

USING BUSINESS FOR SOCIAL CHANGE
Bridges – dialogues towards a culture of peace
International Peace Foundation – 1st to 4th March 2004

Business is at its historical moment. It has rarely been celebrated and lauded as it is today.

It's the creator of jobs, technological innovation and wealth. It is more creative and 'can turn on a dime' quicker than any other institution. It's no longer seen as the load-bearer of an oppressive capitalism – it's the embodiment of all progress.

And the companies that have done much to re-legitimise capitalism have done so because they are not solely profit seekers. They have an idealology that incorporates thoughtfulness, reflection and responsibility. And paradoxically they are the business leaders that are some of the fiercest critics of corporate behaviour.

Many businesses, including The Body Shop, are part of the social responsibility movement, a movement that has been, over the last decade, trying to redefine the strong grassroots nature and progressive practices of business. It came out of the 60's and the counter culture, out of the activist movement and business practices in Scandinavian countries.

This type of responsible business behaviour is not new, in Britain it goes back to Robert Owen and the early co-operative movement and the Quakers; in the US the Amish the Shakers and scores of other communities have used these guiding principles in running their businesses for decades. All it is doing now is re-emerging in our corporate consciousness.

Many of us in this movement would have rather slit our wrists in the 60's than ever be seen as corporate leaders.

Most were entrepreneurs who, with the zealotry of a convert, saw that business wasn't just financial science, where profit was the sole arbitrator, it was more about participating in political and social activism; using products as emissaries for social change or stores for leveraging their customers on social action. In short, it is about bringing your activism to work.

It is a complex and paradoxical movement not least because the measurements are ill-defined. Is it OK simply to practise good environmental housekeeping, clean up your mess, be kind to your employees or care for the community you're in? To be transparent about finances - isn't that enough? I would say not necessarily. It's all of those and more. And the addition for me, is the politics of consciousness.

It's also about reaching out to other organisations and corporations. And here I'm not just talking about the trading associations, I'm including the alternative trade federations, the human rights groups and the Coalition of Churches that have a task force on corporate responsibility. I'm including the co-operative movement, the Community Economic Development ideas, independent think tanks, radical academic philosophers, economists, political scientists – who are framing the bigger question.

This informal democratic network, this process of connection is vital to our ability to shape a deeper thoughtfulness and to frame the bigger questions: how to bring human fulfilment to the workplace; the crisis of mass unemployment; social alienation, or the stranglehold of the multinationals over the global economy.

And how to measure ourselves against a different standard, because we need to know we can make a difference. We feel business needs to respect and support communities and families, and to safeguard the environment. We need business that encourages countries to educate their children, heal their sick, value the work of women and respect human rights. In short, to reclaim what was once an essential part of being human.

We need to measure progress by human development not gross national product. We hear much about increased rates of growth in production, but little about stronger communities or healthier children; much about the march of progress, but little about people and cultures who are being trampled underfoot. We hear a lot about productivity or efficiency, but nothing about the creativity of the human spirit!

Bearing all that in mind, I would now like to take you on a journey, to show how we are translating social responsiveness; indelibly imprinting the values and facing the problems I have spoken about in our daily business practices. Let me tell you it's a crazy, complicated journey. It's experiment, experiment, experiment; it's also exhausting breaking down barriers of traditional ways of working, it's trial and error; it's opportunism.

It's where the best you can do is better than you ever imagined and if the process is managed from the heart, great things in business can and will happen. However one thing remains clear: my believability and credibility are only earned when we walk our talk.

So here comes the big question.....

Let me take this in stages to show you examples of how, for the last 28 years, I've attempted to use business as a conduit for social change. I'll start with the Community.

The workplace for me now is a community. It's about a place where people work for a common good. What I have in my headquarters in Littlehampton are 1,000 people.

It's no longer a family, it's a community, where there's a shared interest, and the shared interest is not only for the creation of a livelihood, it is something beyond that. A sense of awe and delight and wonderment.

I have found that, in being part of the community of my company I've always had, and still have, an unprecedented opportunity to create a special place. In that place, service has to be honoured and celebrated. The parent has to be served, child development needs to be supported, families welcomed and values explored and protected.

Providing good quality childcare is an absolute priority so that working mothers and fathers can see their children gain a valuable education and social experience while they earn their living. Childcare has been a low status activity in many countries, but we are morally implored to see it as one of the most important tasks there is.

Extra crib notes:

- Studies have shown that, in the UK, the amount of time contributed by mothers to childcare is commonly seven times greater than contributed by fathers.
- Our child development centre is the centrepiece of our family care policy and symbol of the direction in which we wish to travel as an employer.
- Our Child Development Centre takes care of 60 under five's every day, plus older children during the school holidays and after school hours.
- We also operate a voucher scheme to subsidise the child's care arrangements for our staff away from our Head Office site in Littlehampton.

The idea that companies give something back to the communities where they do business is nearly as old as business itself. For businesses to isolate themselves from the problems around them I believe is short-sighted.

Soapworks, our soap factory, is an example of a moral decision.

I could have set this up in a safe suburban industrial park. Investing in Easterhouse, Glasgow, one of the worst examples of unemployment in western Europe, was a moral decision. I would rather employ the unemployable than the already employed.

The soaps are up to thirty per cent more expensive, and we are putting 25% of the net profits back into the community, but it is better for my company. It is an example of what keeps the soul of the company alive.

Crib notes:

- 'Soapworks' was set up in October 1988 in Easterhouse, Scotland.
- Soapworks employs about 120 permanent staff.
- It produces nearly 22 million tablets of soap yearly
- And as of last April they began to produce aromatherapy and scented oil bottles. They expect to produce about 6 million of these a year.
- The Body Shop is seen as the best employer in the area
- Most of the staff get involved in local community projects
- And a charity fund that has been set up also makes donations to the local area.

