



How to Promote Common Good

Government, Corporations &
Civil Society Organizations

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Questions

- What does **NGO** stand for?

Non Governmental Organization

- What does **CSR** stand for?

Corporate Social Responsibilities

World Outlook

Income Poverty:

Less than \$1 a day

1,169 Million

Hunger:

Undernourished

827.5 Million

Primary Education:

Primary age children not enrolled

114 Million

Child Mortality:

Under-5 death

10.8 Million

Access to Water:

Without access to improved water source

1,160 Million

Access to Sanitation:

Without access to adequate sanitation

2,361 Million

Human trafficking:

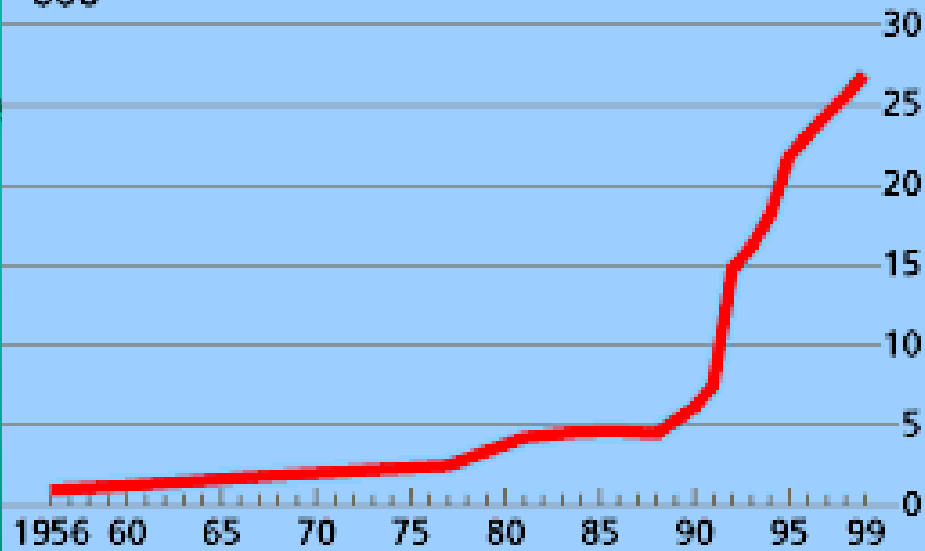
Women and girls under 18 trafficked for prostitution each year

1.2 Million

Expansion of NGOs

Swarming

Non-governmental international organisations
'000



Source: Union of International Associations

Expansion of NGOs



- **The Earth Summit** in Rio de Janeiro in 1992
 - About 1500 NGOs and 180 Countries
- **Fifty Years Is Enough**
- **International Campaign to Ban Landmines**
 - 1400 NGOs from 90 countries
- **JUBILEE 2000**
 - 24 Million People from more than 60 countries signed the world's largest petition.

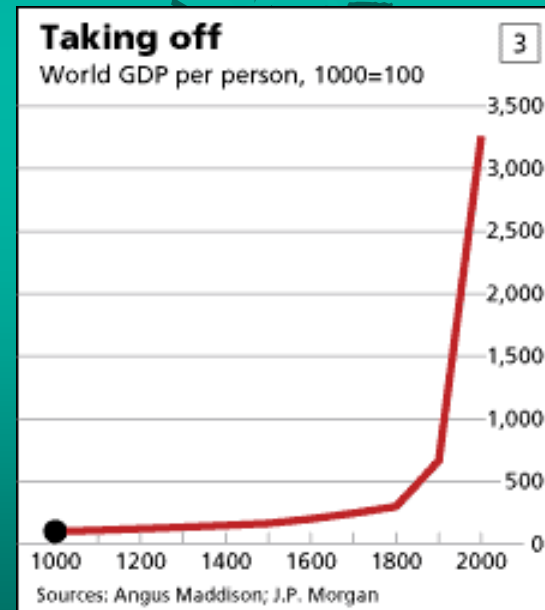
Why NGOs?



