Ethical Investment and Consumers in Cultural History

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28 April 2013

Online at https://mpra.ub.uni-muenchen.de/47216/
MPRA Paper No. 47216, posted 28 May 2013 13:39 UTC
ETHICAL INVESTMENT AND CONSUMERS IN CULTURAL HISTORY

Niaz Alam
COVER PICTURES

‘Fair trade labels’ are not a new idea(!)

British Museum photograph of a Blue glass sugar bowl
(East India sugar not made by slaves)

c. 1800-3
Bristol, England

LOGOS

Of fair trade organisations, Ethical Trading Initiative and Social Accountability International

From a 2009 eco certification issue of ecochic

BUY GREEN TO SAVE GREEN

Sierra Club poster, US
www.sierraclub.org

Do not test on animals dollar

Animal Rights campaign leaflet left outside banks (one of many)

Where’s your money growing?

National Ethical Investment Week poster (UK 2010)
www.neiw.org

1-31 MARCH

Anti-apartheid movement leaflet from England c.1960

March Month of Action leaflet and list of brands to be boycotted.
AAM collection,


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2 http://www.aluka.org/action/showMetadata?doi=10.5555/AL.SFF.DOCUMENT.AAMP281400046
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INTRODUCTION: CONCEPTS & TERMS

*“Major Barbara Undershaft, becomes disillusioned when her church accepts money from an armaments manufacturer (her father) and a distiller.... Although Barbara initially regards the Salvation Army's acceptance of this money as hypocrisy, Shaw did not intend that it should be thought so by the audience. GBS wrote a preface for the play's publication, in which he critiqued the view that charities should only take money from "morally pure" sources. and he quotes a Salvation Army officer, "they would take money from the devil himself and be only too glad to get it out of his hands and into God’s". Wikipedia synopsis of Major Barbara, a play by George Bernard Shaw, written 1905*

*“Many people are uncomfortable with the conjunction of the words ethical and consumer. For them it is consumer capitalism itself, with its emphasis on individualism, markets and corporations, which lies behind the perfect storm of climate change, inequality, species loss and peak oil which threatens social breakdown. Whilst this is demonstrably true, it does not necessarily mean that a notion of ethical consumer activity cannot help locate a route out of the problems we face. From the Margins to the Mainstream Ethical Consumer Magazine 20th Birthday issue* 3 2007

*“Ethical investment goes back to the 19th century when Quakers in Britain and Ireland refused to invest in the arms industry. More recently, US citizens opposed to the military action in Vietnam invested in the world’s first modern ethical fund, the Pax Fund. The UK’s first ethical fund was launched in 1984 by Friends Provident. In the City it was dubbed ‘the Brazil fund’, as they thought the idea was nuts.” From the EIRIS website http://www.eiris.org/advisers/history.html*

In *Great Contemporaries*, a compilation of essays first published in 1937, Winston Churchill waxes lyrical about Shaw’s play *Major Barbara* whose plot is summed up above, topping and tailing his remarks with the assertion “Recently I took my children to see Major Barbara. Twenty years have passed,....... not a character requiring to be redrawn, nor a suggestion that was out of date. My children were surprised to learn that this play, the very acme of modernity was written five years before they were born.” 4

As the synopsis above suggests, the Conservative soon to be wartime prime minister approved of the pragmatic moral stance endorsed in this play by the Fabian Shaw, with whom his views differed widely in most other respects.

There is of course nothing new about ethical issues in business, finance and life so the sheer scope and timelessness of topics that could potentially be discussed here is huge. Fortunately, this is not an academic treatise and there are plenty of online sources available for more detailed information on all the subjects discussed within; the websites of the two organisations noted in the box above *Ethical Consumer* and *EIRIS (Ethical Investment Research Service)*, are as good a place to start as any. 5

Because *ethical consumerism* and *ethical investment* naturally overlap with the broader fields of *Corporate Responsibility* (CR or CSR – that is to say *how businesses seek to meet the ethical expectations of stakeholders on among other things ESG [environmental, social and governance] issues*) 6 and *Responsible Investment* (RI – or SRI – socially responsible investment,) all these terms are reflected in this paper.

For ease of reference and to preserve space this document reserves the right to use all these terms interchangeably or just to say ethical issues instead.

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4 For the full quote see here within a wartime review of a film of the said play http://news.google.com/newspapers?nid=1300&dat=19411018&id=uhsTAAAAIBAJ&sjid=P5cDAAAAIBAJ&pg=7296.1008496

5 other sources are available

6 UNEP FI, UN Global Compact and the UN Principles for Responsible Investment provide forums for internationally recognised principles on CR and RI. Other terms commonly used are *Business Ethics* and *Green/Sustainable Finance*.
Another reason to adopt an interchangeable approach to these terms – or just to say ethical issues - is because this paper only seeks to provide a brief, largely UK based overview of the cultural impact of ethical business issues on wider society over the years, so it uses these terms in the same sense that they are often understood or used by people who are not involved with these topics professionally. Even so, it is still worth taking a look below on the potential for complexity in this topic.

It is not unusual for academics and marketing organisations to map customer activity/beliefs on ethical issues as part of a spectrum with two opposing ends and various shades of grey in between....

<table>
<thead>
<tr>
<th>PURIST</th>
<th>PRAGMATIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typically an individual active in boycotts, setting up/leading ESG campaigns and keen to screen out/divest companies from investment portfolios. Variously stereotyped as ‘deep Green’/political ‘change the world’ etc</td>
<td></td>
</tr>
<tr>
<td>Institution or individual that engages with businesses and companies on ESG issues. Never boycotts services or divests/excludes companies from investment portfolios. Typically votes on shares but not campaigning to change the law</td>
<td></td>
</tr>
</tbody>
</table>

And whilst such segmentation has its uses, by artificially presenting these approaches as diametrically opposed it ignores the reality that these strategies are not mutually exclusive, which is why venn diagrams are sometimes used instead.

But even these don’t do justice to the fact that individual ethical choices and the nature of society is a lot more complex than that – so really the concentric circles ought to be viewed in three dimensions as part of a helix, in which ethical investment, ethical consumerism, CSR, codes of conduct, ESG issues, Responsible Investment, SRI etc are all interlinked strands mingling with other economic, political, social, cultural factors within wider society...

For instance, to take the two organisations referred to in the box on the previous page Ethical Consumer and EIRIS (Ethical Investment Research Service) while both are highly credible, long established, trusted providers of information and both use the word

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7 Declaration – I have been an employee or customer/colleague of both these organisations, (and some others referred to elsewhere within) but specifically with regard to this remark, even though I would say this, wouldn’t I, this description is not an opinion but a statement of fact.

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ethical and hence could be mistaken as entirely the same type of organisation, they are
different in operation. Ethical Consumer’s magazine and services are directed towards
active individual consumers (but it also provides research to large organisations such as
the Co-operative Bank) and being constituted as a co-operative, it is answerable to a
membership base. EIRIS on the other hand is larger as a commercial entity with
services directed towards banks and institutional investors all around the world,
(although it has always also supplied services to individuals as well) and constitutionally
is charitably owned with profits going to a legally independent educational Foundation.

Hence whilst to the tourist on the Manchester tram both organisations may sound the
same, if said tourist was also a regular FT reader, they might perceive EIRIS as more of
a mainstream organisation than Ethical Consumer and less likely than the latter to be
associated with campaign groups. Yet the same person may be a customer of both -or
neither but still be influenced by these organisations activities and services, which may
for example be subscribed to by their bank or pension fund or be influencing the ESG
policies and impacts of companies producing products that they buy...

So whilst there may be some truth to a stereotyping of these two different organisations’
profile and services, this would be ignoring the simple, broader, yet often ignored fact
that not only may both these organisations have customers in common, but that actually
in a free market, all organisations have customers and stakeholders in common.

This potential for complexity may be illustrated further by exploring a theme analogous
to that of Major Barbara specifically in relation to one of the most readily understood
ethical business issues (tobacco) with doctors in the UK recently being urged to object to
local authority pension funds holding shares in tobacco companies, as referred to by the
British Medical Journal article and commentary in the boxes below.

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Martin Dockrell of the campaign group Action on Smoking and Health says the prospect of local authority employees
benefiting from shares in tobacco companies while urging people to quit smoking “creates more than a moral dilemma; it
creates a direct conflict of interest.” It would, he says, also be a breach of Britain’s commitment to the World Health
Organization’s Framework Convention on Tobacco Control.

Britain became a party to the tobacco control convention in March 2005. Article 5.3 states: “In setting and implementing
their public health policies with respect to tobacco control, parties shall act to protect these policies from commercial and
other vested interests of the tobacco industry.”…. 

How the new guardians of public health are investing heavily in tobacco companies, by Jonathan Gornall,
British Medical Journal 28 November 2012, BMJ 2012;345:e0023

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Whilst hugely valuable and influential, ethical choices by individuals, such as choosing an ethical bank account, or buying goods
certified as organic or fair trade will almost by definition always at first be a minority choice. There is also often a moral
dimension – who is more useful for the good of wider society, an investor who avoids holding shares in a tobacco company
because they do not want to profit from the harm inherent in the product, or the citizen who campaigns democratically for the
government to discourage use by raising taxes? (One answer by the way is that someone could be both.)

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8 Obviously not everybody approves of the Salvation Army’s activities or beliefs (as can be seen for example here
https://www.facebook.com/BoycottSalvationArmy) but just to round off the GBS plays’ topic, in the UK, the
organisation was reported to be one of several charities refusing free advertising in the final edition of the
News of the World. Also it has an investment trust with a policy “that prohibits investments in tobacco,
breweries and distilleries, gambling, pornography, armaments or companies that disregard the pollution of the
environment.” [see http://www.charityperformance.com/charity-details.php?id=13740 and
http://www.ethicalconsumer.org/commentanalysis/factsgreenwash/amatchmadeinheavenoradealwiththedevil.aspx]
9 http://ethicalbit.wordpress.com/responsible-investment-esg-issues/
Given the adverse health consequences of tobacco, it is easy to appreciate why such a campaign will gather support among health professionals or to understand why a cancer research charity, to use that most commonly cited example, may have a policy of not holding shares in – or accepting donations from - a tobacco company. Yet for organisations such as the local authority pension funds noted in the BMJ article, the answer is not so straightforward if tobacco is not already mentioned within their statements of investment principles as a sector to be screened out.

It is a moot point as to whether trustees of such funds will be swayed by this campaign group’s call. Some may, others may not, (whether through force of habit or active adjudication) and state that they would only exclude a tobacco company from their investment portfolio for standard financial reasons (such as risks of lawsuits against tobacco companies or declining profits following increases in regulation/taxes) or if they were required to do so by the government.

Democratic principle is undoubtedly relevant to the debate here. Hence the also commonly cited argument goes that firstly it is up to governments to establish rules for business so if a product such as tobacco is legal to sell, then this should be sufficient to regulate the needs of society and there is no legal reason not to invest in or benefit from its sale. And so (apart from cancer charities and the like and/or those with pre-established ethical screening policies) it is not for arguably self appointed interest groups and NGOs to determine anti-tobacco investment policies or to screen donations à la Major Barbara – until at least they win popular support and succeed in changing the law.

Certainly, the establishment of ICCSR, Nottingham University Business School’s International Centre for Corporate Social Responsibility which along with the University of Bath was an early champion of pioneering courses on ethical business issues in UK higher education, supports this view as it was set up with a £3.8m endowment from British American Tobacco in 2001, making perhaps the point reportedly intended by George Bernard Shaw for his play....

Bringing into focus another ethical conundrum for BMJ readers to chew over. Which matters more to doctors, a company such as BAT marketing a legal, if harmful product that appears to have a pro-active CSR policy addressing issues such as child labour, or a traditionally poorly monitored supply chain for medical instruments where serious breaches have been found of core labour standards?

One could make this whole debate even more complicated by recourse to either standard libertarian arguments or bringing in a cost benefit analysis of the tax revenues from tobacco sales.

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10 http://www.nottingham.ac.uk/business/ICCSR/aboutus.php?c=25
11 http://www.bath.ac.uk/cbos/teaching/principles-corporate-social-responsibility/
12 Which caused much controversy prior to acceptance http://www.guardian.co.uk/uk/2000/dec/06/highereducation.education
14 Mahmood Bhutta, an NHS doctor was instrumental (sic) in highlighting issues in the popular press and helped form the BMA’s fair medical and ethical trade group which has since worked with the ETI and others to produce improved procurement guidelines http://www.ethicaltrade.org/ethical-procurement-for-health (Not to mention societal concerns about Big Pharma of course – about which more later...)

Ethical Investment and Consumers in Cultural History (Niaz Alam, London-Dhaka 2012)
Whatever the morality of debate about strains on public health costs and the premature deaths from the inherently addictive product, at a time when multinationals are increasingly being criticised for tax avoidance, at least in the UK and much of Europe, tobacco companies are able to argue that the effective implementation of excise duties within these states provides a lot of public revenue.

And as these are countries where enforcement of tobacco advertising and usage restrictions is effective in practice and usage/associated harm is legally limited to consenting adults and declining, this context plus the tax revenue are arguably sound reasons to bolster more libertarian viewpoints...\(^\text{15}\)

So it \textit{can be complicated}. Even the simplest ethical business issue (smoking kills) will offer a multitude of perspectives if you look at it deep enough.

This fractal like complexity should not be a surprise because as implied by the earlier illustration of a helix, ethical business issues and approaches do not operate in isolation to wider society.

Ethical investment and ethical consumerism are sometimes mistakenly portrayed as ‘changing the world’ on their own as if they existed separately from, or even more inaccurately, were a substitute for civil society and democracy. A more accurate description would be that these concepts are tools that can be used to help such a purpose, by for example promoting improvements to the ESG impacts of business.

Yet whatever one’s’ philosophy, ethical and moral challenges remain. In the above case for instance, \textit{given that tobacco companies have plenty of money to lobby governments to protect and extend their interests, shouldn’t conscientious citizens opposed to the negative impact of tobacco exercise their rights (responsibility?) to use every legal means possible to limit the sectors power? And should this not perhaps include interpreting the Tobacco control convention referred to by the campaign group in the BMJ article, to limit investment by public authorities}.....

\begin{center}
\textbf{Influencing the market via international conventions}
\end{center}

Whatever view one takes on tobacco, there is no doubt, the type of approach advocated in the BMJ earlier, which makes reference to international conventions, has a lot of traction precisely because it counters criticisms that ethics are a personal choice and that the duties of investors and companies should be limited to that which is required by law.

The Norway Government pension fund (commonly referred to as the Norway Oil Fund and one of the world’s largest sovereign wealth investors), is the largest proponent of this type of approach to responsible investment whereby it reviews the operations of companies in which it invests according to how well they comply with the requirements and spirit of international conventions.

\footnote{Dr Norbert Hirschhorn’s 2004 report on CSR for the BMJ looks at these issues in more detail and examines internal company documents from Philip Morris showing what critics see as cynical manipulations of CSR and insiders would argue as appropriate pragmatism/realpolitik. Reveals sources on the company’s CSR deliberations and the company’s perspective on its own behaviour; and reflects on whether marketing tobacco is antithetical to social responsibility. \url{http://tobaccocontrol.bmj.com/content/13/4/447.full}}
Whilst like any pension fund the Norway Oil Fund is primarily a permanent long term investor across a large universe (portfolio) of companies, so is not looking to reduce holdings/ actively screen out companies on ESG grounds (but to engage with all the companies in which it invests on these issues), it has on occasion, typically after long, transparent consultation periods, reserved the right to exercise the ethical investor’s ultimate sanction of selling off holdings in companies.

Politically, the Norway Oil Fund is interesting in its own right (see later chapter, here it is sufficient to note it) as an exemplar of the concept of using reference to international conventions to influence corporate behaviour/make ethical choices on ESG issues.

In order to get away from such accusations that ethics are an optional or niche factor, some responsible investors are focusing on integrating ethical factors into mainstream investment choices by for example incorporating reference to international human rights law and ILO conventions within their statements of investment principles. For example the Norway Government pension fund (commonly referred to as the Norway Oil Fund and one of the world’s largest sovereign wealth investors), sold over 350m USD of shares in Wal-Mart in 2006 because it was not satisfied with the company’s responses to allegations that its operations may have breached the spirit of international conventions on labour rights and freedom of association.

This approach has gained widespread endorsement with the growth of the UN Principles for Responsible Investment (PRI), an investor-led coalition that seeks to “help investors integrate the consideration of environmental, social and governance (ESG) issues into investment decision-making and ownership practices across all asset classes and regions...” By the end of 2012, assets reported under management by PRI signatories stood at more than $32 trillion USD (that is to say 32000 billion USD or 15% of the world’s investable assets).\textsuperscript{16}

Another influential example of this approach over the last decade occurred in the Netherlands, where campaign groups and politicians lobbied financial institutions to disinvest from cluster munitions manufacturers, by making reference to the international convention on the topic (formally enacted in 2008 but a subject of much debate in the preceding decade since the 1997 Land mine ban treaty.\textsuperscript{17})

The campaign was notably helped by the Dutch current affairs TV programme, Zembla, which sparked off many calls for large public pension funds to upgrade their RI policies and was so successful on this specific issue that (perhaps redundantly) in 2012 the Netherlands parliament prohibited all financial institutions including pension funds from investing in cluster-munitions manufacturers.\textsuperscript{18}

\textsuperscript{16} http://ethicalbit.wordpress.com/responsible-investment-esg-issues/
\textsuperscript{17} http://www.clusterconvention.org/
\textsuperscript{18} http://stopwapenhandel.org/actueel/indepers/pensionfonds-banned-from-investing-in-cluster-munitions_44553.php#.UUflrhfwk0c
The value of mainstreaming: ethical investment v RI and fair trade v ethical trading

There is no doubt that such developments as the growth of UNPRI are essential to mainstreaming action on ESG issues and that such mainstreaming is demanded by many if not all ethical investors and ethical consumers – cf. whereas someone may choose to avoid investment in gambling for personal reasons while not expecting/seeking to outlaw the activity for everybody else, if someone believes that choosing renewable energy will help mitigate the adverse consequences of climate change, or wants to promote freedom of association around the world, they will (or ought to) consider it insufficient for only a minority of investors or consumers to make ethical choices if it doesn't have a wider impact in improving desired standards and practices.

Such aims could be achieved by influencing a combination of relevant improvements in business practices directly, or encouraging regulators and governments to better hold those who breach required standards to account.

At this point for completeness it is worth noting the related but different concepts of fair trade and ethical trading as themes to add to the helix/matrix of ethical concepts. Just as strictly speaking there is a difference between ethical investment and responsible investment although these are both just tools that are not mutually exclusive, so fair trade and ethical trade are tools with advocates and aims in common.

The ETI websites description of differences between ethical and fair trade is helpful in explaining their common aims and different approaches; at the most basic level fair trade is a consumer label applying to specific products that in the ETI's words focuses on helping disadvantaged producers and workers in the developing world - eg, cotton, banana, cocoa and coffee farmers - take more control over their lives while ethical trade focuses on protecting workers' rights throughout the supply chain.

