Does Corporate Social Responsibility Exist More in Theory than in Practice?
The term ‘Corporate Social Responsibility’ (CSR) was coined in the 1970s, when the first multinational corporations emerged. The term refers to the concept of a self-regulating mechanism for corporations, which would ensure ethical business practice, in accordance with international human rights and environmental standards. CSR implies a commitment by businesses to take responsibility for their impact on the environment, communities, employees and stakeholders.

Unfortunately not enough multinationals have taken this commitment seriously, and CSR exists more in theory than in practice. Today, CSR is often used as a window-dressing by corporations for their commercial benefit, to improve their image with the public or with government. We only have to look at the PR campaigns of companies such as BP, Chevron Texaco, Esso, Shell or British based mining group, Vedanta, for evidence of this.

Many multinational corporations, especially oil, gas and mining companies are responsible for some of the worst environmental disasters and human rights abuses happening in our world today. They have abused our planet’s natural resources, contributing to the impending climate crisis; they have destroyed ecosystems, livelihoods and put the survival of communities worldwide at risk. The actions of these corporations also have another important and often overlooked consequence: they are causing irreversible damage to the world in which future generations must live.

Much of this exploitation is occurring in the developing world, where companies are able to lure governments with promises of profit, prosperity and employment, into giving them free reign over their natural resources. However, there is also collusion between these companies and states in the developed world. The incestuous relationship between multinational corporations and governments has further undermined the commitment of states to protecting their citizens and the environment. The recent, horrific BP oil spill in the Gulf of Mexico is a case in point.

We must be able to hold these companies to account in a court of law. Recognition of these acts as “crimes” would give future generations a voice and, more importantly, actionable rights which they currently lack.

The Bianca Jagger Human Rights Foundation is advocating that the International Criminal Court’s jurisdiction should be extended to cover crimes against future generations that are not already proscribed by the ICC’s Rome Statute as crimes against humanity, war crimes, or crimes of genocide. The definition of a crime against future generations asks that “Conduct which places the very survival of life at risk should be prohibited and prosecuted as an international crime.”

Professor Otto Triffterer, author of the Commentary on the Rome Statute of the International Criminal Court, and former Dean of the Salzburg Law School defines “Crimes Against Future Generations of life” as:

“Any of the following acts or conduct, when committed with knowledge of their severe consequences on the health, safety, or means of survival of future generations of humans, or of their threat to the survival of entire species or ecosystems: military, economic, cultural or scientific

1 Source: WFC Legal Working Paper on Crimes Against Future Generations, page 4
activities, or the regulatory approval or authorization of such activities, which:

a) cause widespread, long-term and severe damage to the natural environment;
b) gravely or irreparably imperil the health, means of survival or safety of a given human population;
c) gravely or irreparably imperil the conditions of survival of a given species population or ecosystem.”

Three companies serve to illustrate how reckless behavior on the part of these corporations could be regarded as “Crimes Against Future Generations.”

**BP Deepwater Horizon oil spill**

On 20 April 2010, BP’s Deepwater Horizon semi-submersible mobile offshore drilling rig in the Gulf of Mexico exploded after a fire broke out onboard. The rig sank two days later killing 11 platform workers, injuring 17 others and causing an oil spill, which has become, in the words of President Obama, “the greatest environmental disaster of its kind in history.”

As the oil from the well site spreads, it is wiping out thousands of species along the Gulf Coast, one of the world’s richest seafood grounds. Scientists have said that the effects of the spill could have ecological and biological consequences for decades, “hundreds of species of animals and plants are at risk.”

The US administration currently estimates the oil spill to release between 35,000 to 60,000 barrels of oil a day which represents the equivalent of one Exxon Valdez every four days. BP has shown an appalling lack of transparency and has withheld crucial data which would have enabled scientists to measure the extent of the leak at an early stage. The US congressional committee on Energy and Commerce has also accused BP of violating safety regulations in order to reduce costs prior to the spill.

In a statement on 27 May 2010, President Obama described the oil industry’s relationship with the US government as “cozy” and “sometimes corrupt,” resulting in “little or no regulation at all.”

Multinational corporations, especially oil companies, sponsor election campaigns to the tune of millions of dollars. Bush’s Secretary of State, Condoleezza Rice, was Director of Chevron from 1991 to 2001. Furthermore, Dick Cheney, Vice President during Bush’s presidency was the former Chief Executive Officer of Halliburton Company, the world’s 2nd largest oilfield services corporation, which profited enormously from Bush’s “war on terror.” Halliburton has emerged as a key player in the BP catastrophe, as the company was hired by BP to handle the cementing process on the Deepwater Horizon rig.

President Obama has said, “BP is responsible for this leak. BP will be paying the bill.” Unfortunately it is not so simple. The “bill” is incalculable. We cannot buy human life, or our planet back.

The only way to prevent disasters like this from occurring in the future is to have a mechanism whereby we can hold CEOs and corporations accountable for their actions in a court of law. On 1 June 2010, the US government’s Justice Department opened civil and criminal investigations. President Obama has stressed: “We owe all those who have been harmed as well as future generations, a full and vigorous accounting of events.”

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Toxic waste pits left by Chevron/Texaco in Ecuador

Texaco, now known as Chevron, is responsible for the worst oil related disaster in the history of Latin America, surpassing in scale the Exxon Valdez spill. The company has claimed to adhere to responsible corporate modus operandi, known as the “ChevronTexaco Way,” pledging “to conduct business in a socially responsible and ethical manner … support universal human rights … protect the environment … and respect indigenous cultures.” But Texaco’s actions in the Ecuadorian Amazon fell far short of these professed pledges.

