, in the NGO sector generally. A number of Australian NGOs were openly critical of CAA’s corporate engagement strategy – viewing it as a clear compromise on a number of fronts. The

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8 Also based on an interview with Jeff Atkinson, CAA National Policy Coordinator & Coordinator of the Mining Campaign, July, 1999.
Mineral Policy Institute (MPI, a Sydney based mining watch-dog) was openly critical and saw CAA’s engagement as one step away from “marriage” (Burton, 1998: 7). However, as the campaign has proceeded, MPI changed its position. It too has had to face overtures from some of the same mining companies and has also been involved in corporate engagement, leading them to appreciate CAA’s strategy, particularly their ability to bring corporations into dialogue with local people effected by mines. There is, however a number of NGOs that would still view corporate engagement as going ‘too far’ in and of itself, which is important for maintaining an environment in which corporations feel constant scrutiny.

Officially beginning in 1995 as the Indonesian Mining Campaign, the Mining Campaign evolved into a wider all-encompassing campaign by 2000. The first major event of the campaign was confrontational and took the mining companies it was targeting, Rio Tinto and Aurora Gold, by surprise. The action was to bring some local people from Kalimantan, Indonesia, on a publicity tour of Australia to air their problems with the mining companies. It was dramatic and effective in getting the companies’ attention. It included a mock land claim in front of a mining executive’s house in Perth, Western Australia where Aurora Gold is based. For Aurora Gold it was the beginning of an ongoing negotiation process. This process has still not met with many resolutions to the list of problems presented to them. For Rio Tinto, according to their Director of External Affairs, it was a ‘wake-up call’ and the issues were finally resolved in 1998 with a compensation payment to 440 families that had been displaced by the Kelian Mine.

In 1997, at what be termed its ‘negotiation stage’ of engagement, CAA established its own protocols for engagement, setting out its strategic goals and guiding principles. These principles emphasise the relationship between the engagement strategy and the realities and needs at the local level. It also encourages alliances and coalitions with other NGOs recognising the benefits of collective action. It sets out the correct conditions for meeting with corporations, emphasising documentation, transparency and reporting back to staff, particularly those working in the field. It also draws a line about not accepting sponsorship from corporations. This was an important step in addressing the question of how far to go in the engagement process. From its initial action, CAA found that it was beneficial to continue a dialogue with the companies at an executive level to protect the integrity of the access they established between the local people and the mine management in the field. The ongoing dialogue, meetings in boardrooms, was not unproblematic but did present excellent learning opportunities for the people involved.

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9 As reported by Geoff Evans, Director MPI, 1999 Annual General Meeting.
10 From interview with Dr Duncan, Director of External Affairs Australia, Rio Tinto, 26-4-00.
During 1999, entering its current ‘strategic phase’, CAA recognised the potential of the ‘seduction’ of talk and developed a more critical policy. It is their current policy not to participate in “talk fests”\(^\text{12}\) just because they have been invited, and now restrict their engagement to strategic meetings. This reflects a maturity that has emerged in the campaign. It also avoids an assumed complicity that the companies can adopt in their community liaison audits or corporate citizenship profiling. The current context for this observation is that all the big mining companies (BHP, WMC, Placer Pacific and Rio Tinto) that CAA has been engaging with have organised a number of briefings and meetings with NGOs to build an expanded ‘stakeholder’ community. CAA has also found that they are constantly being contacted by mining companies to be ‘sounded out’ for their views on issues which, technically, amounts to free expert consultation. This is obviously one danger of opening the door to engagement too far.

As the Campaign progressed it was evident to CAA that research about how mining companies operated in both exploration and mining was not available. Recognising the importance of evidence and the day-to-day detail of how communities were imposed upon, this has become a priority in the Campaign. Clearly, research would be useful for negotiating outcomes from the corporate perspective as well as CAA’s perspective. A further, recent strategy adopted in the Campaign was the establishment of a Mining Ombudsman in CAA. The role of the ombudsman is to be a contact person for complaints from local communities about mining practices ‘abusing’ their rights. Announced in February 2000, it has an investigative function but was also employed to place strategic pressure on the Australian mining industry to establish its own independent, formal mechanism for people effected by mining practices (Atkinson, 2000: 13). CAA has also raised a proposal that the ombudsman role be taken over by the Minerals Council of Australia in an attempt to force them into a commitment to the idea. Six significant cases have been lodged in the short time that the ombudsman role has been in place. This process will also afford CAA a significant bank of data on mining practices in the region.