Surprisingly to some given the high profile and exponential growth in the size of the fair trade market since the 1980s, there is a huge difference in the respective size of the differing approaches which in the UK have been reported as follows:

- Estimated retail sales of Fairtrade products in 2012 reached £1.57 billion GBP, (19% increase on 2011)
  -Fairtrade Foundation website
- Combined turnover of Ethical Trading Initiative members in 2012 exceeded £166 billion GBP impacting on the working conditions of over 9.8million people – ETI website

This is not to say that fair trade makes less difference than ethical trade or vice versa, just that they differ in how, what and whom they impact.

Being product based, fair trade is more limited in the scope of industries covered, but by providing guaranteed sales/premium prices to farmers in developing countries it can make a lot of difference to individual farmers, but affects fewer lives overall. In some sectors it can make a huge difference (for example bananas where it has become cost effective and possible for some supermarkets to commit to purchasing 100% of its bananas under the FairTrade certification label.)

19 http://www.ethicaltrade.org/in-action/issues/ethical-trade-fairtrade
Whereas ethical trade is less ambitious in the sense that it does not seek to charge or provide a premium in the types of standard it seeks to uphold (namely the core labour standards of the ILO\textsuperscript{22}) but it is more ambitious and benefits more lives overall because it covers all sectors and seeks to ensure a level playing field of minimum standards across the board at different levels of entire supply chains.

Clearly then ethical trade, by raising the bar for all/many more workers is essential to the mainstreaming of ethical issues in relation to labour standards.

In addition, by not being label based it does not require consumers to consciously have to make a choice, but seeks to ensure that the legitimate expectations of consumers/government/society in relation to labour standards are properly upheld.

Just as purchasers of food do not expect to have to read a special guarantee that the product is safe to eat - (or for that matter that it consists of the product that it is sold as so something sold as beef is meat from cattle and not horses...\textsuperscript{23})

- So consumers have or ought to have a legitimate expectation that the produce they buy was made without breaching basic labour standards and laws.

Or as Franklin Delano Roosevelt put it in 1937:

\begin{quote}
...only goods which have been produced under conditions which meet the minimum standards of free labor shall be admitted to interstate commerce. Goods produced under conditions which do not meet rudimentary standards of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade. ....... Enlightened business is learning that competition ought not to cause bad social consequences which inevitably react upon the profits of business itself. \textsuperscript{46}
\end{quote}

\begin{footnotesize}
\begin{enumerate}
\item An interesting tweet on the great horsemeat scandal of 2013 across Europe here —”Toxic meat. Toxic fish. Toxic milk. Toxic finance. How do you join up these dots?” https://twitter.com/RajThamotheram/status/300699593627229984
\item FDR Message to Congress on Establishing Minimum Wages and Maximum Hours, 24 May 1937 http://www.presidency.ucsb.edu/ws/index.php?pid=15405
\end{enumerate}
\end{footnotesize}
But ethical choice still matters and is a market response to concerns about market impacts

For all the clear value that lies in mainstreaming ethical issues, it is arguable that Responsible Investment and Corporate Responsibility as they are understood today - increasingly mainstream expectations required by international norms and widely endorsed by major investors and companies – would not exist without generations of active ethical investors and consumers using their votes, purchasing power and influence as citizens, consumers and investors, to make their points.

The history and politics of such actions are explored further in later chapters, but the very fact that ethical investors and consumers regularly ‘punch above their weight’ often succeeding in having an impact far beyond their size in raising an issue up the public agenda, reflects the appeal and importance the issues raised sometimes have and demonstrates the value of ethical investment and ethical consumerism to society.

Without such people or organisations to champion ethical issues, (alongside civil society such as unions, elected representatives, media and NGOs), experience suggests merely relying on good faith in the status quo is not enough to ensure that environmental and social impacts and improvements are adequately factored into business decisions.

The 2007 credit crunch and failures in regulation (or the deliberate absence thereof) underpinning the contemporary global financial crisis makes it clear that there is still some way to go before the financial services industry meets all the reasonable needs of its customers and beneficiaries (among whom would be most people reading this) when it invests money on their (our) behalf.  

Or to put it another way, pre-credit crunch (ie; when the world economic system - as entrusted to some of the planet’s brightest, best paid - and usually sincere I’ve met enough of them to agree- professionals to look after for the rest of us/play at being Tom Wolfe’s ‘Masters of the Universe’ - in effect ran out of cash and had to be turned on and off again) aside from a small minority of investment professionals, who actively saw and avoided risks inherent from the securitisation/multiplication of risks derived from US sub-prime mortgages, the 2 main types of investor to have pro-actively avoided such risks were:

a) Those not tempted to follow the herd because they did not need hindsight to stick to a core principle of prudence not to invest in something which cannot be readily explained or understood (as some related securitisation/derivatives were) AND

b) Ethical investors who objected to forms of financial speculation such as derivatives on principle or who avoided any association with or links to sub-prime mortgages – not because they necessarily saw financial risks inherent in the product – but on ethical grounds because they did not approve of the fact that US sub-prime mortgages typically charged higher interest rates to poorer people.

Hence there is still much to be said for active groups of smaller deeper/traditional ethical investors who are often the first to raise key ESG issues – and avoid the downsides when risks become more apparent... So even though the common goal of all RI practitioners is to improve impacts against ESG standards across the board and to mainstream good practice, it is perhaps short sighted to dismiss ethical/moral choices as always a niche/minority activity. The end of 2012 and start of 2013 for instance saw the tax debate originating in the UK spread globally (after many years of diligent campaigning and being overlooked by much of the media except for Private Eye)

http://www.taxresearch.org.uk/Blog/2013/03/02/tax-us-if-you-can-the-new-edition/
Amidst all the references to government, regulators and international conventions it is easy to forget that for the most part ethical investment and consumerism are free market based responses to concerns about the (ESG) impacts of the market. To be effective they rely entirely on many different individuals’ personal choices and decisions.

Strictly speaking remember, international conventions are signed by states who are the ones to which they apply legally, not companies. But it is convenient, effective and relevant for companies to refer to such conventions within the codes of conduct that they voluntarily sign or adopt and for investors to make similar references when signing up to UNPRI or their own ethical investment principles.

Similarly, it is worth emphasising the fact that where laws have been enacted to encourage ethical investment or consumerism, they usually operate by encouraging transparency and facilitating choice – not by forcing people or organisations to adopt ethical policies.

For example, in a widely discussed and influential measure originating from the UK and much replicated elsewhere, supporters of ethical investment and organisations like UKSIF28 helped ensure that since July 2000 trustees of occupational pension funds have been required to declare (but not necessarily adopt) in their Statements of Investment Principles (SIPs) “…the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments”; and “the policy (if any) directing the exercise of the rights (including voting rights) attaching to investments”.

This transparency and choice based approach reflects the fact that English common law in regard to trustee duties has not fundamentally changed since the Cowan v Scargill and Bishop of Oxford cases of the 1980s and early 90s, which restated the much older basic principle that the main duty of trustees to act in the interests of beneficiaries remains paramount, (but added that there is no reason why ESG issues should not be factors for trustees to take into account when weighing up the beneficiaries interests.)

Whilst the fundamental legal principle has not altered, in the years since the above cases were heard, there is now more information and support available to enable trustees to refer to ESG issues in their decision making.

The value and importance of trustees having regard to ESG concerns as factors has become far more broadly recognised by investment professionals following the work of the UNEPFI and is given added weight by the fact that more quantitative evidence is now available on ESG issues, to for instance support and quantify a business case for responsible behaviour by individual companies or to demonstrate financial risk reduction benefits from taking ESG factors into account within investment decisions. 29

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28 http://uksif.org/about-uksif/history/

Although the nature of globalisation and ethical issues means that ethical investment, ethical consumerism, corporate responsibility, responsible investment, fair and ethical trade concepts are global in their appeal, reach and scope, historians and commentators agree that many key contemporary initiatives addressing ethical business issues originated in - or rather more accurately grew fastest within and/or were most actively spread from- the UK and the US during the 1980s and early 90s.

The universal nature of the aims of international conventions and the nature of business challenges, pulls the rug away from occasional claims that this is a form of latter day cultural imperialism.\(^{30}\)

No doubt being home to many large multinationals, financial service organisations and influential media outlets helped a lot with the perceived fanning out of ethical business initiatives from the Anglosphere, but this would not have happened if the issues were not already intrinsically universal in nature and a mixture of:

- Also being home to many international NGOs, civil society groups and universities
- Longstanding laissez faire traditions combined with the US/UK role\(^{31}\) in the last quarter of the 20\(^{th}\) century in encouraging deregulation, economic liberalisation and privatisation – meaning that citizens in these countries were likely more earlier than others to feel exposed to negative ESG impacts arising out of less restricted market forces – and accordingly therefore more likely to be active in advocating market based approaches to such concerns.

_Doubtless, longer more subtle or contentious explanations are available, but the purpose of this exercise is to acknowledge the fact of the UK’s historical reach (which broadens the relevance of the primarily UK based sources and references within.)_

Prospects for the UK to continue to play a leading role in growing ethical markets and approaches appear positive, not least because the UNPRI and other influential organisations are based in London. The evolving role of ethical consumers and investors in the UK appears highly likely to continue to grow; the _Co-operative Bank’s Ethical Consumer Markets Report 2012_\(^{32}\) reported that “markets for ethical goods and services have remained resilient throughout the economic downturn.”

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30 Which is not a concept to be dismissed lightly – during much of the British Empire’s Victorian heyday in the 19\(^{th}\) century, liberal ideals of free trade and abolishing slavery were major motivations for many empire builders so the Royal Navy’s anti-slavery squadrons often went hand in hand with the empire’s acquisition of colonies……and ‘not made by slaves’ bowls/sugar as labelled on the front cover, usually involved substitution of African slaves by Indian/Asian indentured labour. (Needless to say, colonies were rarely planned with respect for indigenous people as the main priority and where not led by advocates motivated by missionary work, was all about trade, power and money – and in some cases like Cecil Rhodes, ‘master race world domination’ fantasies) See for example _Empire: What Ruling the World Did to the British_ by Jeremy Paxman (2011) London: Viking. ISBN 978-0-670-91957-4 and the related BBC series

31 Not just Thatcher-Reagan as friends and foes alike may wish they could solely attribute this to, but their successors from rival parties too – While the repeal of the 1933 Glass-Stegall act by Bill Clinton in 1999 did not itself cause the credit crunch –(failure is an orphan remember) - it was symbolic of the continuing deregulatory trend and as a former supporter of abolishing the FDR era act which had long demarcated banking roles wrote in the FT “Glass-Stegall helped restrain the political power of banks. Under the old regime, commercial banks, investment banks and insurance companies had different agendas, so their lobbying efforts tended to offset one another. But after the restrictions ended, the interests of all the major players were aligned. This gave the industry disproportionate power in shaping the political agenda.” – L. Zingales, Financial Times, 10 June 2012

- [http://www.ft.com/cms/s/0/cb3e52be-b08d-11e1-8b36-00144feabdc0.html#ixzz2OFQxUeda](http://www.ft.com/cms/s/0/cb3e52be-b08d-11e1-8b36-00144feabdc0.html#ixzz2OFQxUeda)

32 It estimated that counting ethical finance as well as food, clothing and other products, the total value of ethical markets in the UK was £47.2bn, up from £13.5bn at the turn of the millennium. [http://www.co-operative.coop/PageFiles/416561607/Ethical-Consumer-Markets-Report-2012.pdf](http://www.co-operative.coop/PageFiles/416561607/Ethical-Consumer-Markets-Report-2012.pdf)
For convenience as well as a wish to discuss the most interesting or high profile debates, this paper often focuses on the purist rather than pragmatic side of the ethical investor/consumer spectrum. This is not because there isn't a demonstrably urgent need to mainstream ethical action on issues such as climate change. Nor is it to suggest that progress is all one way and minority ethical concerns are forever destined to become mainstream issues in the long run.  

However as a cultural/popular history, it inevitably steers towards discussions from the purist end of the spectrum (boycotts, active exclusions and their like) because these are the aspects which people remember most and in some cases credit with inspiring them to become more ethical investors and consumers.

Comfortable as it is sitting on the metaphorical fence, it needs to be asserted that corporate responsibility and the mainstreaming of responsible investment are vital tools but their main purpose is largely compliance with the law and to ensure that businesses are run to the standard that that they are already required or meant to be being run... Credit for changing or improving business standards by raising the wider profile of ESG issues previously confined to particular interest groups can more often in part, be attributed to citizens using their influence as ethical investors and ethical consumers.  

It is a truism that no business can ignore supply and demand and other core rules of economics so there is an endless quest by professionals in the corporate responsibility and ethical/responsible investment fields to add facts and figures to their business cases for ethical issues. But we are all so haunted by the idea that the only social responsibility of business is to make profit that even SRI enthusiasts can forget that an ethical choice or investment decision is sometimes the correct one to take just because it is the right thing to do and not because it reduces risk/makes more money.

So while it is definitely a public good for an arms exporter or tobacco company to be encouraged to adopt and follow codes of conduct by being good employers with responsible supply chains etc, for those who object to these industries’ products, such Corporate Responsibility is inherently limited in its scope.

For this reason especially but not alone, ethical investment and consumerism will always have a high profile role and be relevant to anyone interested in business and the world.

As ever, attention is drawn to the online publication date (below), at which facts and links were last checked. Reading this paper should not be used as a substitute for clarifying and updating facts or taking independent professional advice. Opinions are personal, as are any mistakes which are mine and not intended.

Hopefully some of the links provided will be helpful and the themes discussed will provide food for thought and inspiration.

Niaz Alam
24 April 2013

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33 Eg: The testing of pharmaceutical products on animals has always maintained far more public support than testing for cosmetics, which unlike the former has been eroded over the years even though both issues have been promoted by similarly high profile campaigners – see recurring theme case study in following section

34 Naturally made from Forest Stewardship Council certified wood of course www.fsc.org/

35 Which is only fair given that they are natural targets for comedy and jokes.

36 Usually attributed to Milton Friedman who rather more apocalyptically wrote “Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible”


Ethical Investment and Consumers in Cultural History (Niaz Alam, London-Dhaka 2012)
WHY THERE’S NOTHING NEW ABOUT ETHICAL ISSUES (AND THE INEVITABILITY OF POLITICS)

From Auntie BBC

Donna Noble: A great big empire, built on slavery
The Doctor: It’s not so different from your time.
Donna Noble: Oi, I haven’t got any slaves
The Doctor: Who do you think made your clothes?

Lines from a Dr Who episode, Planet of the Ood (BBC 2008)

From Hollywood

"Today, the age-old right of children to work is under attack. From the Philippines to Bangladesh, in China and India and South America too... But you can help these children, Derek by killing the prime minister of Malaysia."

- Dialogue from a sequence in which the eponymous hero is brainwashed - ‘Zoolander’ (dir Ben Stiller), 2001

(Incidently accused of racial insensitivity by a leading United States film critic 40 for reasons of taste, politics, or objection to the PM being portrayed by a ‘generically Chinese’ actor is unclear....)

And from the 19th Century...

Whilst Corporate Responsibility is sometimes presented as a recent concept, debates about responsibility for the environmental and social impacts of business are in fact at least as old as the industrial revolution itself. In the 19th century, some employers made a business case for improving the living conditions of workers as famously demonstrated by model housing at Bourneville (Birmingham) by Cadbury or Port Sunlight (near Liverpool) 41 by Lever Bros the predecessor to Unilever and in early 20th century Michigan, Henry Ford argued that raising wages so that the workers who made his cars could also afford to buy them was good both for his workers and his company.

Conscientious citizens have long used their influence as consumers and investors to influence the private sector. Although boycotts can be counter-productive and are often limited in their effect, they can have huge symbolic power as Gandhi famously demonstrated in British India in the early 20th century. This in turn inspired the use of

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37 www.imdb.com/title/tt1173174/quotes
38 http://www.imdb.com/title/tt0196229/
peaceful civil disobedience and consumer boycotts by the mid century US Civil Rights Movement\textsuperscript{12} and was often referred to by 1970s and 1980s campaigns against investment in apartheid era South Africa, a movement which did much to greatly increase public participation and global media interest in the concepts of ethical investment and corporate responsibility.\textsuperscript{43}

As highlighted by the front cover photograph of a Blue glass sugar bowl (engraved with \textit{East India sugar not made by slaves}), from over two hundred years ago, there is nothing new about consumer products adopting ethical labels. It is no coincidence that upholding human rights as demanded by the Victorian century's anti-slavery campaigners and 20\textsuperscript{th} century anti-colonial and anti-racist movements, has long been a prime motivation for many ethical investors and consumers.

Ethical issues do not arise in isolation to society and naturally reflect the causes and concerns of their time. The various successes and undoubted influence of the above campaigns justifies noting them further in later sections and reflecting briefly on them all under the \textit{Human rights and wrongs of Boycotts}.

It is easy to forget that what now seem like completely uncontroversial causes such as universal suffrage, once threatened vested interests who had the money, influence and power to provide much resistance and hostility. There also remain other causes or moral issues such as animal testing, the nature of which makes similar consensus impossible. Hence however much it is often brushed over, controversy and politics are frequent bedfellows for ethical investment and ethical consumer campaigns.

Ultimately the extent to which such campaigns are successful has to reflect public attitudes and beliefs (eg; growth in green investment is clearly linked to growing concerns about environmental issues.) It is interesting to note then from the picture on the previous page that in 1874 early in the history of 'made by using union labour' labels, San Francisco cigar makers created a \textit{“white labor label as part on an ongoing campaign against a cheaper (and greatly exploited) non-unionized Chinese labor force which had come to dominate that industry in California.”}

This racist terminology is hard to believe nowadays given that trade unions globally have long since moved away from xenophobia and sexism and have been at the forefront of movements working to support equality and fair working conditions for all.\textsuperscript{44} \textit{Solidarity, support for migrant workers and the marginalised and global resistance to the ‘race to the bottom’} in conditions and wages encouraged by global deregulation, are very much the watchwords of the day for latter day union activists. Perhaps even more interesting though than changing societal attitudes and the evolving roles of trade unions, is the lack of change in some basic economic issues and concerns.

\textsuperscript{12} Which being ultimately supported by the Federal Government achieved its core aim of restoring universal suffrage and abolishing recalcitrant racist laws in parts of the former Confederacy. (While this ought to have been a \textit{mom and apple pie} type cause that no right thinking person would oppose, for powerful portions of the population, it was not)
\textsuperscript{43} \textit{- incidentally} in 2011 an old Beatles contract showing solidarity with the Civil Rights movement by the 1960s largest cultural icons became a lucrative auction item
\url{http://www.rollingstone.com/music/news/beatles-anti-segregation-contract-sells-for-23k-20110922}
\textsuperscript{44} \textit{http://ethicalbit.wordpress.com/corporate-responsibility/}

\textsuperscript{44} Also given the persistence of the ruthless cigar chomping businessman stereotype at least until Fidel and Che became global icons, it can be hard to imagine such customers as ethical consumers keen to support union labour rights and shorter working hours (so perhaps it was purely racist marketing all along)
Migrants from lower paid economies or marginalised groups are still more vulnerable to exploitation and lower wages than other workers – and this will still depress wages for other often equally vulnerable workers elsewhere in the national or world economy. The big difference from the 19th century cigar makers label era of course is that trade unions and social activists today can be expected to seek to globalise solidarity.