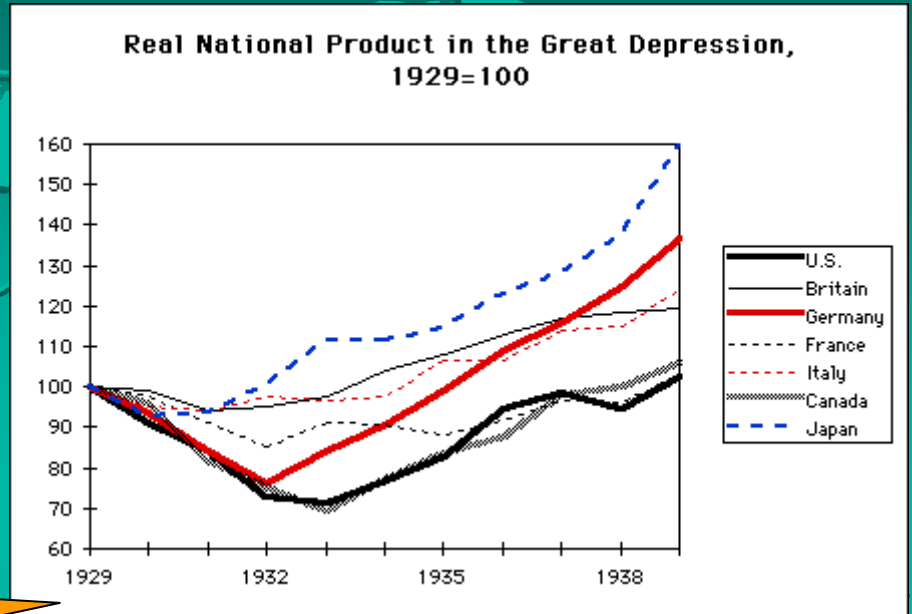
- **Market failure**
- **Governmental failure**
- **Inter-Governmental Institutions Failure**
- **Technology**

Why NGOs? Market Failure

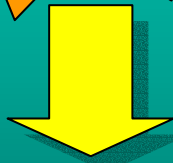
- We are enjoying remarkable standards of living which are unprecedented in human history.
- But, such economic growth is not automatic
 - Tragedy of Commons
 - Fails to produce Public goods
 - External costs



Why NGOs? Market Failure



Great Depression



Keynes

Socialism

Welfare State

Why NGOs? Government Failure

- **Corruption**

- Marcos (Philippine)

- 鈴木宗男

- **ODA for Donors not the Poor**

- Port for Tuna Fishing (Indonesia)

- **Inefficient Bureaucrat**

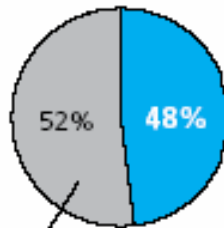
Why NGOs? Inter-Governmental Institutions Failure

- **Washington Consensus**
 - **Too Theoretical**
 - **Unbalanced Voting Power**

FIGURE 5.2

Whose voice counts at the IMF and World Bank?