Between 1971 and 1992, Texaco embarked upon reckless oil exploration, pumping 1.5 billion barrels of oil from Ecuador. When Texaco left Ecuador in 1992, it left behind some 1,000 unlined open toxic waste pits some just a few feet from the homes of residents. Texaco dumped approximately 18.5 billion gallons of oil contaminated water into these pits, one and a half times the amount spilled by the oil tanker Exxon Valdez. Texaco carved over 350 oil wells in a rainforest area roughly three times the size of Manhattan. Leaking of highly toxic wastewater by-products of oil extraction from these pits contaminated the entire groundwater and ecosystem in one of the world’s most valuable rainforests. 30,000 people, including thousands of children, have no alternative but to drink, bathe, and cook with poisoned water from rivers, lagoons, streams and swamps that have been contaminated by Texaco.

Texaco saved an estimated $3 per barrel of oil produced by handling its toxic waste in Ecuador in ways that were illegal in the US. The cost to the ecosystems and human population is incalculable. Crops have been damaged, farm animals killed, and diseases have proliferated. This is the toxic legacy left by Texaco for future generations.

None of my past experiences prepared me for the suffering I witnessed when I visited the province of Orellana and Sucumbios in 2003. I met many residents afflicted with cancer, including leukemia, women experiencing spontaneous abortions, and children suffering from skin diseases as a consequence of direct exposure to bathing in toxic waters.

The Texaco disaster culminated in the largest environmental lawsuit in Latin America to date; it was brought by 30,000 plaintiffs from the Ecuadorian Amazon, including five indigenous tribes, the Cofán, Siona, Secoya, Kichwa and Huaorani. The Cabrera report estimated that Chevron should pay $27.3 billion in damages and remediation costs if it loses the suit.

The case, which has been dubbed the "Amazon Chernobyl," is in its final stages in Ecuador’s courts. Chevron has devoted its vast resources to endless motions and legal tactics to obstruct and delay the proceedings, in an attempt to exhaust the resources of the communities trying to hold the company accountable.
Vedanta Bauxite Refinery threatens indigenous tribes in Orissa, India

In Orissa, India, Vedanta Resources plc, is planning an open pit bauxite mine in the Niyamgiri Mountain, the home of the Kondh tribes. If Vedanta’s project is allowed to go ahead, it will endanger the very survival of the Kondh, an already vulnerable indigenous tribe who have lived there for generations. It will strip the Kondh of their basic human rights, enshrined in national and international law. To the Kondh, Niyamgiri Mountain is a sacred site. It is the source of food, culture, medicines and the seat of their god. The mine will cause irreversible damage to their ancestral home and way of life; it will displace and endanger the livelihoods and human rights of approximately 15,000 people. The very existence of the Kondh as a distinct ethnic group is hanging in the balance.

During my fact finding mission to the Kondh in Orissa in April 2010 I visited various villages, including Rangapoli, Bandhaguda and Tamaksila. At every stage of my trip, at every village the communities and their leaders were eager to tell me their tragic side of the story. The Kondh’s testimonies exposed the modus operandi of Vedanta as fraught with human right violations, intimidation and manipulation of the law. The government of Orissa is contributing to endangering the survival of the Kondh, by continually favoring the interests of Vedanta, while ignoring the laws that recognize tribal rights in the Indian constitution. In collusion with the state authorities, Vedanta is using the local police to forcibly displace people and violate indigenous land rights.

Amnesty International published a report in February 2010, stating, “The proposed mining project threatens to undermine the traditional land rights and religious beliefs of the Dongria Kondh. It also poses serious risks to their rights to water, food, work, an adequate standard of living and their cultural rights.”
My visit to the Kondh brought back memories of the abuses I have witnessed in Nicaragua, El Salvador, Guatemala, Peru and Brazil. The Kondh people’s battle to save their livelihood illustrates the struggle for survival that indigenous and tribal peoples are facing in many parts of the world. The ecosystems on which they rely are being plundered by the reckless exploitation of many of the oil, gas, logging and mining companies. The unequal battle of tribal and indigenous people versus corporations and states, over ancestral land rich in natural resources, is not a new issue; nor is it unique to India.

**Holding corporations accountable**

As we move further into the 21st century Corporate and Social Responsibility (CSR) must become an integral part of business practice. CSR is not only about how corporations spend their money, but about how they make it. Respect for human rights and the environment must be a priority.

We need to redefine the meaning of “development.” Any development project must take into account the needs and aspirations of the local communities, and should benefit all sectors of society, without endangering human life and the environment. As the UN Brundtland Report states, development must “meet the needs of the present without compromising the ability of future generations to meet their own needs.”

Corporations must follow through with their pledges, to adhere to ethical standards, corporate responsibility and sustainable practice. These principles have to be enforceable – not as voluntary measures, but as a legally binding mechanism in international law. Similarly, a CSR mandate must represent real concrete policies; not subterfuge to distract the public from ethical questions posed by their core operations.

Now is the hour of truth: corporations must be held accountable; they must adhere to the ethical principles of universal respect for human rights, civil liberties and dignity. They must strategize, plan and invest; not only for their profit, but for our future.