And like most ideas, this is not novel as generations of activists have long celebrated May Day as International Workers Day and a public holiday, originating in commemoration and solidarity with victims of the 1886 Chicago Haymarket massacre.45 A particularly remarkable demonstration of international solidarity was provided by the friendly reception given to Gandhi by Lancashire cotton workers 46 in 1931 even though he had been spearheading a boycott of their goods in the cause of Indian independence. That meeting has added significance because it was captured and transmitted around the world on newsreel and is a famous early example of the use of visual mass media (with sound – talkies) to communicate a message relating to consumer boycotts.

Needless to say economic factors and the competing interests of capital and labour underlie many important issues – hence the tripartite (employer, government, worker) structure of the ILO has stood the test of time in providing a consensual forum to agree standards and goals. (Enduring so well that it outlasted the League of Nations with which it was created after the First World War to continue as a United Nations agency.)

The timelessness of fundamental economic debates is highlighted by periodic revivals of interest in employee ownership models as exemplified by John Lewis Partners (est.1929) and Mondragon (1956.) Likewise contemporary popularisation of microcredit inspired by the Grameen Bank (1976) or the UK fair interest/end legal loan sharks campaign to cap at lower levels the frighteningly high interest rates which short term /pay day lenders are legally allowed to apply to their customers. All reflecting much the same concerns as credit unions and reinvigorating approaches pioneered by the Co-operative movement which traces its roots back to Robert Owen and the Rochdale Pioneers in 1844.

Not to mention the Jubilee Debt Campaign whose name could be said to go back to the bronze age having been inspired by the Biblical concept of Jubilee which required a cancellation of debts and freeing of slaves every 50 years...

Themes, particularly economic often re-occur in ethical business debates and politics/controversy are clearly unavoidable in many cases. Whilst not as widely or as consistently debated as say forced overtime in the global garments industry, the following 3 sets of recurring themes highlight key strands and debates that commonly crop up in discussions on ethical business issues.

- Never work with children, animals or ‘Captain Bob’ & the 1990s take off for codes of conduct
- The role of belief and religion
- Alternative summits, NGOs and Greening Politics

45 http://en.wikipedia.org/wiki/Haymarket_affair
46 See http://www.cottontown.org/page.cfm?pageid=2787&language=eng for details of the visit to Darwen – also http://www.bbc.co.uk/news/uk-england-lancashire-15020097

Ethical Investment and Consumers in Cultural History (Niaz Alam, London-Dhaka 2012) www.ethicalbit.wordpress.com
Recurring theme – Never work with children, animals or ‘Captain Bob’ & the 1990s take off for codes of conduct

A good illustration of the fact that ultimately it’s the significance and public appeal of an issue that counts and not the amount of coverage generated by campaign groups, is the difference between public attitudes towards animal testing and child labour.

Both attract a huge amount of media attention as they are naturally emotive topics that have caused major corporate scandals and media coverage of both issues did much to raise the profile of CR and Ethical Investment and help to vastly increase the adoption of corporate codes of conduct during the 1990s.

Yet while at least since the days when Charles Dickens immortalised Oliver Twist (1838), there has been no fundamental dispute about the need to eradicate child labour (hence the comedy in the Zoolander plot device), the testing of pharmaceutical products on animals has always maintained far more public support than testing for cosmetics, despite both issues being targeted by similarly high profile campaigners.

Likewise, once lapses in corporate ethics cross into areas covered by the criminal law, notably in relation to fraudulent actions like share/price manipulation and related abuses not to mention outright theft, (plus also bribery or breaches of anti-monopoly rules,) there is generally no shortage of action by government and regulatory bodies, with media and shareholders alike both interested in picking over the bones of scandals.

In the UK a succession of sudden financial collapses for listed, reportedly correctly audited companies (Polly Peck and Colloroll) led to the formation of the Cadbury Committee on the Financial Aspects of Corporate Governance in May 1991 whose report lies at the core of the City’s regularly updated Combined (and latterly Stewardship) Codes setting out rules on corporate governance.

As it is more clearly related to the financial bottom line, Governance as an issue in its own right would appear at first glance not to have had to fight so much for mainstream attention compared to social, environmental or other ethical issues. Yet, as senior corporate pay rates are forever controversial and governance lapses seem to occur all too frequently over the decades (as do cycles of price and stock market bubbles,) it too is an issue that often suffers from neglect. This may be explained by human psychology which as seen in the ruins of Pompei, has an in built tendency to resist doom mongering so it is perhaps inevitable that when a business appears on the surface to be performing well, there is a herd instinct to look the other way from negative indicators.

The satirical magazine Private Eye glories in a tradition of saying it was right all along whenever a business or individual it has criticised in the past (invariably with good reason) falls from grace. This happened most spectacularly with Robert Maxwell99 (or Captain Bob as the magazine had long dubbed him) whose plundering of pension funds from two publicly quoted companies – Maxwell Communication and Mirror Group was

47 Cynics argue such codes simply encourage box-ticking style compliance or only act Maginot style by seeking to prevent the last scandal


only posthumously confirmed to the world at large after his death in November 1991 even though numerous years of coverage (and fraught legal battles) by the Eye had identified a very high probability of just this sort of risk by exposing various corporate failings (which tended to be hidden in the plain sight of his larger than life personality.)

Such a ‘I told you so’ attitude is thought contrary to norms of polite society – which is understandable when one considers that there are many irrational, non-evidence based Cassandras and conspiracy theorists out there  — and society would suffer if everyone listened to them all – but this context does also mean that society may also overlook the occasional factual, rational analysis and warning....

The acceleration of globalisation in all its forms (capital, labour, sourcing, media, activism) during the 1990s led to an explosion in campaigning for – and the adoption of - codes of conduct by corporations. Whilst codes have their critics  their usefulness and appeal to all types of stakeholder is apparent from the take off in their take up during the past 20 years. Key parts of the contemporary consensus on codes of conduct which were first reached during discussions between brands, NGOs, campaigners and unions about accusations of child labour during the early 1990s include the views that:

- Codes need independent monitoring and verification to be effective
- Businesses have a responsibility to remedy the consequences of breaches of labour standards discovered in their supply chains.
- ‘Cut and run’ is not acceptable. When a breach is discovered ‘remediate + improve (and prevent future breaches)’ is needed.
- This is particularly so in relation to child labour – in 1993 the mere announcement that a US senator (Harkin) had proposed a bill outlawing goods produced by child labour – led to tens of thousands of workers who were or looked under age being summarily thrown out of Bangladeshi garment factories often literally onto the streets with no guarantee of school or protection from negative consequences. The ILO and UNICEF worked with leading brands and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to help clarify better expectations  in such cases – so if a brand discovers child labour in its supply chain now, good practice is to help ensure schooling and to protect the livelihood of the most vulnerable and their families.
- In the long run good intentions by company codes and NGOs need trade union support. Only by empowering workers to be able to represent themselves by ensuring standards are safeguarded and improved in future can codes be sustainable, so freedom of association and collective bargaining (which are 2 of the core ILO conventions) need to be part of corporate codes of conduct.

Much of this was accepted by a wide range of businesses and became mainstream enough for the major accountancy firms to compete with social auditing organisations to

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50 Which is perhaps why Nassim Nicolas Taleb’s Black Swan theory is currently fashionable as it posits that human beings will use hindsight to rationalise unpredicted Black swan events (which he regards as essentially random) as things that could have been predicted
51 eg: see A Critical Guide to Corporate Codes of Conduct, Asia Monitor Resource Centre
http://www.amrc.org.hk/publication_for_download/publication_for_download/eu_china-economic_relations_2004
52 Which by 1995 included a memorandum of understanding creating a partnership to eliminate child labour and bring in external monitoring and verification, with the active participation of the ILO’s International Programme on the Elimination of Child Labour .
Michael E Nielsen RIIA The politics of corporate responsibility and child labour in the Bangladeshi garment industry 1995
monitor compliance with codes such as ETI and SA8000. Whilst all types of company were represented among the ETI’s founding members, much of the early 1990s evolution of codes of conduct related to allegations of child labour connected to the highest profile and most recognised consumer brands in the clothing and sports goods sectors, to which consumers and campaigners alike could relate to easiest.

Among the first US companies from these sectors to respond to calls by campaigners were businesses which were either privately owned or controlled by major, often family shareholdings such as Levi Strauss or Nike, which faced accusations in Central America and Asia. Likewise in the UK, Pentland Brands plc’s major family shareholder helped direct it to being a leading advocate in persuading the World Federation of the Sporting Goods Industry (WFSGI) to set up its Committee on Ethics and Fair Trade (CEFT) in 1995. This was especially needed following the NGO/media spotlight highlighting to FIFA the endemic use of child labour in the Sialkot region of Pakistan which is a major part of the global supply chain for stitching footballs.

Whilst there has been much progress since the mid-90s, the issue is such that it has not fully gone away so allegations have been repeated to some extent each World Cup and Olympic Games. Child labour is of course only one of the fundamental Labour rights enshrined in the ILO’s 8 core conventions, but its influence in shaping the overall ethical trade debate and the present framework of corporate accountability is undoubted.

The 2006 Ethical Trading Initiative impact assessment confirmed that the spread of codes of conduct since the 1990s has made a difference to eliminating child labour in global supply chains but other aspects in particular, systemic issues or associated risks like long/forced overtime hours, low pay, and discrimination are harder to control or root out. [A useful guide to this overall issue and introduction for beginners looking at the history of codes of conduct and contacts for major players was provided by the Child Labour Resource Guide published by the UK Committee for UNICEF in 2005.]

As indicated previously, the 1990s also saw a high profile given to ethical investors and consumers who campaigned on animal rights issues. Unlike the elimination of child labour, calls to ban the testing on animals of pharmaceutical products which can save human lives did not have majority appeal; this ought to come as little surprise as most people generally value human life more than animals (despite plenty of indications to the contrary and the huge legacies left to animal causes) but is interesting given that similarly high profile campaigns by often the same campaign groups did succeed in using consumer pressure to amongst other things increase the appeal of ‘not tested on animals’ products reduce the respectability of fur, spread hunting bans and influence higher standards for animal care and protection in farms, zoos etc around the world.

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53 (And this forms part of the backdrop for No Logo)
54 Pentland was the majority shareholder of US brand Reebok during a key decade of Reeboks growth [1981-91] – during which time Reebok sponsored the 1988 Amnesty Human Rights Now tour with Peter Gabriel, Spingsteen et al- and shortly after which (1993) Reebok became the first such company with a code of conduct expressly recognising freedom of association & collective bargaining. NB Many longer established companies already had collective bargaining agreements eg: as in the motor industry or BT– but by the 1990s, this was far less typical or not global - hence calls for it in new codes etc
Disputed claims of causes of the use of ‘not tested on animals’ labels was one of several issues contested in the vigorously disputed and strongly rebutted set of allegations made against the Body Shop in 1994 (see under No More Hippies anymore.)

However, the most well remembered animal rights campaign from the decade is probably the highly contentious Huntingdon Life Sciences dispute. 57 Involving a varied cast of characters, the dispute started with undercover television footage exposing individuals (subsequently dismissed) abusing animals inside the company’s laboratories in 1997 – this exposure made the firm a lightning rod for every type of animal rights activist imaginable leading to among other things, campaigns pressuring banks and investors to suspend the company’s accounts, a run on its share price, and illegal acts of blackmail and intimidation by a few (since convicted) individual activists – the latter almost certainly brought more public sympathy back to the company and away from those non-violent campaigners that had responded to the original documentary.

Such tainting of causes is not unique to this issue of course and the biggest obstacle for animal rights campaigners remains the fact that at the end of the day more people value humans over animals, which seems fair enough. It is surprising then therefore that PETA, one of if not the best known campaign group on this issue has been both highly successful in running innovative media campaigns58 and has blundered more than once into drawing offensive analogies between animal suffering and the Holocaust.59

As stated in its label, the 2 page table overseal illustrates the “1990s TAKE OFF IN CODES OF CONDUCT BY FOUNDATION DATES OF INFLUENTIAL BODIES” This provides a very simplified perspective on the evolution of (selected) key bodies and initiatives across ethical business fields. For reasons of space, it does not seek to identify or map the many overlaps between people involved with these organisations or to cross reference founding dates with all the possible campaigns/news issues (eg; oil, apartheid, Brundtland Commission & the mid 1990s class action lawsuits against and settlements with major tobacco companies in the US or Swiss Banks that benefited from the stolen assets of WWII Holocaust victims60) that may have helped raise the profile of ethical issues during this decade. Instead it indicates a couple of pertinent trends in addition to illustrating the bulge in corporate code of conduct activity which occurred in the 1990s namely that:

- In the 1970s there was a groundswell of multilateral activity at UN, WHO and Commonwealth levels on corporate codes of conduct following scandals early in the decade plus concerns about apartheid/arms/bribes/health
- Key players and pioneers in ethical investment, shareholder action and fair trade all pre-date 1990 with the Vietnam war (in the US) and Apartheid (in the UK) being prime drivers along with the arms trade more generally
- Concerns about international development also helped NGOs (both in the North and Global South) and faith groups to popularise fair trade from the 1970s onwards.
- The role of democratically elected, politically engaged investors (typically left wing Local Authorities and Trade unions) in bringing ethical issues to the table during the 1980s should also not be underestimated.61

The growth in reporting and transparency on the effectiveness of codes of conduct became so fast during the 1990s that by 2010 a paradox emerged that while the growth of corporate codes of conduct was credited in large part to the influence and expectations of investors, it had by then become “easier for an individual to assess and compare between the performance and impact of (leading) companies on ESG issues than it was for them to accurately differentiate and rank the positive impact of most of the pension funds, banks and financial institutions that may be investing money on their behalf...” Hence challenges issued by the UNPRI and others for institutional investors to improve their disclosure of actions and results on RI. 62

57 http://en.wikipedia.org/wiki/Huntingdon_Life_Sciences
58 Of which getting supermodels to pose to ‘I’d rather be naked than wear fur’ is the most famous and emulated helping to ignite a viral Calendar Girls meme of people stripping for a cause http://nymag.com/news/features/48247/index1.html
59 Eg; see here - http://www.jspace.com/news/articles/europe-high-court-upholds-ban-on-peta-s-holocaust-ads/11603
61 LAPPF, the Local Authorities Pension Fund Forum (see table) was set up in 1990 as a direct result of this type of activity in the previous decade - http://www.lapfforum.org/TTx2/about-us/lapff-history
62 Available at http://ethicalbit.files.wordpress.com/2013/03/pmcreview-article-niaz-alam.pdf
THE 1990s TAKE OFF IN CODES OF CONDUCT BY FOUNDATION DATES OF INFLUENTIAL BODIES

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<td>USSIF formed (initially just as SIF - Social Investment Forum) 1984</td>
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<td>Maquila Solidarity Network (MSN) established in North &amp; Central America 1994</td>
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63 Richard Dowden, Catholic Herald 16 January 1976
http://archive.catholicherald.co.uk/article/16th-january-1976/2/christian-leaders-act-against-bank-loans-to-apartheid
64 http://www.aarong.com/
65 See http://www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance.aspx
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<td>1997</td>
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<td>Worldwide Responsible Apparel Production (WRAP) working group set up by US apparel industry</td>
<td>1997</td>
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<td>WFSGI, UNICEF and ILO help set an independent monitoring system to help remove child labour from football stitching industry in Sialkot</td>
<td>1997</td>
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<tr>
<td>Pensions Minister starts consultation on ESG pension disclosure regulation (launched in 2000) at UKSIF’s Annual Lecture</td>
<td>1998</td>
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<tr>
<td>USS the UK Universities Superannuation Scheme sets up adopts RI unit and adopts RI policy after 2 year NGO, lecturer and student campaign</td>
<td>1999</td>
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<td>ASRIA founded</td>
<td>2000</td>
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<td>Eurosif launched</td>
<td>2001</td>
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<td>Norway Petroleum Fund’s Advisory Council on Ethics founded</td>
<td>2004</td>
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<tr>
<td>ShareAction (Fair Pensions)</td>
<td>2005</td>
</tr>
<tr>
<td>UN Principles for Responsible Investment</td>
<td>2006</td>
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</tbody>
</table>

- ILO clarifies its 8 core conventions and launches campaign for universal ratification of Fundamental principles 1995
- ILO, UNICEF +BGMEA memorandum of understanding (MoU) concerning child labour in the Bangladeshi garment industry signed July 1995
- AccountAbility founded – develops AA1000 Stakeholder assurance standard 1995
- Verite Social audit organisation established in US 1995
- World Federation of the Sporting Goods Industry (WFSGI) sets up its Committee on Ethics and Fair Trade (CEFT) 1995
- IOC forms Sport and Environment Commission to advise Olympics Movement on Sustainable Development 1995
- Starbucks adopts code of conduct for workers in Guatemalan coffee plantations 1995

Body Shop Code of Conduct 1996
International Federation of Football Associations with WFSGI support adopts Code of Labor Practice for all manufacturers of footballs carrying the FIFA label, September 1996

White House launches Apparel Industry Partnership with ICCR among others 1996

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997

Ethical Trading Initiative launched by DFID, UK government with tripartite business, NGO and global trade union board members 1998
Global Witness NGO publishes *A Rough Trade* – a seminal report on conflict diamonds in Angola 1998

UN Global Compact announced by Kofi Anan 31 January 1999
Apparel Industry Partnership creates Fair Labor Association (FLA) 1999


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67 [http://www.timeshighereducation.co.uk/149342.article](http://www.timeshighereducation.co.uk/149342.article)

*When ethics wins the pension fund debate* Times Educational Supplement 17 December 1999
Recurring theme – The role of belief and religion

Religious beliefs (and the lack of them) vary even more widely among people than personal political views. Both clearly have had and will continue to play major roles in the development of ethical business issues. Examples can be found from all religions of personal beliefs inspiring action on ethical investment or ESG issues – the WWF’s (World Wide Fund for Nature) sacred earth faiths programme is an example of this and there are plenty of activists and organisations who reference doctrinal support from different faiths for ethical investment activities.

No history of business ethics or ethical investment in Britain and the US is complete without reference to the role of Quakers who have had a huge influence in helping to champion and pioneer action on these issues and social reforms more generally – whilst by no means alone as plenty of people from other denominations shared their views, their role in historic developments (Victorian anti-slavery/ Model employee villages) and contemporary (ethical investment funds) alike, is very large in relation to their numbers. Examples are referenced elsewhere in this document.

As a succinct summary of limits to the role of faith, the following statement is still valid:

“"In the present day the influence of religion is considered to be largely limited to shaping individual opinions and moral attitudes towards capitalism rather than setting and managing the system itself. In this sense, talk of an Islamic economic system is analogous to talk of a Buddhist or a Socialist economic system. That is to say, it is a highly influential philosophy which shapes the ethics, opinions and behaviour of a large proportion of the world’s population, but in the main exists more as an alternative ideal rather than as a major driving component of the global economy.”

From – Islamic Finance Issues and Opportunities, EIRIS, 2004

Trivia to balance out nice things about Quakers pt 1; did you know Richard Nixon had Quaker heritage?