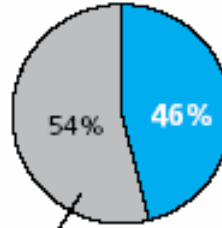
Voting power at the IMF



Rest of the world

U.S., Japan,
France, U.K.,
Saudi Arabia,
Germany,
Russian
Federation

Voting power at the World Bank



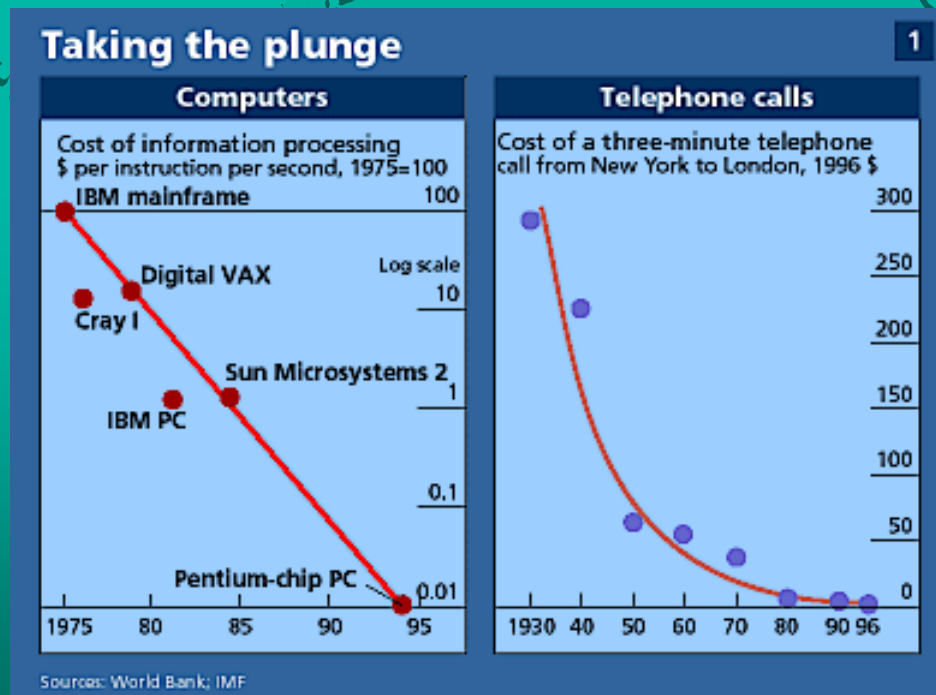
Rest of the world

U.S., Japan,
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Federation

Source: IMF 2002a; World Bank 2001b.

Why NGOs? Technology

- **Decrease of communication cost enables NGOs to have a global network.**



NGOs perfect?

- **NGOs include:**
 - **Cheap subcontractor of the government**
 - **Religious Organization**
 - **Profit seeking organization for tax evasion**
 - **Political Party**
 - **Aid fraud**
- **Most influential international NGOs are from the North. (Another colonization?)**
- **Who elected NGOs as representative of the people?**

Benefits of NGOs



- **Deepening Inclusive democracy**
 - **Without NGOs, minorities are simply excluded from the politics. This leads to instabilities and conflicts in the society.**
- **NGOs can mobilize various kinds of people in different professionals, cultures, and locations.**
 - **The diversity is far greater than any other organizations.**

Corporate Social Responsibilities

Bigger Role of Corporations

- **Multinational Corporations are becoming more and more powerful through merger and acquisition.**
- **The world's top 200 corporations are bigger than the combined economies of all but the 10 richest countries. (Global Civil Society 2002)**

TABLE 1.1

Top corporations had sales totalling more than the GDP of many countries in 1997

Country or corporation	GDP or total sales (US\$ billions)
General Motors	164
Thailand	154
Norway	153
Ford Motor	147
Mitsui & Co.	145
Saudi Arabia	140
Mitsubishi	140
Poland	136
Itochu	136
South Africa	129
Royal Dutch/Shell Group	128
Marubeni	124
Greece	123
Sumitomo	119
Exxon	117
Toyota Motor	109
Wal Mart Stores	105
Malaysia	98
Israel	98
Colombia	96
Venezuela	87
Philippines	82

Source: Forbes Magazine 1998.

Corporate Social Responsibilities Contradicting Demands



Corporate Social Responsibilities

IBM

In 2002 IBM contributed **\$140.2 million** at market value in cash, equipment and technical services to nonprofit organizations and educational institutions worldwide

Over the past five years, IBM has spent **\$382 million** in capital and **\$552 million** in operating expense to build, maintain and upgrade the infrastructure for environmental protection at its plants and labs and to manage its worldwide environmental programs.

Are those contributions based on sacrifice of customers, shareholders, and employees?

Corporate Social Responsibilities

Evolution of the Market

Actors	Now	Future
Customers	Price, Quantity Quality	Socially responsible products and services
Investors	Dividends, price rise	Socially responsible investment
Employees	Salaries	Socially responsible corporations

Corporate Social Responsibilities

Global Compact

- **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

- **Labour Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

- **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

Summary

Fill out by yourself

	Roles	Defects
Corporations (Market)		
Inter Governmental Institutions		
Government		
NGOs (Civil Society)		



And You...

- **As Customer**
- **As Employee**
- **As Citizen**
- **As Yourself**



Thank you!

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