Other developments in the Campaign are reflected in its current objectives. One key influence on the emergence of the Campaign and a vital aspect of the broader context of how it has progressed, has been the establishment of Oxfam International in 1995. This is a group of Oxfam organisations from different countries that have come together to develop global strategies. An ‘extractive industries corporate engagement strategy’ is currently being developed and, because of its experience, CAA is playing a lead role in that policy development. The key theme of this policy is based on a broad structural analysis that recognises the failure of MNCs to contribute to a better way of sharing the wealth gained

\(^{12}\) From interviews conducted with key CAA actors in the Mining Campaign, 26-4-00.
from extractive industries within the countries they operate. With a central office based in Washington DC, USA, Oxfam International is a specialised development agency advocacy actor. Its aim is to exert influence over state and non-state institutions. This will, in the future, provide a testing ground for further corporate engagement strategies.

Recognising that engagement is not a singular type of process, the CAA Mining Campaign can be described as having been dominated by three phases of types of engagement. Beginning with a confrontational approach to capture mining companies’ attention, then moving in to a lengthy negotiation phase, then on to a more strategic phase as the Campaign reached its current ‘maturity’. However, one aspect of the success of the campaign is the phases were not exclusive. CAA has always maintained that it is most appropriate to engage in all three ways, maintaining an important flexibility in approach.

Codes of Practice and Regulation
Another aspect of the CAA campaign, which has been pursued collectively by a number of environmental and human rights organisations, is the push for improved codes of practice, regulation and legislation for Australian-based mining companies and other industries operating overseas. The focus of this push is to require Australian companies to operate within the same guidelines and practices that restrain them within Australia. Although this is not a new idea at a domestic level, the focus on companies operating off shore is recent. CAA’s participation in this process began in 1994, when the Commonwealth Department of Heritage and Environment had established a working party to discuss codes of conduct for industry, initially looking at broad Australian industry practices overseas. The CAA experience of working with the Industry representative body for mining, the Minerals Council of Australia (MCA) which stemmed from the working group mentioned above, and with individual mining companies, to develop codes of practice, has not been considered a success by the NGOs involved (CAA, ACF, MPI etc). The MCA did eventually develop a code of practice but this is not widely available, and is notably absent from its web-site. In 2000 a number of NGOs (eg. MPI, CAA) originally involved in developing the code have been approached to review it but are treating this approach with some scepticism as there has been little evidence of its impact. In a drive to find a more effective approach, CAA and some other NGOs are currently negotiating with a minority parliamentary party, the Australian Democrats, to put forward amendments to corporations law that will set up some enforceable regulations on overseas conduct for Australian based

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13 Analysis of types of engagement is based on a corporate engagement continuum model previously developed (see Phillips, 2000) and interviews with key CAA actors throughout 1999 and early 2000.
14 Based on interviews with Alison Cleary and Judy Henderson, CAA representatives on the working party in 1994-95.
multinationals. As these negotiations are at an early stage it is difficult to predict either their success or potential effectiveness.

This trend in Australia is also being pursued by other NGOs internationally. It is seen as an important strategy for the role of NGOs in a ‘global future’ and as a means of putting pressure on multinationals to do “maximum good not merely focus on the worst excesses” of their practices (Trivedy, 1999:624). The regulatory approach is dogged by the lack of formal enforcement outside state structures. Corporations favour self-regulation and a number of industry organisations have established practice standards and codes. One often cited example is the SA8000. Launched by the Council on Economic Priorities (CEP) Accreditation Agency in 1997, this industry-driven initiative focuses on codes of conduct and definitions of terms related to worker’s rights, forced labour and child labour and functions as a volunteer audit and evaluation process for MNCs (McIntosh et al, 1998:246-250). McIntosh argues that SA8000, by focusing on “the core issues of human rights and the associated health safety and equal opportunity issues”, creates a more level playing field for business to “do what it does best”. That is “increase the health and wealth of society and assure continued profitability” (McIntosh et al, 1998:247). An obvious issue for social movement NGOs is that although the CEP may identify as an NGO as do other agencies such as the International Institute for Environment and Development (IIED), they are so closely associated with the corporate sector that they may not be seen as ‘legitimate’ NGOs. They appear to be acting for the interests of the corporate sector, not workers or the environment. Voluntary standards and codes are not seen to be effective because of their voluntary nature and unless a business chooses the accreditation, audit path, they are not subject to any external expectations in their behaviour.

**For What and For Whom?**

Like social movements and much of the rest of the ‘third sector’, NGOs are oriented more toward the process of building ‘civil society’ rather than improving state structures. This orientation is supported by Nyamugasira (1998) who argues, on the subject of supporting the poor in developing countries, that it is most important for ‘northern’ NGOs to engage in economic advocacy and to seek


16 The use of the terms ‘northern’ and ‘southern’ in describing NGOs, based on a firmly Eurocentric view of the world where all developed nations reside in the northern hemisphere, is clearly at odds
“joint ventures” with southern NGOs in both operational and advocacy terms (Nyamugasira, 1998:303). He further argues that ‘northern’ NGOs should facilitate access to northern-based institutions rather than monopolise them. He states:

Representatives from the South must also be afforded unrestricted access into these enclaves of power so that they can engage with the relevant actors directly. Ultimately, the people must represent themselves, and all NGOs – Northern and Southern – must internalise this way of thinking (Nyamugasira, 1998:303).