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68 http://worldwildlife.org/initiatives/sacred-earth-faiths-for-conservation
69 http://www.3ignet.org/
70 cf; Traidcraft the influential Fair Trade brand has religious roots. Faith groups have been prominent in campaigns against the arms trade
71 A helpful lecture by Professor James Walvin, University of York on Quakers, business and morality was given on 25 April 2005 at Gresham College and is available online http://www.gresham.ac.uk/lectures-and-events/quakers-business-and-morality

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Campaigners and NGOs play a major role in shaping politics and public opinion. In the UK they have helped to shape government policy (see also Flirting with ethics in foreign policy) on ethical issues and have often complemented ethical investor and consumer bodies in promoting corporate accountability and responsible investment...

- The enduringly high profile campaign against promotion of breastmilk substitutes (in part because mothers’ milk is healthier, but initially because lack of access to clean water in developing countries can make use of substitute milk harmful to health) was kicked off by a coalition of NGOs inspired by a War on Want research report in the 1970s and influenced the industry and World Health Organisation to agree the International Code of Marketing of Breastmilk Substitutes. 73

- Charities like Oxfam along with healthcare professional groups were active in supporting the list of Essential Drugs adopted by WHO – and helped to resist lobbying by pharmaceutical companies against organisations like Gonoshasthya Kendra (KP Peoples Health) in Bangladesh which spread the adoption of policies to boost indigenous manufacture of generic drugs in developing countries during the 1980s - a theme revisited in a even more high profile form with the 1990s debate on Access to Medicines particularly in relation to Aids drugs – in 2001, a consortium of 39 Pharmaceutical companies backed down from a court case which they had brought in South Africa to limit a 1997 law allowing the South African government to override patent rights in a health emergency. 74

- CAFOD, Christian Aid, New Consumer, Oxfam, Traidcraft and the World Development Movement helped found the Fairtrade Foundation in 1992. (These organisations were later joined by the Women’s Institute, Britain’s largest women’s organisation, not to mention Banana Link, Methodist Relief and Development Fund, Nicaragua Solidarity Campaign, People & Planet, SCIAF, Shared Interest Foundation, Tearfund and the United Reformed Church.....)

- Campaigning by student NGO People & Planet led to Ethics for USS succeeding in persuading one of the UK’s largest pension funds, the Universities Superannuation Scheme to adopt a RI policy in 1999

Unsurprisingly the influence of NGOs in raising and using ethical business issues has been the subject of much study 75. However it is not only in specific focused corporate campaigns that they have been influential; campaign groups, NGOs and charities have frequently been at the nexus of broader changes in political attitudes and movements.

The success of Live Aid in 1985 and the chain of long running charities it helped inspire (notably Comic Relief and Sports Relief) was a big factor in the controversial but much lauded generational consensus cemented by the 2010 General Election of all the leading UK parties supporting the UN General Assembly’s 1970 target of giving 0.7% of gross national income to foreign aid. 76 That 1985 success – with its still continuing

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73 Which campaigners and midwife professionals still believe is endemic ly breached by all breastmilk substitute companies, even though it tends to be Nestlé that attracts the most public attention
http://info.babymilkaction.org/update/update42page4


76 And actually achieved in 2013 - the first G8 country to do so (some time after the leading advocates it should be said but their economies leave them out of the G8 - Denmark, Luxembourg, Netherlands, Norway, and Sweden take that bow)
See http://www.guardian.co.uk/global-development-professionals-network/poll/2013/mar/20/g8-pmi-target-george-osborne
consequences, was in turn itself made possible by the success of campaigning NGOs in bringing development issues up the media and political agenda during the previous decade. Persistent lobbying by evolving coalitions of activists and NGOs has continued to be instrumental in highlighting issues like Third World debt and has vastly increased governmental discussion of the idea of Tobin (aka Robin Hood) style transaction taxes.

Even more successfully, the Green movement in its varied forms helped bring sustainability to the boardroom table during the 1980s (aspects of which will be discussed under the heading starting No More Hippies any more.) The interaction between campaigners lobbying government, the making of ethical choices by consumers and the actions and reactions of business can be varied and complex, but there is no doubt environmental issues have definitively moved from the margin to the mainstream.

Just as individuals have sometimes gone from business to NGO to politics or vice versa, so the whole lobbying process can work in many different permutations; eg a diverse group of economists, environmentalists and development campaigners set up TOES, the original ‘counter summit’ at the 1984 G7 meeting in London inspiring alternative gatherings at all such summits ever since – and went on to create the New Economics Foundation (NEF) in 1986 which in turn has helped shape new organisations both mainstream and resolutely grassroots that influence the CR and ethical business agenda.

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**ALTER-GLOBALISATION AND SEATTLE 1999**

Anyone who has ever aspired to the Friends of the Earth slogan 'Think Globally, act locally', is likely to have an opinion on the 1999 protests at the World Trade Organisation meeting in Seattle (dubbed the Battle of Seattle in books and documentaries) - at which a diverse range of demonstrators suffered from heavy handed policing and brutality - not unlike that at the similarly large 'Battle of Genoa' at the G8 summit two years later – which events helped establish the idea of an alter-globalisation movement firmly in the public mind. As opposed to the misnomer of anti-globalisation which would hardly be appropriate for the internet age connected web of coalitions who coalesce at such events or groups like the World Social Forum/ Occupy etc

Seattle’s symbolism was no doubt helped by a mixture of the pre-millennial date and the city being home to three world famous organisations (Boeing, Microsoft and Starbucks – the latter two of which were very much part of the 1999 zeitgeist of concerns about globalisation - what with the software firm facing legal action for monopoly allegations and the coffee chain featuring in No Logo....... making it an easy choice for the fictional Dr Evil to base his ‘secret lair’ in that year’s Austin Powers sequel.)

Robert Newman’s 2004 novel THE FOUNTAIN AT THE CENTER OF THE WORLD is an interesting read for anyone interested in exploring the specific time period further from an activist perspective – not least because it earned this excited review from Dwight Garner in the New York Times which inter alia called it “a sublimely frisky novel, one that throws more acid-tipped darts at Nafta and the World Trade Organization than a foot-high stack of Mother Jones and Nation back issues. Newman’s book follows three characters (one in London, one in Mexico, one in Costa Rica) in the years leading up to the 1999 W.T.O. protests in Seattle, and it reads like what you’d get if Tom Wolfe clambered inside the head of Noam Chomsky – it elegantly and angrily scorches a lot of earth.”

Example sources include [http://cadtm.org/About-the-Campaign-for-the, plus Jubilee itself](http://www.jubileedebtcampaign.org.uk/Origins3720of3720the3720debt3720movement+279.twl) or the once better known Lloyds and Midland Boycott (LAMB) [http://www.independent.co.uk/news/business/lamb-lies-down-on-banks-1577769.html](http://www.independent.co.uk/news/business/lamb-lies-down-on-banks-1577769.html)


For a brief insight into TOES and NEF [http://www.neweconomics.org/content/history-nef](http://www.neweconomics.org/content/history-nef)

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**ETHICAL INVESTMENT AND CONSUMERS IN CULTURAL HISTORY (NIAZ ALAM, LONDON-DHAKA 2012)**

[www.ethicalbit.wordpress.com](http://www.ethicalbit.wordpress.com)
FROM HANSARD, reporting a House of Commons debate in July 1996

Ethical Investment

40. Mr. Tony Banks: To ask the right hon. Member for Selby, representing the Church Commissioners, what policies are followed by the commissioners in respect of ethical investment.[36757]

Mr. Alison: It is the commissioners' policy not to invest in any company of which the main business is in armaments, gambling, breweries and distilleries, tobacco or newspapers. I am arranging for a leaflet setting out our ethical policy to be sent to the hon. Gentleman.

Mr. Banks: That is very interesting. Does that mean that the 30 per cent. rule still applies, whereby the commissioners are prepared to invest in companies that have only 30 per cent. of their production in arms or some of the other areas that he has just listed? If that is so, does it mean that, provided that we behave ourselves for 70 per cent. of the time, the other 30 per cent. we can have a bit of slap and tickle?

While I have the right hon. Gentleman there, and as I have been such a strong supporter of the Church Commissioners over the years, is there any chance of his making sure that they offer up a few prayers for me for the shadow Cabinet elections? I suspect that I am going to need some divine intervention this year.

Mr. Alison: I think that the rules guiding us on ethical investment would deter us from offering any prayers concerning the shadow Cabinet elections. As for the 30 per cent. figure, the hon. Gentleman is a little wide of the mark. If a company's investment in armaments is as high as 30 per cent., the Church Commissioners are uneasy about investing in it. That is why we are in continual dialogue with GEC about the level of its armaments production.

I ask the hon. Gentleman, before he becomes holier than thou, which I know is not characteristic of him, to remember that many of those companies pay substantial taxation to the Chancellor. He and I should be very careful, when our next salary cheque comes along at the end of July--it will probably be slightly bigger than previously--to ensure that it is ethically acceptable, because some of it may come from those companies about which the Church Commissioners have scruples.

http://www.publications.parliament.uk/pa/cm199596/cmhansrd/vo960722/debtext/60722-05.htm 22 Jul 1996
**EVEN ENRON HAD AN ETHICS CODE: ELEPHANTS IN THE BOARDROOM, CRIMES, MISDEMEANOURS AND SCANDALS OVER THE YEARS**

A list of the most controversial companies of 2012, published in January 2013 by a private research provider analysing reported breaches of international standards, highlighted the Tazreen factory, location of the horrendous fire which killed over 117 people in Ashulia near Dhaka in Bangladesh in November 2012, at the top of its list ahead of many larger more famous companies.

It must be hoped that this type of publicity and the governmental responses that followed the fire will help bring about wider safety improvements. Yet as the many references within these reports to the 1911 Triangle fire which killed a tragically similar number of people in New York a century earlier demonstrate, wherever the garment industry is located, it has been susceptible to breaches of basic labour rights and the ultra competitive nature of the industry has often attracted participants who do not uphold basic health and safety laws.

So it is morally right but actually a surprise that this most basic of health and safety catastrophes placed this factory at the top of the controversy list – as the public is so used to associating the garment trade with images of sweatshops and cheap labour, that many are inured to hearing of breaches of standards and even deaths in this type of factory fire are commonly underreported.

The endemic nature of ESG risks in this sector means breaches of standards can happen anywhere in the world. The Bangladesh location of this current case does however link to the oldest and most historically important company which often features in lists of corporate scandals:

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**The East India Company (chartered 1600 –nationalised 1858 –dissolved 1874)**

Criticised during its heyday by Adam Smith and Karl Marx alike, the East India Company’s huge role in the expansion of the British Empire, is pivoted on its success in usurping political power from the ruler of Bengal (which includes present day Bangladesh) at the Battle of Plassey in 1757.

Private armies, coups, imperialism, bribery, corruption, monopoly abuse, poor corporate governance, and the opium trade are prominent features in its long history. For many years it was de facto ruler of much of India – although it was only after actual rebellion by its own soldiers in 1857 in a bid for independence that the British Government formally overthrew the Mughal emperor whose overlord status John Company had acquired- and Victoria was crowned Empress of India. The key point of reference whenever a modern multinational is accused or implicated in corrupting or undermining independent states.

Its story was retold by responsible investment professional Nick Robins in "The Corporation That Changed the World: How the East India Company Shaped the Modern Multinational".

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The East India Company was by no means the only chartered European company that ventured into colonialism and empire, (its Dutch counterpart was bigger for many years) nor the last (the Royal Niger Company in West Africa for instance or the Hudson’s Bay Company in Canada – which once was North America’s largest landowner and still survives although its main interests are in retail nowadays). Neither was it the last corporation to fund or influence armed forces in support of its shareholders interests, but it is certainly one of the most interesting.

**Opium wars and their consequences**

Infamously, one of the East India Company’s most lucrative and nefarious trades was exporting opium grown in Bengal to China. This is a history inextricably linked with the story of tea; tea was expensive to the British empire because the Chinese empire had a monopoly on growing it for many years – and the easiest way to earn money to use in trade for tea was selling opium to addicts in China. (Whether caffeine related - tea/coffee or crucially sugar in the triangular transatlantic slave trade- or otherwise, addictive substances play a big part in imperial and business history 83)

When China tried to ban opium imports, the East India Company made full use of industrial might and imperial guile to engineer and readily win the Opium wars starting in 1840 leading directly to British rule in Hong Kong. The acquisition of Hong Kong (eventually relinquished in 1997) was far from the only colonial imposition on the China as it set a precedent for a string of unfair treaties – ceding authority and territory in places like Shanghai to overseas powers for the next hundred years. Taking a cue from the early part of the East India Company’s rule in Bengal, the exercise of ‘informal empire’ via such treaties and means such as privatising the collection of customs duties, stationing soldiers and guiding government policy, remained in force in various forms until 1949...

Chinese nationalists of all political ideologies have never let anyone forget the role of corporations in this history so the opium wars have a ‘long tail’ in the public mind. As a conglomerate descended from one of the original Hong Kong trading houses or Hongs that date back to Imperial China’s decline, the public relations team of Jardine Matheson Holdings Ltd. (aka Jardines) still gets asked questions about its role in Hong Kong’s history. 84

Literary trivia: *Nobel House*, a bestselling 1981 book and US NBC tv miniseries written by James Clavell is set in 1960s Hong Kong with a detailed story centring on a fictionalised account of commercial rivalries between Jardines and the Swire group. (aka John Swire/Swire Pacific best known for the Cathay Pacific airline). Perhaps because both these real life companies loom large in the commercial history of Hong Kong and are known for their British connections and family shareholdings, *Booker prize*85 winning author Kazuo Ishiguro confused them when he used the name Butterfield and Swire (a real company and the predecessor of Swire Pacific) in *When we were Orphans*, a novel published in 2000.

“Swire Pacific objected to being portrayed as a company founded on the opium trade..... ..and so the company is called "Morganbrook and Byatt" in the American edition”

83 See Tempest in a Tea Cup, *Time Asia* 17 June 2002 [http://www.appiusforum.net/time_asia.html](http://www.appiusforum.net/time_asia.html) and [http://www.rmg.co.uk/visit/events/gallery-favourites-online/britain-tea-and-the-opium-trade](http://www.rmg.co.uk/visit/events/gallery-favourites-online/britain-tea-and-the-opium-trade)


85 Since 2002 actually sponsored by the Man group which retained the name – hence *Man Booker*. Incidentally it was originally the Booker McConnel prize. In 1972, the winning writer, John Berger (‘G’) gave an acceptance speech blaming “Booker’s 130 years of sugar production in the Caribbean for the region’s modern poverty” and gave half his winnings to the British Black Panther movement. ( see “Man Booker Prize: a history of controversy, criticism and literary greats”, at [http://www.guardian.co.uk/theguardian/from-the-archive-blog/2011/oct/18/booker-prize-history-controversy-criticism](http://www.guardian.co.uk/theguardian/from-the-archive-blog/2011/oct/18/booker-prize-history-controversy-criticism) )
In the post colonial 21st century, it may seem a little churlish or old fashioned to bring up the role of corporations in imperial history. Whatever one’s view of the politics behind John Berger’s 1972 Booker speech (see footnote previous page – sincere and effective enough to be remembered decades later but also what Tom Wolfe dubbed radical chic,) or questionable aspects of the organisation to which he donated his winnings, at this further distance in time from the colonial era, people would be entitled to be more critical of someone who blames contemporary poverty in a region solely on the actions of one private company.

But as Nick Robins highlights in his East India Company book, there are many resonances still to be noted and lessons to learn for contemporary transnational corporations. The Watergate era in which Berger made his speech became a high point for investigative journalists and contemporaneous concerns inspired creation of a US senate committee chaired by Frank Church which among many other things reported “In addition to providing information and cover to the CIA, multinational corporations also participated in covert attempts to influence Chilean politics. The following is a brief description of the CIA’s relationship with one such corporation in Chile in the period 1963-1973 -International Telephone and Telegraph, Inc. (ITT)...”86

The linking of (the then dominant) US telecom firm ITT to the violent 1973 coup in Chile was just one of several corporate scandals, of which allegations of systematic and global bribery by the arms industry exemplified by US company Lockheed Martin was one of the longest running in this decade. It is no coincidence then that the mid 1970s saw publication of the first OECD Guidelines for Multilateral Enterprises or the signing of the US Corrupt Foreign Practices Act by President Carter in 1977.

To the contemporary observer, brought up in a era of prohibition and the never ending war on drugs, the Opium war – fought in the Victorian era to dump the crop on a country whose rulers did not want it, carried out in the name of ‘free trade’ by an empire that at the same time also used military means to attack slave traders (whilst acquiring colonies)- seem particularly immoral and incongruous.

But to be fair to the Victorians, they practised some of what they preached in relation to free trade so opium, cannabis et al were freely sold in London’s Harrods87 department store (with the usual addictive consequences and harm for some, although alcohol temperance was the greater cause de jour for social reformers back then) and such substances only fully left a prescription on demand basis in 1971 with the full adoption of US style prohibition in the UK (with its arguably greater harm of smugglers spreading corruption and criminality across wider society, not just to addicts and users alone.)

Of course, some ESG concerns are so mainstream and integrated into pricing decisions and business media coverage that they are usually not labelled as specifically ethical or ESG issues, notably the banks and financial institutions at the heart of the contemporary financial crisis...

Likewise, globalisation of regulation means that large fines for operating price fixing agreements or cartels (eg; 2009: EU fines Intel $1.45 billion USD: 2004-2008: EU fines to Microsoft total 1.7 billion Euros: 2013: China fines $57m USD on LCD manufacturers and $72m on alcohol producers⁸⁸) are no longer confined to US anti-trust cases and international regulators more frequently share evidence to help each other’s anti-monopoly cases.

**Big Tobacco** is of course even better known as consumption of its products is a major cause of harm and debate. Similarly **Big Oil**, *its pricing and its impact on climate change*, needs no niche ethical label to stimulate discussion, not least because of environmental concerns about oil spills (Torrey Canyon, Exxon Valdez, Gulf of Mexico⁸⁹) and its dependence on sourcing from countries with poor human rights records. Resource constraints, environmental concerns, food security and obesity all make **Big Food/Agribusiness** a growing concern. And as for the **Arms Trade**, well that takes us back to the story in **Major Barbara** again...

But of all Big Business bête noirs, perhaps the sector that had the most direct influence on the evolution of corporate accountability codes, debates and ethical business campaigns in the last 40 years has been the pharmaceutical industry.

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**BIG PHARMA**

In 2007 science writer Ben Goldacre writing in the Guardian noted that the international pharmaceutical sector posed a host of ethical questions, or to quote from his choice phrasing…

”….my favourite three-minute dinner party package: how evil is big pharma?"

In the UK, the pharmaceutical trade is the third most profitable activity after finance and - this will surprise you if you live here - tourism. We spend £7bn a year on pharmaceutical drugs, and 80% of that goes on patented drugs - medicines released in the last 10 years. In 2002, the 10 US drug companies on the Fortune 500 list had combined international sales of $217bn (£106.6bn).

They spent only 14% of that money on research and development, but 31% on marketing and administration. They are very careful not to let anyone see how much goes on marketing and on administration. Whenever you hear the drug companies explaining why they have to charge so much for their products - perhaps as they are denying their lifesaving Aids drugs to the 20 million HIV-positive people in Africa - the plea is that they need money to develop new drugs. That’s not true if they spend twice as much on marketing as on research and development. This unhappy collision of facts makes them look very evil indeed.


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Persistent questioning and scepticism by doctors and healthcare professionals has been a major reason for the scrutiny faced by pharmaceutical companies. The WHO list of Essential Drugs (and the Code of Practice on the marketing of

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⁸⁸ See [http://news.bbc.co.uk/2/hi/8047546.stm](http://news.bbc.co.uk/2/hi/8047546.stm)


[http://www.guardian.co.uk/media/pda/2008/feb/27/microsoftsmonopolycostsita](http://www.guardian.co.uk/media/pda/2008/feb/27/microsoftsmonopolycostsita)

⁸⁹ Click here to see Photos: The 11 worst oil spills in history - [Vancouver Sun 16 August 2012](http://www.vancouversun.com/business/2035/Photos+worst+spills+history/7101284/story.html)
Breastmilk substitutes which was also encouraged by healthcare professionals in the late 70s/early 80s) have both been highly influential in the development of codes of conduct and corporate accountability campaigns.

And it could be argued this background means that today developing countries and NGOs have much more success in getting (some) pharmaceutical companies to co-operate in widening access to medicines compared to the 1970s (by promoting cheaper generic drugs, developing patent pools etc.)

But such a Panglossian view of the evolution of the pharmaceutical sector did not impress John Le Carre, whose 2001 novel ‘The Constant Gardener’ takes a much more misanthropic view of the world and the place of pharmaceutical companies within it, earning this early review in Salon: “the Dostoevskian pessimism that has marked the greatest work of John le Carré reaches a new level in his latest book, “The Constant Gardener.” And once it’s over, the reader is astonished to read this disclaimer in an afterword from the famously opaque author: “By comparison with the reality, my story [is] as tame as a holiday postcard.”

In the book, a pharmaceutical conglomerate tests an unstable new drug on a large number of Africans, with deadly results; crushes opposition from doctors who question the testing process; suborns the governments of nations large and small; operates its own secret service; and, not least, creatively tortures and murders those who might work against it. This Robert Ludlum-scale conception is tame? It may be true that certain international pharmaceuticals are behaving this badly, but this unthrilling thriller so lacks momentum and grace that it’s not going to force the issue into the public consciousness” 90

Aspects of the books’ concerns about pharmaceutical tests reflect real events

- "The Connecticut Law Tribune claims that The Constant Gardener, a John Le Carre book and later a movie with the same name, is in fact based on the Pfizer Trovan case. But is the claim true? A look at the timeline of both the case and the book suggest it is possible ... as long as Le Carre is a very fast writer...” 91
- And in the afterword he refers to BUKO Pharma-Kampagne 92 a German pharma watch NGO that mirrors the fictional NGO in the story and asks his readers to support their work.

But even if you accept as a necessary plot device for a work of fiction the concept that bad people within a business will commit murder to cover up bad news, the idea that such a killing spree could include killing not one but two well off, white, diplomatically privileged foreigners in Kenya and still be plausible as a cover up which would go unnoticed ...would start to stretch credulity in a book – and was even more so in the film 93 of the book where the couple were played by two highly accomplished and glamorous film actors....

90 http://www.salon.com/2001/02/02/lecarre_2/
93 Who at least made it more watchable given the portentous tone of the film version, plus Rachel Weisz got to earn her Oscar http://www.imdb.co.uk/title/tt0387131/ Of course if you think the real story is more that unauthorised testing has sometimes occurred in the manner depicted, but is mainly ignored by global media – you may be even more inclined to share Le Carre’s pessimism
No chronicle of this type would be complete without referencing some of the major names that are most frequently cited in histories of corporate accountability and ethical investment. The four below are in no particular order and the scandals with which they are associated are primarily famous because of their vintage or impact in bringing ethical issues onto the public and media agenda – and not because the companies now are necessarily doing anything less well than similar businesses in their fields.

ROUND UP THE USUAL SUSPECTS...

Dow Chemical Company
Targeted by early ethical investors and anti-war activists for its role in producing napalm and Agent Orange the deadly chemical agent used during the Vietnam war. Is now more likely to be in the press because it owns Union Carbide, the company responsible for the 1984 Bhopal disaster in India:

- See [http://www.bhopal.net/worldmap/vietnam_more.html](http://www.bhopal.net/worldmap/vietnam_more.html)
- A true Olympic legacy would be for Dow Chemical to shoulder responsibility for the 1984 tragedy [26 January 2012](http://www.guardian.co.uk/commentisfree/2012/jan/26/why-meredith-alexander-resigned-bhopal-olympic)
- “Lord Coe, the 2012 chairman, and the Games organisers Locog, have faced criticism from MPs, Olympians and human rights groups including Amnesty International and Bhopal Medical Appeal, ever since Dow was awarded a sponsored fabric “wrap” around the outside of the Olympic Stadium in a deal worth £7m. Dow is the 100 per cent owner of Union Carbide Corporation (UCC), which was the majority shareholder of Union Carbide India Limited [UCIL], the company responsible for the 1984 gas disaster in Bhopal, India, which killed 25,000 people.” [http://www.independent.co.uk/sport/olympics/the-most-ethical-olympics-ever-not-acording-to-boriss-ethics-tsar-6294617.html](http://www.independent.co.uk/sport/olympics/the-most-ethical-olympics-ever-not-acording-to-boriss-ethics-tsar-6294617.html)

Monsanto
- Also involved in making Agent Orange during the Vietnam era
- In the 1990s – the company most associated with concern about Genetically modified organisms GMOs, which includes not just health and safety fears but the monopolistic purposes to which genetic modifications can be put if left entirely to commercial forces (eg; producing self terminating seeds that force farmers into dependence for new supplies or plants which will only tolerate one brand of pesticide - plus the fact that corporations like to seek to ‘own the commons’ by patenting naturally existing genes) See [http://www.organicconsumers.org/monsanto/agentorange032102.cfm](http://www.organicconsumers.org/monsanto/agentorange032102.cfm)

Nestle
- Concerns about the aggressive marketing of Nestlé baby milk formula in poorer countries triggered off what Ethical Consumer highlights as the world’s longest running boycott in 1977 [http://www.ethicalconsumer.org/boycotts/currentboycottslist/nestleboycottprofile.aspx](http://www.ethicalconsumer.org/boycotts/currentboycottslist/nestleboycottprofile.aspx)
- This sparked regular calls to boycott the comedy award sponsorship by Nestle brand Perrier at the Edinburgh Festival - [http://news.bbc.co.uk/2/hi/entertainment/1467561.stm](http://news.bbc.co.uk/2/hi/entertainment/1467561.stm)
- Ironically for some business historians and sweet toothed ethical consumers it now owns one of the famous Quaker chocolate brands [http://www.quakersintheworld.org/quakers-in-action/199](http://www.quakersintheworld.org/quakers-in-action/199)

Shell
- A textbook case from the 1990s growth era in codes of conduct when the company was virtually simultaneously targeted by NGOs concerned about the disposal of the Brent Spar oil rig and whether the company was benefiting from human rights abuses by the government and paramilitary forces in Nigeria (particularly those responsible for the murder of Ogoni activist Ken-Saro Wiwa) [http://www.ethicalcorp.com/communications-reporting/brent-spar-battle-launched-modern-activism](http://www.ethicalcorp.com/communications-reporting/brent-spar-battle-launched-modern-activism)
- Whilst Shell was far from unique in facing environmental and human rights accusations of this sort in the 1990s (which the nature and locations of the oil industry makes inevitable,) and had valid reasons to rebut many of these claims, it learned from early PR blunders and along with BP was a leader among the major oil companies in reinvigorating its ethics and compliance activities during the 1990s. [http://www.prnewswire.co.uk/news-releases/shell-again-most-sustainableethical-oil-company-in-2006-petrobras-supplants-exxon-in-the-top-5-156209275.html](http://www.prnewswire.co.uk/news-releases/shell-again-most-sustainableethical-oil-company-in-2006-petrobras-supplants-exxon-in-the-top-5-156209275.html)
"There are dozens of issues, such as starvation wages, bullying, abuse and 60-hour weeks in the sweatshops manufacturing (smartphones and computers,) the debt bondage into which some of the workers are pressed, the energy used, the hazardous waste produced. But I will concentrate on just one: are the components soaked in the blood of people from the eastern Democratic Republic of Congo? For 17 years, rival armies and militias have been fighting over the region’s minerals. Among them are metals critical to the manufacture of electronic gadgets, without which no smartphone would exist: tantalum, tungsten, tin and gold. While these elements are by no means the only reason for conflict there, they help to fund it, supporting a fragmented war that – through direct killings, displacement, disease and malnutrition – has now killed several million people...

.....None of the campaigning groups wants companies to stop buying minerals from eastern Congo. Global Witness and FairPhone, for example, point out that mining supports many families in a country where 82% are considered underemployed (see link provided on writers website - 3). But they also insist that the trade can be dissociated from violence: if, and only if, companies ensure they’re not buying minerals which have passed through the hands of militias. Given the potential damage to their reputations, you might have expected these firms to take the issue seriously. With a few exceptions, you would be wrong

--George Monbiot Smart Phones, Dumb Companies, Guardian 11/03/13
http://www.monbiot.com/2013/03/11/smart-phones-dumb-companies/

The above extract from a recent article about conflict minerals speaks for itself and is a valuable reminder of the relative lack of global attention received by some conflicts.

While consumers may choose to ignore the issue of conflict diamonds which was brought to world attention by the Global Witness NGO in 1998, (because they rarely buy diamonds or like this author do not know what a baguette on a Rolex is), this is not the case for handsets and computers.....but both supply chains face similar conflict issues.

Public concerns about conflict diamonds led to an industry wide conflict free certification process (Kimberley supported by amongst others leading producer and predominant marketer, De Beers,) as a direct consequence of Global Witness’ ground breaking report and the issue became high profile enough to feature in popular culture and be the subject of a very well received film, Blood Diamond of its own in 2006.

Yet, as the Monbiot article highlights and observers of the Kimberley process (which Global Witness stopped supporting in 2011) will know, sadly there is still much to be concerned about, monitor better and improve....

94 http://www.debeersgroup.com/Sustainability/ethics/ and
http://www.guardian.co.uk/business/2000/aug/06/theobserver.observerbusiness3
95 Directed by Edward Zwick of Glory renown http://www.imdb.co.uk/title/tt0450259/
96 See http://www.salon.com/2013/01/07/the_myth_of_conflict_free_diamonds/ and
http://www.globalwitness.org/conflict-diamonds
**Enron’s ethics code....**

As a company now synonymous with corporate scandal, it amuses cynics that Enron once had an ethics\(^9\) code.

But the code (which did exist) was just a tiny layer on a huge smorgasbord of deliberate obfuscation to cover up a fraudulent (and failing) business model. As a company perceived to be “too big to fail” with friends in high places – few outsiders who raised doubts persisted in cross examining the *smartest guys in the room*\(^8\) on their business model - so the cavalcade of court cases and convictions did not start until *after* the company declared one of the biggest bankruptcies in US history and aided the collapse of Anderson, one of the then “big five” global accounting firms......


-the real lesson of Enron - as with not dissimilarly fraudulent Ponzi and pyramid selling schemes - comes down to traditional prudent investor aphorisms *(if something sounds too good to be true, don’t invest in it….. if something is too complex to readily explain, don’t trust it…. AND remember the emperor’s new clothes)*

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**WIKIPEDIA EXTRACT**

The *Enron scandal*, revealed in October 2001, eventually led to the bankruptcy of the *Enron Corporation*, an American energy company based in Houston, Texas, and the de facto dissolution of *Arthur Andersen*, which was one of the five largest audit and accounting partnerships in the world. In addition to being the largest bankruptcy reorganization in American history at that time, Enron was attributed as the biggest audit failure.\(^3\)

Enron was formed in 1985 by Kenneth Lay after merging *Houston Natural Gas* and *InterNorth*. Several years later, when Jeffrey Skilling was hired, he developed a staff of executives that, by the use of accounting loopholes, *special purpose entities*, and poor financial reporting, were able to hide billions of dollars in debt from failed deals and projects. Chief Financial Officer Andrew Fastow and other executives not only misled Enron’s board of directors and audit committee on high-risk accounting practices, but also pressured Andersen to ignore the issues. Shareholders lost nearly $11 billion\(^2\) when Enron’s stock price, which achieved a high of **$90** per share in mid-2000, plummeted to less than $1 by the end of November 2001.

The U.S. Securities and Exchange Commission (SEC) began an investigation, and rival Houston competitor *Dynegy* offered to purchase the company at a very low price. The deal failed, and on December 2, 2001, Enron filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code. Enron’s $63.4 billion in assets made it the largest corporate bankruptcy in U.S. history until WorldCom’s bankruptcy the next year.\(^2\) Many executives at Enron were indicted for a variety of charges and were later sentenced to prison. Enron’s auditor, Arthur Andersen, was found guilty in a United States District Court, but by the time the ruling was overturned at the U.S. Supreme Court, the company had lost the majority of its customers and had closed. Employees and shareholders received limited returns in lawsuits, despite losing billions in pensions and stock prices. As a consequence of the scandal, new regulations and legislation were enacted to expand the accuracy of financial reporting for public companies.\(^3\) One piece of legislation, the [Sarbanes-Oxley Act](http://en.wikipedia.org/wiki/Sarbanes-Oxley_Act), increased penalties for destroying, altering, or manufacturing records in federal investigations or for attempting to defraud shareholders.\(^3\) The act also increased the accountability of auditing firms to remain unbiased and independent of their clients.\(^3\)

**Causes of downfall**

Enron’s complex financial statements were confusing to shareholders and analysts.\(^1\) In addition, its complex business model and unethical practices required that the company use accounting limitations to misrepresent earnings and modify the balance sheet to indicate favorable performance.\(^1\) According to McLean and Elkind in their book *The Smartest Guys in the Room*, "The Enron scandal grew out of a steady accumulation of habits and values and actions that began years before and finally spiraled out of control."\(^1\) In an article by James Bodurtha, Jr., he argues that from 1997 until its demise, "the primary motivations for Enron’s accounting and financial transactions seem to have been to keep reported income and reported cash flow up, asset values inflated, and liabilities off the books."\(^1\)

The combination of these issues later resulted in the bankruptcy of the company, and the majority of them were perpetuated by the indirect knowledge or direct actions of Lay, Jeffrey Skilling, Andrew Fastow, and other executives. Lay served as the chairman of the company in its last few years, and approved of the actions of Skilling and Fastow although he did not always inquire about the details. Skilling constantly focused on meeting Wall Street expectations, advocated the use of *market-to-market accounting* (accounting based on market value, which was then inflated) and pressured Enron executives to find new ways to hide its debt. Fastow and other executives "...created off-balance-sheet vehicles, complex financing structures, and deals so bewildering that few people could understand them."\(^1\)

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\(^9\) [http://www.businessethics.ca/enron/](http://www.businessethics.ca/enron/)


THE HUMAN RIGHTS AND WRONGS OF BOYCOTTS – Slavery, Apartheid and Divestment debates

*Lysistrata*, a play by Aristophanes from classical Athens first performed c.411 BC, tells the story of a woman who seeks to end an interminable war between Athens and Sparta by leading all the women of Greece into withholding sexual attention and privileges from all the men until they make peace. Which helpfully provides an old example of both a boycott and making love not war.

The late 18th century and early Victorian century advocates of abolishing slavery who promoted ‘not made by slaves’ labelled products like the blue bowl on the cover emulated Lysistrata by promoting a boycott, albeit in their case it was of slave produced sugar in the 1790s (and cut sales in half.)99

Both these causes predate the coining of the term boycott in rural Ireland during the 1880s, when impoverished tenant farmers socially ostracised Captain Charles Boycott, the representative of an absentee landlord in a campaign for greater land rights. Followers of the indefatigably iconoclastic cricketer Geoffrey Boycott will doubtless be aware this one time captain of the Yorkshire cricket team did at one stage in his later career participate in a 1982 ‘rebel tour’ of South Africa by which time English cricketers had been banned by their sports body from playing there – leading to multi layered, meta allusions to Captain Boycott and Boycott breaching the boycott etc...

Ethical Consumer magazine describes boycotts as an essential tool that should be seen as one of several different aspects of ethical consumption options. Its website features lists of current and old100 boycotts of which the longest running is the famous Nestle boycott begun in 1977. [http://www.ethicalconsumer.org/boycotts/boycottslist.aspx]

In some cases boycotts may appear quixotic choices germane only to select groups of consumers, or as with the Nestle boycott they are well known but work mainly as a tool for raising awareness about an issue – and achieve success more by influencing long term change in consumer attitudes and corporate behaviour rather than by getting companies to immediately change their policies. Yet, as the sheer scale of Public relations & reputation management as fields makes clear, business is highly sensitive to any shifts in consumer attitudes – and is often keen and able to respond quickly to public concerns, eg; as illustrated by the offer by Starbucks to make a ‘voluntary payment’ to the UK treasury at the end of 2012, following boycott threats by consumers101 in protest at the corporations (legal) tax minimisation strategies.

A boycott can have downsides and these tend to be well pointed out by critics. Notably it ill behoves advocates for human rights and better working conditions to enact boycotts that harm the livelihoods of the people or workers whom they are seeking to help. Hence engagement with companies to improve wages and conditions usually trumps risking

99 See here for the 1791 boycott call http://www.bbc.co.uk/history/british/abolition/abolition_tools_gallery_07.shtml

And these for related abolitionist campaigns http://www.english-heritage.org.uk/discover/people-and-places/the-slave-trade-and-abolition/sites-of-memory/abolitionists/ & the British Museum source for the cover photo

100 See the highly informative EC list of successful boycotts 1986-2009 in the magazines 20th anniversary edition http://www.ethicalconsumer.org/boycotts/boycottslist.aspx

workers losing their livelihood via a boycott – just as people tend only to go on strike as a last resort. So the pros and cons of proposed boycotts are closely debated.

For this reason there is a long history of ‘middle way’ methods promoted or supported by both advocates and opponents of boycotts alike of which the Sullivan principles\(^\text{102}\) are perhaps the most famed example. Phrased as a set of standards for foreign companies to follow in apartheid era South Africa, the Sullivan principles required companies to commit to ensuring equal treatment of employees regardless of their race both within and outside their workplaces (contrary to the apartheid policies of racial segregation and unequal rights) – and to report on their compliance with this goal.

Much criticised by those anti-apartheid campaigners who wanted total disinvestment or divestment by US companies as a means to put pressure on the regime, the principles were nonetheless referred to by both investors and companies as a means of expressing disapproval of apartheid, whilst also continuing to provide a livelihood to its victims.

By the mid 1980s when the cultural boycott of South Africa (advocated by the ANC, the UK Anti-apartheid movement and official policy of the UK Musicians Union\(^\text{103}\) since 1961,) had spread across all sporting bodies and achieved higher profile in the US, sporting and cultural contacts had become even more taboo and Sullivan was more hotly debated. The universal moral strength of the anti-apartheid cause and Nelson Mandela’s historic achievement in the early 1990s in parlaying his popularity to enable a peaceful transition to democracy true to the ANC’s founding principles, is one of the all time great human rights stories. Not surprisingly, the role of boycotts, in helping to express moral support for anti-apartheid activists and global outrage at the regime is well remembered\(^\text{104}\).