Although here Nyamugasira is referring to formal international institutions, the same argument could be applied to private corporate institutions, MNCs. CAA has adopted this philosophy in its approach to corporate engagement.

An important goal in engaging, at the executive level of corporations, has been to open up access for indigenous and local people to negotiate their own terms and compensation for the impact of corporations on their lives. It is evident that through direct negotiation, the people affected by mining practices are in the best position to ensure they get what they want from a negotiation or engagement with the mining company. CAA’s role has been to create the conditions for this to occur. By using a variety of strategies to initially gain attention, CAA has been able to proceed with dialogue at an executive level to open up access at a management level for effected people or communities. Failure in this process has occurred when a mining company did not adhered to agreements struck with local people. This occurred in the CAA Campaign in the case of the Aurora Gold mine, Kalimantan, Indonesia. Despite a written agreement between the local NGO group WALHI\(^{17}\), CAA and the mining company no settlement of issues has been reached after two years.

**Conclusion**

By exploring the motivations behind corporate engagement and how Community Aid Abroad negotiated an appropriate position in its Mining Campaign, this paper attempts to set some ‘theorised’ boundaries for corporate engagement. It suggests that a reason why it might work in some cases is that both NGOs and corporations, particularly multinational corporations, are being driven to engage through some similar motives. Both are motivated by the prevailing values promoted by new social movements. For NGOs, the motivation is the fulfilment of shared goals and aspirations, thus lending them broad-base legitimacy through the mobilisation function of new social movements. For corporations, it makes good business sense to protect their ‘reputational’ capital from public scrutiny and criticism and

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\(^{17}\) WALHI - Wahana Lingkungan Hidup Indonesia - an Indonesian environmentalist NGO focussed on mining and environmental issues.
provides them with effective counter-critical discourses that generate positive profiles.

This intersection in motivation however, can result in a problematic inverse equation. By engaging with NGOs, corporations can gain from an associated identity with social movement causes, resulting in an improvement to their reputational capital. However, for NGOs, the closer they get to corporations the greater the risk is for losing touch with social movement causes and thus legitimacy is threatened. Acutely aware of this problem, CAA’s capacity to address it emerged by remaining flexible in their approach and not allowing their campaign to be dictated by the corporations they engaged with. This is essentially because they have learned through experiences over five years of corporate engagement that maintaining a strategic, case by case approach is most productive. However, in recognising the three dominant phases of the Campaign as confrontation, negotiation and strategic types of engagement, it is suggested that the strategic phase was arrived at by testing and continuing to appropriately apply the other forms of engagement.

For an overseas development NGO, corporate engagement is a pragmatic approach to advocacy in a global climate where MNCs are instrumental in determining development in the resource rich “third world”. By acknowledging the new economics based development paradigm pursued by developing countries, CAA and many other NGOs have accepted the reality of engagement. They have also maintained broad objectives that are aimed at primary structural change. This includes the importance of Government regulation that covers the operation of Australian based companies overseas, and global policy development around the sharing of wealth between the extractive industry corporations and the developing countries they are operating in.

Equal to the openness of NGOs toward corporate engagement is the marked change in reputational behaviour of many MNCs. There is a great deal of evidence that, through the emerging corporate citizenship discourses, and the underlying arguments for better corporate behaviour, it will be increasingly difficult for NGOs to take contrasting or confrontational positions towards corporations that are savvy to how to not only construct themselves a positive image but go some way in righting the wrongs of previous practices. For example in the mining industry in Australia, much of what the big companies are doing in Aboriginal community relations is better resourced and more positive than the current Commonwealth Government’s record, particularly over mining leases and support for the arts. Based on the CAA experience, a focussed, case by case approach is most effective.

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18 For example, Rio Tinto has funded extensive community programmes for Aboriginal Australian communities associated with their mining sites and leases. (See Rio Tinto Publications)
in advocating change in corporate behaviour and the capacity to maintain a critical viewpoint requires clearly negotiated strategic engagement.

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Glossary of Acronyms
ACF – Australian Conservation Foundation
BHP – Broken Hill Proprietary Ltd
CAA – Community Aid Abroad
CEP – Council on Economic Priorities
GMI – Global Mining Initiative
IIED - International Institute for Environment and Development
MCA - Minerals Council of Australia
MNC – Multinational Corporation
MPI – Minerals Policy Institute
NGO – non-government organisation
PNG – Papua New Guinea
PPE – Public Policy and Education (branch of CAA)
TNC – Transnational corporation
WALHI - Wahana Lingkungan Hidup Indonesia
WBCSD – World Business Council on Sustainable Development

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