Even so, it needs to be noted that boycotting apartheid’s oranges was not the only truth.

The regimes ability to coerce opponents and resist economic boycotts was never realistically threatened however many years hurt the sporting boycotts were able to inflict on apartheid’s sporting fans. And towards the end, the great transition was significantly helped by an unlikely combination of Cuban soldiers (who helped grind the regime’s powerful army to a halt at Cuito Cuanavale in Angola in 1988)\(^\text{105}\) and an employee of a British gold company with major operations in South Africa (Michael Young of Consolidated Gold Fields)\(^\text{106}\) who shortly afterwards helped facilitate covert talks between the ANC and the regime in the run up to Mandela’s joyful release.

So both armed communists and publicity averse capitalists\(^\text{107}\) deserve credit as well. But without the anti-apartheid movement’s advocacy of boycotts, would global companies have been persuaded as quickly of the business case\(^\text{108}\) for ending apartheid?


\(^\text{104}\) eg; see BBC4 series [The World Against Apartheid: Have You Heard from Johannesburg?](http://www.historytoday.com/gary-baines/replaying-cuito-cuanavale) (2012) which has both archive footage and latter day interviews with participants on all sides of the debate [http://www.bbc.co.uk/programmes/b01b9h6d](http://www.bbc.co.uk/programmes/b01b9h6d)


\(^\text{107}\) At least at the time for obvious reasons – since the release of Endgame, there is more about the company role in the public domain [http://www.law.harvard.edu/news/2012/03/30_michael-young-anti-apartheid-negotiations.html](http://www.law.harvard.edu/news/2012/03/30_michael-young-anti-apartheid-negotiations.html)

\(^\text{108}\) The legendary boycott of Barclays Bank begun in 1970 and promoted by the National Union of Students, nearly halved Barclays market share (traditionally above a quarter) among UK students in the years leading up to its sale of its South African operation in 1986.
Counter arguments against calls for boycotts against countries on human rights grounds mainly revolve around the very valid reasons of not wishing to harm the people who campaigners are seeking to help and the benefits of cultural exchange, political dialogue and trade. Crucially in a globalised world, there is also the fact that without international co-ordination and support, a sanctions type call is rarely likely to succeed on its own. In addition, they are often as with the United States embargo of Cuba, an isolated ideological position that is not endorsed by most of its allies or multilateral institutions.

Historically therefore campaigns by ethical investors on human rights grounds tend to be restricted to what is politically popular or veer towards the engagement or Sullivan side of the spectrum, as is shown by the popularity of the McBride principles in the US. 109

Taking Sullivan as a cue because it did not wish to cut economic ties or employment there, the 1984 McBride principles provided a code of conduct for US companies conducting business in Northern Ireland during its ‘Troubles’– and were widely supported by many large US pension funds and SRI organisations thanks to the uniquely large number of shareholder resolutions on ESG and political issues that ethical investors and campaigners file annually in the US – which provide a perfect platform for lobbyists.110

Even though there was little moral equivalence between the issues and places, as the government involved (UK) had no ideological reason not to promote equal opportunity in the province and the communities affected in Northern Ireland’s troubles all had voting rights and freedom of movement unlike the majority of South Africans, to this day, McBride and Sullivan are widely associated together in the history of ethical investment.

And as an example of a successful campaign supported by many investors via votes and engagement activities, McBride’s legacy lives on as the principles are not only referenced in US law governing economic dealings with the island of Ireland, but Northern Ireland’s equalities laws differ from the rest of the UK (and EU) by explicitly incorporating US style post Civil Rights fair employment requirements – in particular mandating the submission of annual monitoring forms by employers and a duty to take affirmative action.

But to return to boycotts, (which are reflected a bit more from a UK perspective under Flirting with ethics in foreign policy,) the anti-apartheid movement casts a long shadow.

Thus in the last 2 decades, the most widely acknowledged boycott call against business operations in a particular country was that against Burma after its 1990 general election, because it was called for by Aung San Suu Kyi, whose party had won a clear majority in the 1990 election, but was prevented from taking power by the military junta, so there was democratically mandated support for the boycott call within the country affected.

While the best known and most debated boycott call has been that sought against Israel by the BDS (Boycott, Divestment and Sanctions) lobby. Although Israel v Palestine always generates controversy as a topic, the fact that globally respected BDS supporters like Archbishop Desmond Tutu have drawn parallels between conditions for Palestinians in the disputed territories and apartheid, has hugely upset those Israelis who argue that this type of language comforts those who would seek to delegitimize the world’s only Jewish state (and a rare democracy in a region full of repressive regimes like Saudi Arabia) and hence should be treated as an existential threat and/or hypocritical.

Extracts from debates and statements on country boycotts.....

**BURMA in the 1990s**

From the 1990s [Burma Campaign's report on Total](http://www.total-laritarianoil.org) (pdf)

“Total has become the main supporter of the Burmese military regime,” says Aung San Suu Kyi. With their billions of dollars in profits, the generals have been able to develop a powerful army, securing their unjust and unelected government against its own people. As if that wasn’t enough, several years ago it was reported that Total had benefited from slave labour in Burma in the building of the Yadana pipeline. [Total admit](http://www.total-laritarianoil.org) that slaves were probably used to build the pipeline in certain places, but deny that they ever used them themselves. “Unfortunately, the world’s oil and gas reserves are not necessarily located in democracies” says [Total’s website](http://www.total-laritarianoil.org).

**BURMA in 2011**

In November 2010, the NLD announced that the full tourism boycott should be lifted. Those wishing to visit Burma in solidarity with the people - either as individuals or in small groups - are now welcomed. However, the NLD states that a boycott on package tours and other large tourism operations, such as cruise ships, should remain. This is because such tourism is of limited social and economic benefit to most Burmese, while potentally accruing greater revenue for the ruling junta. NLD party leader, U Win Tin, warns that: “To have a very big cruise ship with hundreds of tourists coming in – that’s a lot of money for the regime, and so we don’t like such big business.”

http://www.tourismconcern.org.uk/burma.html

**ISRAEL/PALESTINE BDS – THE ECONOMIST VIEW**

“Unlike the African National Congress, which acted as both a moral beacon and an organiser for sanctions, the Palestinian leadership does not support BDS—fearing that it will hurt Palestinians as much as Israelis—and is much weaker and more divided. The chief difference between the Israeli and South African cases is, however, in the moral sphere. Israel is a robust democracy with vibrant academic freedom. Whereas it was plain to most South Africans that “separate development” was a cover for a gross system of racism, the rights and wrongs in Palestine are both murkier and more fiercely contested.”


New pariah on the block. 13 September 2007

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MOST BUSINESS ACTIVITY IN THE EUROPEAN UNION IN RESPONSE TO BDS TYPE CALLS IS LIMITED TO LABELLING RATHER THAN REFUSING TO SELL PRODUCE GROWN ON SETTLEMENTS ILLEGAL UNDER INTERNATIONAL LAW OR FOCUSES ON SUPPORTING FAIR TRADE PRODUCTS PRODUCED BY PALESTINIANS – AND NOT TO ENDORSE CALLS TO BOYCOTT ISRAEL

eg: see this extract from Co-operative Supermarket statement on Palestine/Israel April 2012

“...This position is not a boycott of Israeli businesses, and we continue to supply agreements with some twenty Israeli suppliers that do not source from the settlements, a number of which may benefit from a transfer of trade. We will also continue to actively work to increase trade links with Palestinian businesses in the Occupied Territories.”

But being high profile, numerous cultural references can be found to this whole debate eg: among musicians......

Interesting article here [http://www.guardian.co.uk/music/musicblog/2010/may/26/musicians-boycott-countries](http://www.guardian.co.uk/music/musicblog/2010/may/26/musicians-boycott-countries)


Plus there have been moves by US funds to divest from Caterpillar led by The We Divest campaign, organized by Jewish Voice for Peace and the American Friends Service Committee (a Quaker organisation) which in 2012 saw the company removed from the MSCI World Socially Responsible Index leading to the Teachers Insurance and Annuity Association of America selling $73m USD of Caterpillar stock. This move was supported by the Rachel Corrie Foundation which states it “supports efforts to hold Caterpillar Inc. accountable for the demolition of Palestinian homes, the construction of the Separation Barrier in the West Bank, and the use of Caterpillar equipment as a weapon against unarmed civilians. (Because) It was a Caterpillar weaponized bulldozer operated by the Israeli military that killed Rachel Corrie.....”


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**Ethical Investment and Consumers in Cultural History** (Niaz Alam, London-Dhaka 2012)
NO MORE HIPPIES ANYMORE: ETHICAL BRANDING AND ADVERTISING v FREE SPEECH v GREENWASH

"The new type of consumer can be found everywhere, in pin-striped suits, white coats or boiler-suits. And this trend is still in its infancy. Even so, one of the most exciting things about The Green Consumer Guide is the way it pulls together so many different areas in which real progress is now being made"


...the ethical consumerism market is forecast to continue to increase. Key Note has therefore estimated that sales will increase by 40.5% between 2012 and 2016, with the market reaching a value of £76.7bn in the latter year. New innovations and the introduction of ethical products into the mainstream retail market are expected to drive market growth over the next few years, as will widespread consumer attitudes and beliefs regarding the importance of an ethical and environmentally-friendly future. (Key Note research 2012)


Green washing is the overstating of the environmentally or socially conscious attributes of a firm’s offering and the understating of the negative attributes for the firm's benefit. Green washing can be explicit or implicit and can be expressed in many forms, including pictures, direct claims in text, symbols, labels, or even partnerships or relationships. These claims can be made in press releases, advertisements, on websites and even on the products themselves.

Examples: • A chicken producer labels its products on store shelves as “all natural” despite the fact the company treats its chickens with antibiotics. • Plastic disposable water bottles presented as eco-friendly because they use less plastic. • An oil company rebranded itself as moving into renewable energy in television ads and, based on our calculations, only 0.25% of the company's energy production is through alternative energies.


Hand in hand with the mainstreaming of ethical consumerism in recent decade, debate has grown about Greenwash whereby unsubstantiated or misleading ethical claims are made for products, (often via branding and image rather than explicit advertising) and ethical issues and codes are treated only as a branch of public relations.

Meanwhile the idea of ethical investment has become so ingrained that every few years somebody rediscovers the idea of marketing so called ‘sin funds’ based wholly on profits from investing in alcohol, tobacco, arms etc. [Although this rests on the misconception that ethical investment is only about screening stocks out for ‘negative’ reasons when of course many ethical investors primarily practice ‘positive screening’ and engagement with companies via active use of their voting rights such as pension funds... In addition there is a significant class of institutional investors focusing on governance^{113} who believe that there is a major public and private benefit served by them investing in companies with poor governance polices or ESG records, as by engaging to turn these negatives around, the companies’ overall performance is improved in the long term.]

The appeal of ethical branding and effectiveness of positive messaging (eg; as seen via the popularity of Stonewall’s lists of the most gay-friendly workplaces or the promise by UKSIF in its values to “name and fame” but not "name and shame"^{114}) makes greenwash inevitable in the marketplace, which in turn it makes it more likely for all ethical claims to be scrutinised carefully in the media. (As all marketing claims should be anyway)

In 1994, the Body Shop retail company which had grown spectacularly during the 1980s and has always been well known for its founder Anita Roddick and her advocacy of environmental and human rights issues, (hence the foreword in Elkington/Hailes’ book) faced an onslaught of criticism by the US journalist Jon Entine.

^{113} Eg: http://www.calpers-governance.org/investments/home
The company forcefully rebutted the varied claims made against it, which threatened its reputation among ethical consumers and investors\(^{115}\) and went on to become one of the leading exponents of the adoption and verification of codes of conduct during the 1990s.

Anita Roddick’s strong personal commitment to supporting human rights\(^{116}\) meant that Entines’ critiques notwithstanding, the Body Shop maintained its credibility as seen by the fact that Amnesty International was able and willing to actively partner with it on campaigns in that decade. (For discussion of this, see one of the case studies in Business and Human Rights: Dilemmas and Solutions edited by Rory Sullivan and published by Greenleaf (Sheffield 2003 ISBN 978-1-874719-81-6)

In addition to providing a major case study in the debate and evolution of corporate accountability, this episode provides an object lesson in the truism that it is better (and always safer from a reputational point of view) to under promise and over deliver rather than the other way round.

Curiously given that like the Body Shop, it had been a pioneer in promoting codes of conduct in the 1990s, Nike went to court in 2003 to argue that statements it had made in its advertising and corporate/CSR reports in support of its code of conduct (and which it believed were wholly accurate) should be protected as free speech under the US Constitution. This arose because Marc Kasky, a consumer activist from California had sued Nike for allegedly making false statements in publications and statements dealing with compliance of its own code of conduct: if such content was deemed to be free speech by the US Supreme Court, it would be regarded as ‘protected speech’ and provide an automatic defence for the company to any actions brought against it.

Although supported by the American Civil Liberties Union, Nike’s action was out of kilter with the commitment and goodwill it had built up by improving its disclosure on codes and compliance and was considered especially curious because some of the conservative legal and business groups who supported Nike’s action, did not share its belief in promoting the benefits of codes of conduct.

Unsurprisingly, because of the implications there would have been for anyone bringing future claims on any types of misstatement, the Supreme Court threw out this line of defence to Kasky’s claim and the parties eventually settled out of court with Nike agreeing to pay $1.5m USD to a worker rights group.\(^{117}\)

Challenging corporate claims on compliance with codes of conduct carries on unabated therefore and claims v counter claims of greenwash are a natural part of debate. \(^{118}\)

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\(^{115}\) eg: see these articles from August 1994
http://www.independent.co.uk/news/uk/edinburgh-television-festival-channel-4-silenced-in-body-shop-controversy-1379459.html

\(^{116}\) Which has been kept going since her death in 2007 by her decision to donate her assets to human rights charities and other causes; http://www.dailymail.co.uk/femail/article-559946/How-Body-Shop-founder-Anita-Roddick-kept-word-left-children-despite-having-51million-fortune.html

\(^{117}\) See ‘Nike loses case over freedom of speech’ David Teather Guardian 27 June 2003 and Seattle Times 13 September 2003
http://www.guardian.co.uk/business/2003/jun/27/usnews.advertising
http://community.seattletimes.nwsource.com/archive/?date=20030913&slug=nike13

\(^{118}\) eg: By Greenpeace appropriately enough http://www.stopgreenwash.org/ or the headline used here:
"Code of Conduct is No More than False advertising- Disney Suppliers Continue Exploiting Chinese Workers," China Labor Watch 2010
CAN ETHICAL BRANDS BE ETHICAL AND MAINSTREAM?

Yes is the answer. Clearly this is partly a rhetorical question as ethical issues can and often must be mainstreamed in order to make a difference. On the other hand it is accepted practice for ethical investors to screen out companies for investment on the basis of the parent company’s ethical record, not constituent parts. Likewise ethical consumers may wish to avoid a product not because of the product itself but because of the ethical record of the parent company that owns it. Hence supporters of the Nestle boycott aspire to avoid all the products the company owns (including the famous chocolate brands originated by the Quaker business Rowntree) and a business which takes over a company can be regarded as inheriting that business’ ethical obligations (cf. over Bhopal when Dow Chemical acquired Union Carbide)

Hence a related debate that comes about because of the growth of ethically branded products is whether they can stay true to their founders’ principles once they have been taken over by a larger more diverse mainstream business. Examples of this type of debate arose with the sale of Ben & Jerrys ice cream (known for the hippy image and politics of its eponymous founders) to Unilever in 2001 and the sale of Body Shop to L’Oreal in 2006.

- Did Ben & Jerry’s change Unilever? BBC report 23 May 2012
  “The ice-cream maker certainly does not appear to have abandoned the principles of its founders. Ben & Jerry’s publicly supported the Occupy Wall Street movement and, according to co-founder Jerry Greenfield, nobody got fired. ‘I am pleased that Ben & Jerry’s is able to continue its innovative mission,’ he says. ‘We get a lot of support – sometimes I’m a little surprised at how supportive Unilever is.’ http://www.bbc.co.uk/news/business-18167345

- Ben & Jerry’s parent company, Unilever, spent $467,100 against ballot measure Proposition 37, the recent failed referendum to mandate GMO labeling, in California last year. But Ben & Jerry’s has distanced itself from the actions of its parent company, despite a call for a national boycott against Ben & Jerry’s and other firms whose corporate parents spent money on advertising favoring a no vote on Prop 37 http://vtdigger.org/2013/01/08/ben-jerry’s-corporate-parent-unilever-spent-467000-against-gmo-labeling-in-california/ Nat Rudarakanchana 8 January 2013 @natrudy

- Body Shop sale to L’oreal mentioned here in a profile of Anita Roddick
  http://www.guardian.co.uk/environment/2007/feb/18/ethicalliving.lifeandhealth

- And a discussion of UK consumer knowledge (or lack of) about the parent company of some ethical brands

Not that any of this mainstreaming activity has reduced ethical issues as a target for humour and jokes. In fact the opposite as sustainability (like stakeholder before it) has solidified its position within the lexicon of management buzz words to such an extent that it either loses its original meaning or people attribute their own loaded definitions for cracks about office jargon or political correctness.

{Received opinion is that the latter term and humour about it only arose after the 1980s when PC language, aided by the American enthusiasm for euphemisms no doubt, is said to have dominated campuses in US ‘culture wars’, making it a specific target for right wing satirists. But this ignores both the older roots of the term and the fact that earlier left wing/liberal writers had long based humour along the same lines; some of the doctrinal discussions among factions within Monty Python’s Life of Brian (1979) share this flavour for example. George Orwell’s libertarian socialist faith in the common sense of common people, meant that regardless of political views and in spite, or perhaps because of his own particular mix of asceticism and Eton background, he liked dismissing the lifestyle choices of people he derided as ‘middle class progressives,’ as cranky:}

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119 See the article by Emily Dugan in the Independent, 25 March 2012 about the fictional London 2012 Olympics team in the BBC series Twenty Twelve http://www.independent.co.uk/sport/olympics/twenty-twelve-where-tv-scripts-spookily-come-true-7584582.html (which is drily acknowledged by participants in the real life ethical sourcing and sustainability process http://www.ergonassociates.net/?p=641&option=com_wordpress&Itemid=161)

120 Most amusingly by PJ O’Rourke (and informatively when combined with reportage and travelogue) for example in his 1995 book All the Trouble in the World: The Lighter Side of Famine, Pestilence, Destruction and Death., ISBN-10: 0330331779

121 http://www.imdb.com/title/tt0079470/ eg: STAN on every man’s right to have babies... http://en.wikiquote.org/wiki/Life_of_Brian (By the way whether Ian Dury’s line ‘Two fat persons click click click’ [instead of the traditional bingo call of two fat ladies,] in the lyrics of Blockheads single ‘Hit me with your rhythm stick’ (Stiff 1978) is down to political correctness or scanning is a question for QI)

122 So to Orwell, vegetarians were of ‘that dreary tribe of high-minded women and sandal-wearers and bearded fruit-juice drinkers who come flocking to the smell of “progress” like bluebottles to a dead cat’ – eg: see http://cabinetmagazine.org/issues/20/laity.php (English vegetarians have long since reclaimed the word ‘crank’ in the names of various vegetarian restaurants and suppliers)
Warren Buffet once advised companies to consider that “It takes 20 years to build a reputation and five minutes to ruin it,” which was infamously proved in 1991, when £500million GBP is said to have been lost from the value of Ratners jewellers when the company’s founder joked in a speech "We also do cut-glass sherry decanters complete with six glasses on a silver-plated tray that your butler can serve you drinks on, all for £4.95. People say, 'How can you sell this for such a low price?' I say, because it's total crap."

Image and public perception clearly matter to all business and ethical practices or the lack of them, have become an increasingly high profile factor in debate and branding. No less so for the world’s highest profile businesses from Silicon Valley such as Apple and Google, who face not only the common ethical issues relating to sourcing, manufacturing and monopoly, but which are also inextricably linked with fundamental democratic debates about freedom of speech and privacy. (eg: Google recently had to back down from a public stance it had taken against internet censorship in China pursuant to its founders convictions and supposed informal corporate motto ‘Don’t be evil.’)

The utopian vision of the world wide web as a space free from censorship and government interference is constantly under threat and is naturally defended by tech companies- but there is also a basic conflict between the commercial interests of such firms (whose profits are often linked to advertising) and the wish of idealists to limit the commodification of all information and web space.…. Such debate is not unique to internet era companies of course. With regard to media generally where some newspapers are infamous for having their political agendas skewed by proprietors, or the issue of political donations and lobbying by business, there have always been grounds for concern that corporate agendas and the public interest may be subverted by the personal views or private/ undisclosed interests of CEOs and owners. The riposte to this line of argument is usually along the lines of you don’t like it, don’t buy it, which is easy enough to accomplish in relation to not buying a newspaper (provided the market/government maintains a healthy diversity in corporate ownership.)

With regard to political donations and lobbying by companies, governance campaigns have usually focused on seeking transparency and pushing for shareholder votes so that all the owners of a company can decide on whether a line of lobbying is in their company interest or not. But this does not placate the fear that the hidden hand of the market may still be manipulated by well financed corporate lobbying behind the scenes. Especially because "political lobbying remains a controversial area, with around 15,000 lobbyists based in Brussels – roughly one for every member of staff at the European Commission and the 17,000 lobbyists working in Washington DC, outnumbering law makers in US Congress by about 30 to one."

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123 To be fair to Gerald Ratner (for it was he) who has gracefully borne the debacle ever since, he is not the only executive to make such a gaffe [http://www.telegraph.co.uk/news/uknews/1573380/Doing-a-Ratner-and-other-famous-gaffes.html](http://www.telegraph.co.uk/news/uknews/1573380/Doing-a-Ratner-and-other-famous-gaffes.html)


125 A Google feature that warned users about banned or sensitive words was dropped after a protracted battle with Chinese authorities over search. [http://www.bbc.co.uk/news/technology-20932072](http://www.bbc.co.uk/news/technology-20932072) 7 January 2013 [http://blogs.telegraph.co.uk/technology/micwright/100008624/google-shows-china-the-white-flag-of-surrender/](http://blogs.telegraph.co.uk/technology/micwright/100008624/google-shows-china-the-white-flag-of-surrender/)

126 Examples of media bias are legion - eg; this recent University of Melbourne study highlights newspaper bias about carbon tax policy [http://www.independentaustralia.net/2012/business/media-2/study-shows-newspaper-bias-about-the-carbon-change-policy/](http://www.independentaustralia.net/2012/business/media-2/study-shows-newspaper-bias-about-the-carbon-change-policy/)

ETHICAL ADVERTISING, IS IT AN OXYMORON?

“Advertising has a bad name in society, because it’s associated with selling us things we don’t really need: chocolate, 4x4 cars, diamond rings. We may appreciate the artistry, intelligence and wit that’s often found in adverts – we’ve just got problems with what goods are being sold.”

Alain de Botton, on the concept of An Ethical Advertising Agency, March 2012

http://www.huffingtonpost.com/alain-de-botton/ethical-advertising-agency_b_1327691.html

“The surprise is the relationship has lasted as long as it has, however. Early on, Clooney – who is as well known for his do-goodist persona as his acting and directing – was brought to book by the Nestlé boycott crowd. They pointed out, in no uncertain terms, the hypocrisy of Clooney’s stance in the film Michael Clayton, where he plays a maverick lawyer taking on an, er, sinister international corporation; and his simultaneous commercial endorsement of Nestlé, cynical purveyor of baby-milk formula in Third World countries where mothers have insufficient access to clean water.

- George’s response? “I thought I was just earning a living.”

Stewart Smith, on the ending of Nespresso’s relationship with George Clooney, 8 March 2013

http://www.moreaboutadvertising.com/2013/03/does-nespresso-have-a-clue-about-whos-to-replace-departing-spokesman-george-clooney/

“..any performer who ever sells a product on television is for now and all eternity removed from the artistic world”

Bill Hicks (1961-94 stand up routine c. 1990)

Bill Hicks’s comedy routines are posthumously famous for among other things his scathing condemnation of advertising whilst smoking a cigarette indoors. Given the ubiquity of performers appearing in adverts, including many a comedian known for spouting political views in print or on stage, it appears that fear of ‘selling out’ ain’t what it used to be… Yet public concern about breaches of marketing codes, consumerism, misleading claims, inappropriate marketing (to children especially) and taste boundaries means that ethical concerns about advertising as an industry have not abated.

Which is why stories about ethics in advertising whether real or fictional always get attention. The popularity of technology which filters out adverts or allows TV viewers to skip over them shows many people would like to tune advertising out of their lives altogether – and this is a worrying trend for ad agencies – not to mention the many media both print and online (plus the public goods of free at point of use search and email services) which depend on advertising lucre.

Hence when it comes to debate about Advertising’s role in society, opinions can be as multifaceted as democracy itself and it’s a case of ‘you pays your money and you takes your choice’

http://www.opendemocracy.net/ourkingdom/justin-lewis/power-of-advertising-threat-to-our-way-of-life

http://www.huffingtonpost.co.uk/mat-morrisroe/bill-hicks-why-he-was-wrong_b_977668.html

“If it’s allowed to happen, every Beatles song ever recorded is going to be advertising women’s underwear and sausages. We’ve got to put a stop to it in order to set a precedent. Otherwise it’s going to be a free-for-all. It’s one thing when you’re dead, but we’re still around! They don’t have any respect for the fact that we wrote and recorded those songs, and it was our lives.” — George Harrison (November 1987)


“It didn’t stop of course, and for many fans the ultimate insult came with “All You Need is…Luvs” – a commercial for disposable nappies...

http://beatsblogger.com/2012/04/11/beatles-and-advertising/

128 2007 dir. Tony Gilroy http://www.imdb.co.uk/title/tt0465538/

129 Eg; this article arguing “7-Eleven is spending millions of dollars to push a crude ethnic stereotype well past its sell-by date” by its referencing of Apu from the Simpsons http://www.guardian.co.uk/commentisfree/2007/jul/16/thesaputraged

130 Such as this London ad firm which was launched as an employee owned business with a policy of not working with tobacco companies in 1995 http://www.independent.co.uk/news/media/in-st-lukes-we-trust-1268456.html

131 Such as How to Get Ahead in Advertising (dir: Bruce Robinson, 1989) http://www.imdb.co.uk/title/tt0097531/ or the producers of the early 60s set US TV series Mad Men, known for retro fitting modern attitudes to among other things a policy of refusing to work on tobacco advertising, into the working practices of its distinctly non-PC bon viveur characters (and inspiring this real life banker… http://www.forbes.com/sites/michelinemaynard/2012/03/14/greg-smiths-letter-to-goldman-sachs-is-straight-out-of-mad-men/)
IN FICTION / ON SCREEN

“The law professor Larry Ribstein, in his paper “Wall Street and Vine,” calls the late 80s “the golden era of anti-capitalist films.” (Of course, moviegoers don’t always see anti-capitalist films as anti-capitalist: “Wall Street” * was a cautionary tale, but many saw Gekko as a role model.)...... Hollywood has made good films about money, loyalty, trust, and organization before but most have been about gangsters. “The Social Network” suggests that it could also start making good films about businesspeople who don’t carry guns.”

JAMES SUROWIECK, The New Yorker 11 October 2010
http://www.newyorker.com/talk/financial/2010/10/11/101011ta_talk_surowieckifIrzz2PCRj8CZ

Storytelling is a fundamental part of human communication.

As conflict is a vital ingredient for drama, it is common for fictional stories in books and film to be set in the world of business and for ethical differences to lie at the heart of tales. That a law professor writes papers reviewed in the New Yorker about supposed anti-capitalist messages in Hollywood films (which may like novels be driven by artists and dreams, but are of course an industry built on the pursuit of profit,) is proof enough that it would be a futile exercise to try and list all the possible views on this topic.

Unlike other industries which like to view themselves as neutral where politics is purely a private matter, in fiction and film, political views may be part of the story and viewpoints are often debated in a way that may influence or interact with public opinion.

As profit is a prime concern for publishers and producers, views expressed or commented on within a book or film may often be regarded as a potential selling factor to increase audience size (and profit.) Oliver Stone’s political views and opinions on Wall Street as expressed in the film of the same name are well known therefore. And media mogul Rupert Murdoch was more than happy to voice over ‘evil billionaire tyrant Rupert Murdoch’ in the Fox owned Simpsons, as it is one of his most lucrative franchises.

The politics of its creator Matt Groening (more leftwing than Murdoch’s) were not without relevance though. Much of the show’s audience enjoys its portrayal of nuclear power plant owner Mr Burns as a selfish old, billionaire stereotype and for all its varied satirical targets, the Simpsons clearly has Lisa, a liberal character as its moral conscience.

Most fictional references to business or money tend to be general morality tales (like the transformation of Scrooge in Christmas Carol or the state of the nation satire about manipulation and fraudulent financiers in The Way We Live Now, or are home truths about the importance of family, faith and community over naked capitalism as in Its a Wonderful Life or comedy about the power of extreme wealth to transform lives and status in Trading Places) rather than about specific businesses. Often as the New Yorker article above indicates, the portrayal of business in Hollywood films relies on simplistic tropes or stereotypes, an idea also

132 2010 directed by David Fincher  http://www.imdb.co.uk/title/tt1285016/
134 1843 – Dickens of course
135 1875- Anthony Trollope – also a BBC miniseries in 2001 http://www.imdb.co.uk/title/tt0300879/
136 Directed by Frank Capra 1946 http://www.imdb.com/title/tt0038650/?ref_=fn_al_tt_1
137 Directed by John Landis 1983 http://www.imdb.co.uk/title/tt0086465/
138 Eg; see here http://www.west.asu.edu/johnso/businessethics/ethics.cfm
explored at length within an article in the Wall Street Journal which argues that Hollywood portrays business as the “default villain in its ongoing morality play.” 139

Hence in fiction about ethical issues, the businesses involved tend to be generic and descriptions are not usually as specific about the issue or places involved as in the aforementioned Constant Gardener. Yet there is a big public appetite for the latter as shown by film makers looking to emulate authored documentaries of the type popularised by Michael Moore in ‘Roger and Me’ (about General Motors and downsizing)140 which has led to documentaries like ‘Super Size Me’ (from Morgan Spurlock’s film141 on McDonalds) and crusading television chefs invigorating major public debates on obesity and health. To continue with the theme started by mention of Mr Burns though, two of the most interesting examples come from the world of animation:

The true story behind ‘Who framed Roger Rabbit?’

Of all the whimsical features in this part animated Spielberg produced 1940s LA film noir pastiche directed by Robert Zemekis, the seemingly most unlikely feature of the plot (which does after all feature classic cartoon characters interacting with human beings and being film stars who are also segregated into their own ghetto Toontown) turns out to be based on a true Los Angeles story.

Most viewers naturally assumed the villain’s scheming to buy up the local tram/streetcar network just so that he could close it down to make way for his plan to carpet the city (and demolish Toontown) with a freeway network, was part of a boilerplate ‘evil property developer’ plot, but actually this aspect is based upon a real life US anti-trust case.

139 http://online.wsj.com/article/SB10001424052970204524604576610762349124314.html
140 1989 http://www.imdb.co.uk/title/tt0098213/?ref_=fn_al_tt_1
141 2004 http://www.imdb.co.uk/title/tt0390521/?ref_=esr_1
142 Of which there were plenty, not least that the lead actor Bob Hoskins spent most of his acting time with a green screen in Elstree, 1988 http://www.imdb.com/title/tt0096438/ and http://www.slanemagazine.com/dvd/review/who-framed-roger-rabbit/2573
As satirists who are happy to offend everyone, South Park creators Trey Parker and Matt Stone managed to subsume the arguments both for and against giant supermarkets and to highlight the fact that the success or failure of ethical consumerism comes down to the collective impact of actions by individuals, all within the space of a typically silly/deliberately tasteless 20 minute episode of their (in)famous TV series.

(The bowdlerised plot summary would be that townsfolk are upset about the impact of a large Wal-Mart on their local small high street shops but can't help going to the big store anyway – making feeble excuses to each other as to why they break a supposedly popular boycott call – but eventually the town rallies together and – old horror film climax style - burn down the Wal-Mart store - only for it to supernaturally reappear overnight and the above to repeat itself as a cycle....)

143 Episode 9, season 8, 2004 - http://en.wikipedia.org/wiki/Something_Wall-Mart_This_Way_Comes
From the world of books – Banks v Banks

The 1988 television adaptation of Chris Mullin’s novel ‘A Very British Coup’ contains an early British TV dramatic reference to a character who manages a socially responsible investment fund, (but this is only a minor detail within a highly absorbing story so is strictly a ‘blink and you’ll miss it’ moment. 144) It is a sign of changing times that a more recent but not as acclaimed (or recommendable) reimagining145 of this series, should have replaced the socialist politics of the original with a web of intrigue involving arms, chemical and banking companies.

Iain Banks is possibly the best known author since the 1980s to have regularly referenced business ethics and ethical investment within their novels. Whether as a minor and positive character trait for a rock star in one of his earlier books to a pertinent background question in ‘The Business,’146 and most prominently as a key plot device in the gorily entertaining ‘Complicity,’147 it is clearly a political topic close to his heart. Hence it comes as no surprise that in real life, Banks has supported a number of campaigns on ethical investment issues including this one on the UK Banking sector:
http://www.heraldscotland.com/sport/spl/aberdeen/fatal-price-for-lack-of-personal-ethics-1.742560

LOCAL HERO

“A year ago, Donald Trump’s plan to plant a golfing resort on a strip of Aberdonian coastline hit a glitch. A farmer living in a trailer declined to sell up. A personal visitation from the gambling squillionaire resulted in a salty Anglo-Saxon exchange. Boy, would it be good to see the movie. Except that in a way we already have....” Intelligent Life, Economist magazine
http://moreintelligentlife.co.uk/story/story-of-a-modest-masterpiece
http://www.guardian.co.uk/world/2012/oct/17/local-hero-donald-trump-bullying
http://www.huffingtonpost.com/2013/03/26/scotland-wind-farm-approved-donald-trump_n_2956901.html

The plot of fondly remembered British film Local Hero was widely referenced following disputes over Donald Trump’s plans for a golfing resort (not to mention his objections to a major offshore wind farm.) Except, as fans will recall though, in the film Scottish villagers actually wanted to sell their land to an oil company looking to set up a major refinery complex ...but thanks to a variety of characters who could all claim to be the eponymous hero, not to mention the oil baron himself, both managed to get their money and end up with something altogether more environmentally friendly........ (the film also references the apartheid boycott)
http://www.imdb.com/title/tt0085859/ Local Hero (dir Bill Forsyth 1983)148

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144 The Helen Jarvis character in the last episode of the 1988 A very British Coup http://www.imdb.co.uk/title/tt0094576/
145 Secret State 2012 ‘Inspired’ by according to the credits, overly CGI and conspiratorial for fans of the original seminal political drama (written in the days when the leading UK political parties had far more dramatic policy differences) http://www.imdb.com/title/tt1960029/
147 Complicity (1993) ISBN 0-349-10571-5: Tales of a drug addled gonzo journalist with a complex personal life and a serial killer punishing unethical business leaders - who may or may not be the same person.... Not for the squeamish.
148 Local Hero has a blink and you will miss it reference to boycotting apartheid in which one of the lead characters casually picks up an orange whilst beachcombing but as he starts to eat the fruit stops himself uttering ‘shit, it’s South African.’
FLIRTING WITH ETHICS IN FOREIGN POLICY

“It took a speech of fewer than 1,300 words to make a rod for the government’s back that has been gleefully wielded by its critics for the past 12 years. Soon after the Labour Party won power in 1997, the late Robin Cook, then foreign secretary, outlined his priorities for Britain abroad. The most eye-catching was a pledge to heed ethics as well as interests in shaping foreign policy. It quickly became Labour’s equivalent of the “back to basics” speech given by John Major, the former Conservative prime minister, four years earlier: a statement of moral intent undone by successive failures to live up to it.”
Comment from the Economist on The Ethics of Labour’s foreign policy 10 Sept 2009
http://www.economist.com/node/14424952

“Debates about whether Britain should have an ethical foreign policy are not new. It was one of the big differences between Gladstone and Disraeli in the nineteenth century. As a former diplomat I hold that an ethical foreign policy is not an add-on or optional extra. Being ethical carries with it both a duty of care and a duty to understand. Foreign policy must be grounded in an understanding of a situation and the likely consequences of policy in dealing with it. Some of the biggest foreign policy failures have been caused by inadequacy in discharging these duties, the Iraq war being the most notable example. ”Sir Harold Walker Independent 13 September 2011
http://www.independent.co.uk/voices/commentators/sir-harold-walker-an-ethical-foreign-policy-is-not-an--optional-extra-2357321.html

It was Lord Palmerston, the Victorian Prime Minister who is credited for the declaration that "England has no eternal friends, England has no perpetual enemies, England has only eternal and perpetual interests". De Gaulle, Foster Dulles J. and for that matter Noam Chomsky, have all uttered similar aphorisms about foreign policy. Given the strength of this default setting, it really should be no surprise that — no matter how popular or democratically desired calls for ethics in foreign policy may be, such as the one noted above proclaimed by British Foreign Secretary Robin Cook in 1997, they often run aground in the world of commercial interests and diplomatic realpolitik.

Even that part of the ethical foreign policy which survived the departure of its advocates, namely the target of giving 0.7% of national income to international development, failed to live up to its original ideals with an increase in aid to Tanzania in 2000 being linked to a UK arms company’s deal for the sale of air traffic control equipment. 

The latter incident directly echoed the Pergau Dam affair in the early 1990s which had been highly influential in persuading many people of the desirability of an ‘ethical foreign policy’ in the first place. (Pergau is a hydro-electric dam project in Malaysia which was dubbed “the most controversial project in the history of British aid”. Construction led by UK company Balfour Beatty began in 1991 with support from the Thatcher & Major governments and then Foreign Secretary Douglas Hurd; at their insistence, the allegedly excessively costly dam was financed with over £200m of taxpayer funds in order to secure a arms deal and SAS training base, despite objections raised by civil servants in the British Foreign Office. After two parliamentary inquiries and a landmark judgement the aid for Pergau was declared unlawful in 1994 in the case R v Secretary of State for Foreign Affairs Ex p The World Development Movement [1995] 1 ALL ER 611.)

Compared to the alleged scale of corruption on the part of Saudi royals, officials and assorted middlemen apparently overlooked or ignored by UK officials involved in the huge Al Yamamah arms deal in 1984 – an export deal for oil and the UK’s largest ever

See the article by former Department for International Development Secretary Claire Short on the BAE Tanzania air traffic control case http://www.guardian.co.uk/commentisfree/2009/oct/01/BAE-deal-blair-sfo and the subsequent £30m plea bargain with the Serious Fraud Office http://www.telegraph.co.uk/finance/newsbysector/industry/defence/8216551/BAE-pays-fine-to-settle-Tanzania-corruption-probe.html


Ethical Investment and Consumers in Cultural History (Niaz Alam, London-Dhaka 2012)
www.ethicalit.wordpress.com
such contract reportedly worth over £2billion a year to the UK and British Aerospace (BAE Systems) in every year since – Pergau and Tanzania were loose change.

The intricacies of Al Yamamah which among other things led to guilty pleas by BAE in a US court in 2010, were detailed in a UK National Audit Office report as early as 1992, but the NAO report was uniquely withheld from publication by successive UK governments of different parties for many years on the grounds of national interest and security. 151

What is most striking about the deal (which involved the delivery of 600000 barrels of oil a day to the UK government) is not just the long running attempts by different UK governments including that which proclaimed an ‘ethical foreign policy’ to cover up high profile allegations of complicity in corruption in Al Yamamah, but also the fact that at the time of the deal in the 1980s, the UK was a oil exporter so had no pressing national energy security need to overlook legal grey areas in what was otherwise simply meant to be a mutually commercially beneficial transaction.

Some might say that this is just par for the course in diplomatic terms, as featured in the evergreen BBC series Yes Minister152 and that it is overly idealistic to express indignation or surprise about morally grey areas. Or that it is so complicated to determine where Britain’s national interest lies that on balance mollycoddling the foibles of dictatorships for perceived commercial /security benefits (as with the Sultan of Brunei – a state which gained independence from the UK in 1984 or the Emirati sheikdoms which only formally ceased being British protectorates in 1971) is beneficial to all sides...

On the other hand, the specific case of Saudi Arabia (often highlighted as a highly repressive state,153) has long been a cause for particular concern because that country’s custodianship of Muslim holy sites coupled with petrodollars has given it added weight in being able to spread its particularly puritanical interpretation of fundamentalist religious ideology across the whole world – and the consequences for this in terms of spreading extremist views generally – and inspiring a few towards terrorism (with some of the terrorists ironically being opposed to the Saudi state itself as they see it as not being fundamentalist enough and/or hypocritical) has implications for everyone’s security.

The ramifications of mutually assured corruption are by their nature difficult to quantify. Similarly the UK’s support for the US invasion of Iraq in 2003 has fuelled many long running debates, with advocates on both sides asserting ethical or moral arguments. Proponents of the invasion invoke a grim calculus comparing the rates of death under the Saddam Hussein regime with the violent chaos that ensued after he was toppled arguing that on the whole more peoples’ lives have been saved. Whereas opponents (who may among other things morally argue the opposite with similar facts and figures) rightly condemn the dubious ethics of the commercial benefit conferred on Western

151 See http://en.wikipedia.org/wiki/Al-Yamamah_arms_deal and http://www.guardian.co.uk/baefiles/page/0,,2095831,00.html. Also worth a look is the Submission from the Campaign Against Arms Trade to the International Development Committee’s Inquiry into Corruption http://www.caat.org.uk/resources/publications/corruption/submission-0900.php

152 Eg; see the episode “Yes Minister”, The Moral Dimension (1982) by Antony Jay and Jonathan Lynn about an official visit to a Middle East sheikdom to finalize a major contract for a UK firm http://www.imdb.com/title/tt0751821/.

153 So much so in fact that the much touted ‘freedom’ by the world’s petrolheads of their right to drive fast, depends for much of the world on oil from a country where women have been legally denied the freedom to drive cars they own.
corporate interests, including many close to the Bush administration such as Halliburton, by the highly controversial invasion.

Some advocates of the Iraq invasion outside government such as Christopher Hitchens were additionally motivated by the precedents of relatively successful Western interventions in Sierra Leone and Kosovo during the preceding decade. These interventions whilst controversial in their own right had far more popular support, a fact undoubtedly influenced by global concerns about the lack of support for civilians affected by the Bosnian conflict in the early 1990s; whilst Bosnia, unlike Congo where millions more were killed in contemporaneous civil wars, at least received significant multilateral support, the international intervention to stop genocidal death squads and initiate a war crimes tribunal process for atrocities committed there only came about belatedly.154

Moreover by this time, two key figures in the UK Foreign Office, Douglas Hurd and Dame Pauline Neville Jones who whilst in government had been in the role of ‘honest broker’ in international talks with the rouge Milosevic regime in Serbia (believed to be most culpable in the violence that swamped the former Yugoslavia in the early 90s,) had become the subject of public criticism for their privately remunerated roles in acting for Nat West Markets (later owned by RBS) in brokering the part privatisation of Serbia’s telephone monopoly on behalf of the Milosevic regime in 1996...... 155

In the long run, debate about the role that ethics should play in foreign policy is nothing new. As noted previously, ethical issues (such as abolishing slavery) have often been cynically cited as cover for gains that are often more commercial or imperial in nature.

Critics of British foreign policy such as historian Mark Curtis are particularly scathing when contrasting the UK’s positive reputation for probity in public life, with ethical failings in its foreign policy. Counter arguments along Palmerston style lines (eg; the ‘national interest’ or if ‘we didn’t do this, someone else would,’) fall short in 2 key historical cases where Britain’s reputation was demonstrably undermined by the pursuit of commercial interests in foreign policy; namely the UK’s role in supporting the CIA’s toppling of the democratically elected Mossadegh government in Iran by a coup d’etat and installing the Shah in 1953 following the nationalisation of the Anglo Iranian Oil Company’s assets two years earlier and the calamitous 1956 invasion of Egypt following Nasser’s nationalisation of the Suez Canal.156

Anglo Iranian Oil was subsequently renamed as BP, and following major discoveries in Alaska and the North Sea and privatisation, (initiated partly by the departing Labour government in 1979 and later expanded by the Conservative Thatcher administration,) has since grown into one of the world’s largest companies, so it can arguably be seen why those who insisted its defence was a UK national interest, may have thought as they did. Even though the Shah’s repressive regime ultimately ushered in the rule of Ayatollahs who nationalised BP’s Iranian assets without compensation...

154 http://www.icty.org/
155 http://www.guardian.co.uk/politics/2010/may/13/pauline-neville-jones-conservatives
http://www.guardian.co.uk/world/2001/jul/02/balkans.warcrimes3
Yet, it is clear that both the 1950s interventions did much to undermine the UK’s reputation in the Middle East and pushed it into the position of often collaborating with non-democratic leaders in oil rich states ever since, so in historical terms, they were clear mistakes - not least because nationalisation of major state assets was the norm and accepted policy for all governments in Western Europe in the 1950s.\textsuperscript{157}

The nature of oil and its fundamental role in contemporary life and industry does however make it impossible for even the most off grid reader of this page not to be benefiting from the use of oil in some form. Hence the paradox of why ethical issues are so widely debated in relation to Big Oil, but the industry and its influence remains paramount in the world economy.

BP’s sheer size and scale means that in common with other large oil companies, it has been implicated in many corporate scandals over the years, of which the Gulf of Mexico \textit{Deepwater Horizon} blowout \textsuperscript{158}is perhaps the most recent and best known for its impact on its reputation and the negative US political reaction.

Like fellow UK corporate oil giant the Anglo-Dutch Shell,\textsuperscript{159} BP had differentiated itself from other oil majors in the 1990s by being early to acknowledge the implications of climate change for fossil fuels. As with Shell which faced analogous allegations in Nigeria during the same decade, BP’s promotion of its code of conduct during the 1990s had a lot to do with the accusations faced by its operations around the world. This related particularly to Colombia where BP faced long running criticisms by human rights campaigners alleging that the company’s operations benefited “from a regime of terror carried out by Colombian government paramilitaries to protect a 450-mile pipeline....[Although] It was never alleged that BP had any involvement in any of the paramilitaries’ activities.. following lawsuits] BP Exploration Company (Colombia) agreed to set up a trust fund to compensate people affected...”\textsuperscript{160}

To its credit though, BP was also the first oil company to support the \textit{Publish what you pay} campaign for greater transparency in oil companies’ dealings with foreign governments. The Angolan government, which reportedly used to siphon off around 1 dollar in 7 of its oil revenues to private bank accounts, was reportedly so shocked that it threatened to throw BP out of the country for being too honest.\textsuperscript{161}

Historically however, the most significant scandal relating to ethics in UK foreign policy involving British oil companies relates to the breaching of the UK led oil embargo against the racist white minority UDI regime in Rhodesia during the 1960s and 1970s.

\textsuperscript{157} Not to mention the US negotiating 50:50 profit sharing agreements in Saudi Arabia for Aramco in 1950, its own propensity for militarily opposing nationalisations in Latin America notwithstanding – enabling US companies to maintain some ownership and control over the Saudi giant until well into the 1980s \url{http://en.wikipedia.org/wiki/Saudi_Aramco}.

\textsuperscript{158} See “BP: Eagles and vultures”. Financial Times. 1 July 2010 for an overview of BP (and US regulatory authorities) failings and criticisms by the Obama administration. For a particularly negative view of the company’s interesting corporate history, see the investigative journalist Greg Palast \url{http://www.gregpalast.com/slick-operator-the-bp-ive-known-too-well/}.


\textsuperscript{160} \textit{Independent} Robert Verkaik 22 July 2006 \url{http://www.independent.co.uk/news/world/americas/bp-pays-out-millions-to-colombian-farmers-408816.html}.

\textsuperscript{161} See \url{www.publishwhatyoupay.org} and this blog post by Peter Elgen of Transparency International \url{http://www.responsiblepractice.com/english/issues/transparency/}.
Ultimately peace talks and elections following a war for independence by the majority black population were to lead to the creation of Zimbabwe in 1980 (whose leader Robert Mugabe has since himself been the object of calls for sanctions by UK politicians.)

For much of the 1970s however, the UK government was greatly embarrassed by the failure of its sanctions to undermine the breakaway UDI regime, particularly because press investigations revealed that the Southern African operations of Shell and BP (the latter which the government owned outright at the time) had been involved in covertly helping to breach the oil embargo against Rhodesia. A UK government led inquiry led to the Bingham report in 1978, which details the allegations against BP and can be viewed in the National Archives. [162]

Television trivia: Peter Flannery’s 1996 drama series ‘Our Friends in the North’ for the BBC, chronicling the political lives of four friends from the North East of England since the early 1960s, was originally written as a play in 1979 – the title had two different meanings both relating to major scandals reported by the press in the 1970s, with it referencing both municipal corruption in the North East (the Poulson housing scandals in particular) and the coded phrase reportedly used by South Africa based oil executives to reference the covert help they were providing to the Rhodesian regime under sanctions to their north. [163]

For all the obstacles inherent in trying to incorporate ethics into foreign policy over the years, it remains the case that the UK’s reinvention of the Department for International Development in 1997, with an ethically influenced agenda to avoid tied aid and to reach the 0.7% of national income foreign aid target has generated tangible benefits (of which the creation of the Ethical Trading Initiative is just one cost effective example.)

Although critics of Microsoft’s business model over the years may not entirely disappeared, Bill Gates decision to leave the bulk of his wealth to the Gates Foundation to support global education and poverty reduction initiatives, has undoubtedly helped raised the bar for corporate philanthropy, giving him the standing to praise the UK’s policies on overseas assistance in of all places the foreign aid sceptic Daily Mail:

“As the UK reaches the internationally recognised target of spending 0.7 per cent of national income on foreign assistance, it is worth noting the special place you have earned in world affairs as a result of your approach to helping the poorest. Quality of life is improving worldwide, and British taxpayers (not to mention Red Nose Day participants) deserve a disproportionate share of the credit. Critics argue it’s immoral to spend money abroad when the domestic economy is slumping. I see it differently. By taking a methodical approach to saving lives, you’re displaying moral leadership in front of the world. This will be a source of British influence around the globe for years to come.”[164]

This positive notwithstanding, the UK’s position as a leading world legal and financial services centre combined with its imperial legacy of influence over many of the world’s


[163] But the long gestation period of the TV series (two of whose four pivotal actors went onto portray British icons Dr Who and James Bond respectively) turned the story into one more about the social and political transformations of the 1980s Thatcherite decade, with the Rhodesian reference dropped for dramatic purposes. http://www.imdb.com/title/tt0115305/?ref_=sr_1

key tax havens,\textsuperscript{165} means that public demand for more ethical approaches towards
globalisation and foreign policy are unlikely to go away. Media interest and comment on
this topic tends however to be only obliquely interested focusing if at all on the UK’s
open door policy to overseas oligarchs buying property (or Premier League football
clubs) in Britain, with debates such as ‘\textit{is Britain becoming the world’s butler?’}\textsuperscript{166}

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\textbf{The Eastern Turn In Responsible Enterprise} \\
\textit{This is the title of a 2008 report from Lifeworth Consulting edited by Professor Jem Bendell (to which I was a contributor,)\textsuperscript{167} which examined in detail the implications of Eastward trends in globalisation exemplified by the rise of the BRICS nations. Among other things it discussed high profile debates about the ethical and foreign policy implications of (largely non-Western) Sovereign Wealth Funds (SWF’s) controlling a greater proportion of Western assets. see extract below}\\
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\textit{Amongst other ethical issues also covered by the report were observations on the extent to which African nations were welcoming Chinese inward investments and how growing South-South trade was providing newly strong competition for Western companies even though the latter could in some cases (such as BP’s transparency in Angola,) be regarded as more responsive to ethical issues.}\\
\textit{In the extract below, the ethical stance of Norways’ SWF (via the Oil Fund) which has on occasion divested itself of shares to avoid connection with certain types of weapon or on human rights grounds,\textsuperscript{168} is contrasted with the relative lack of ethical activism by other large SWFs (which tend to be from countries without Norway’s positive human rights record and political freedom) – which strive to avoid being tainted in politics. Giving rise to the observation that the least politically contentious nation’s SWF is the most likely to be involved in stances deemed to be political – “this actively responsible approach from Norway’s SWF is a form of politics: it derives from the interests of the Norwegian government in certain social and environmental principles.”}\\
\textit{“.... both investor and investee country governments have taken a laissez-faire approach to the role of SWFs, with investee nations tending to welcome investments and SWFs tending to shy away from controversy and any appearance of interference in other states’ affairs.}\\
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\textit{For instance, China, Singapore and Saudi Arabia have historically downplayed the extent of their governments’ potential influence on investments in the West. On the other side of the SWF coin, as Western economies tend to be the major recipients of their investment funds, the OECD has argued the world economy benefits from the growth of sovereign wealth funds, ‘which recycle the trade surpluses earned by oil producers and manufacturing exporters like China back into the world economy’ and point out that OECD countries should be as open to investment as they have called on other countries to be.}\\
\textit{The occasional high-profile protectionist stances by US lawmakers to foreign investment (for example, objecting to Dubai Ports’ takeover of UK company P&O because of its US port interests on ‘security grounds”) have been atypical or driven by short-term political concerns. More frequently, the default position has been for governments to avoid public interference as far as possible. This debate led to some increased transparency: for instance, by the Government of Singapore Investment Corp. (GIC), which publicly released its annual report for the first time in 2008’to help allay Western fears that their investments are politically motivated’, following GIC’s $18 billion investments in the struggling UBS and Citigroup.”}\\
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\textsuperscript{165} \url{http://blogs.euobserver.com/shaxson/2013/04/08/its-time-for-european-nations-to-call-britain-to-account-for-its-tax-haven-empire/}
\textsuperscript{166} \url{http://www.bbc.co.uk/blogs/thereporters/evandavis/2007/08/looking_after_the_superrich.html}
\url{http://www.guardian.co.uk/commentisfree/2013/mar/09/shameful-britain-kowtows-to-super-rich}
\textsuperscript{167} \url{http://www.greenleafpublishing.com} written by Jem Bendell, Niaz Alam, Sandy Lin, Chew Ng, Lala Rimando, Claire Veuthey, and Barbara Wettstein.
\textsuperscript{168} \url{http://www.lifeworth.com}
\textsuperscript{169} \url{http://www.guardian.co.uk/business/2006/jun/07/supermarkets.asda}
So what can be learned about the cultural and historical impact of ethical investors and consumers from the preceding pages?

*Ethical issues can be simple and complex at the same time. Pragmatism and mainstreaming matter. But without purist ethical consumers and investors (and their ability to 'punch above their weight') some issues would not rise so quickly up the business, media and public agenda, so it all counts....*

One aspect of culture largely left out though, despite the author's weakness for lyrics is music. This is because as the most far reaching and readily accessible cultural format, music particularly in its folk form, has always reflected public concerns including ethical issues, so is too broad an area to cover in detail.

The above lyric from 1980 about ‘kidney machines being replaced by rockets and guns’ however was not mere poetic licence; as those of a certain age will recall, the merger of major UK record label EMI with Thorn Electronics, a company known for making armaments to create Thorn EMI in 1979, gained the record company a lot of attention and attracted critics within the highly politicised British music press of the 70s and 80s.

Godfrey Hounsfield, a future Nobel laureate had in the early 1970s developed the world’s first CAT scanner, a device that revolutionised medical imaging, for EMI. [wiki link EMI scanner] Until Thorn EMI was demerged into its constituent parts in 1996, parts of the music press revelled in pointing out contradictions between the peace and love lyrics of its artists and the peaceful benefits of its technology products with the conglomerates involvement in the arms industry.....

As plenty of business writers point out though from time to time, when companies attract attention from campaigners on ethical issues, it can often be an acknowledgment of that business’s size and power and be a call for action because the company may be perceived as being in the best position to address the publics’ concerns.169

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Sometimes however companies may be targeted simply because they are the best known in their field.

“For most companies, whilst size may make them bigger targets for critics, success usually means association with profitable, popular products. However, a multinational company knows it is really successful, when its brand name is appropriated as a derogatory term for processes far broader than its activities alone. Coca Cola-nisation, to Disney-fy and McJob have all entered the language because the companies concerned are the biggest and most well known in their fields. To the relief of Pepsi, Warner Bros. and Burger King, who just as eagerly strive to be No. 1, critics of globalisation, cultural imperialism, and low paid service jobs, are far more likely to take their rivals’ names in vain.”

Whatever the motivation for picking a company to help address an ethical issue, there can be no doubt that the issues raised are often very important to the world at large and can sometimes be literally a matter of life and death for people affected.

The role of ethical consumers and investors in helping to bring about positive action to address such concerns is an important one that should not be underestimated.

Equally, the role of other parts of civil society, particularly democratically accountable and elected politicians and trade unions should not be neglected.

Of course, as we have seen there is often no single right answer or path of action available as issues can be inherently complicated. But however complex a concern or the problems faced, the ancient wisdom is still always valid.

Yes, there are two paths you can go by
but in the long run
There’s still time to change
The road you’re on

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170 From McTheories and McFallacies, New Economics magazine Summer 1997