My old man, Gordon, got the idea for The Big Issue whilst in New York, where he'd been sold a copy of the paper 'Street News'. The Body Shop put up the seed money to get the project off the ground and gave non-financial support in every which way we could.

In just over 6 years The Big Issue has grown into one of the UK's most respected papers, reaching over 1 million readers per week. In fact, it is now one of the most widely read papers across Europe.

The Big Issue comes with commitment, dynamism, energy, fun, brashness and caring in its genetic code. It talks belly-to-belly with you, often in your face, it is hard-hitting, informative and entertaining. It is real a breath of fresh air in journalism.

We put the photos, names and details of missing people on the side of our lorries, in the hope that they will be found. And guess what...Some have been found!

Let me explain by way of a story: when a member of our staff, after three exhaustive weeks refurbishing a Romanian orphanage; holding babies with AIDS, or campaigning for human rights looks you dead in the eye and says: "This is the real me" - take heed, for she is dreaming of noble purposes not a moisture cream.

I think back to the inspiration for the idea that was to evolve into Children on the Edge and I see helpless children forgotten in derelict institutions as a direct result of the inhumane policies of the Romanian dictator Ceascescu.

When The Body Shop launched its Romanian Relief Drive in 1990, we were responding to the immediate needs of people who desperately needed help. But our response grew into a long-term commitment to the future well-being of Romania's abandoned young people.

We worked alongside dedicated local people with the aim of establishing a model programme that could be handed over to Romanians to manage. And we were successful. The handover is now underway.

Every year, members of staff have the opportunity to participate in the summer playscheme in Romania, and this really is frontline stuff. To quote another staff member, "At first I wondered why the hell I did this. Now all I'm wondering is why the hell I didn't do it before!"

But it wasn't only Romania where help was needed. Throughout the 90s, our relief effort through Children on the Edge expanded into Bosnia, Albania and we were on the ground when the Kosovo crisis erupted.

For the first months of the crisis, COTE had its hands full supplying much-needed aid to the refugees pouring across the border from Kosovo into Albania, most notably in the form of Mobile Shower Units for use in the refugee camps and a Mobile Medical Clinic to serve those refugees living with Albanian families in remote areas. But when the Kosovars began to return home, we all felt the need to go with them to help them put shattered lives back together again.

Our primary commitment in Kosovo is the mountain village of Cabra, near Mitrovica - the only village to have been totally destroyed during the Serbian assault. There were 2100 people living here before the war and they returned to find their homes reduced to nothing but rubble.

In the Spring of 1999 we committed to rebuilding the school of Cabra as a symbol of hope and in July 2000 I had the pleasure of opening the finished school.

It is this sort of effort that makes me so proud of what COTE has become. No matter how hopeless a situation seems, we manage to find a pragmatic but visionary way forward. But the hard reality is that such work costs money. COTE's successes have been made possible by the tireless fundraising and commitment throughout the whole BSI community.

I have always held the belief that what gives me, and ultimately this company, an edge, is that I get out of my chair, out of the office and I move.

I move towards people who have a clearer vision than I have.

These insights are garnished through experiences I share, by storytelling. Every insight I have had, I have shared.

- The work women do is often considered unimportant. If women are responsible for it, it doesn't rate any attention by power holders, decision-makers and especially, economic indicators.
- Again and again I come around to the same point: we need to measure ourselves against a different standard and to know that we can and are making a difference.

My insight is that the catastrophe out there is poverty. I believe that if western governments are to help, they have to put the poor first - as active participants, advisors and leaders - because the only true experts on poverty are the poor.

I am a dogged believer in small scale economic community initiatives which keeps the community together, the culture intact, increasingly we are developing these initiatives.

Shea butter is a traditional product which is used locally in Ghana as a skin care product and as a cooking fat.

We wanted to source our shea butter from a group that has been making it for countless generations.

In late 1992, I visited a village and made a commitment to trade with their women's co-operative.

The Women's Co-operative have been using appropriate technology developed for the processing of the shea nuts and are now able to produce much larger quantities of shea butter than the traditional methods allowed.

Teddy Exports is one of The Body Shop's fair trading successes. Our relationship with Tamil Nadu in Southern India reaches back to 1987, when we first bought massage items from woodworking shops in the region.

The Footsie Roller and Twin Ball Massage Roller became company classics. Today Teddy Exports employs almost 500 people.

Most of the predominantly female workers were previously unskilled agricultural labourers, employed on a casual basis with little security. Here, they are paid a monthly salary for safe, stable work, with no discrimination on the basis of religion, caste or disability.

In 1998, The Teddy Trust Primary School had 219 pupils and 13 teaching staff "on campus". Disabled children are always welcome at the school.

The Trust also provides financial assistance for pupils at neighbouring schools and evening classes for children working in factories in the area.

Thousands of people have attended The Trust's health workshops, and more than 17,000 livestock have been treated by The Trust's veterinary service. It is easy to imagine the difference such a service is making in a community which depends on animals for transport, milk, meat, clothing, daily income and fuel.

And we at The Body Shop have been putting resources into building 'community trade' - which is, in effect, supporting local, economic, self-reliance co-operatives. These amount to more than 35 suppliers from up to 20 different countries, they are formal groups, co-operatives and fair trade organisations. We work with some 5,000 families overall. This does not include the 1000s of families who benefit indirectly, e.g. from schooling, training, HIV/AIDs awareness, health clinics, and fresh water.

By themselves, these initiatives of The Body Shop will not transform the global economy, but they do transform the company's thinking about our responsibility as a business. And

I would rather we be measured by how we treat the weaker and frailer communities we trade with than only by how great are our profits.

Now compare that with this: one of the biggest multinationals in the world, billions in profits and not a penny goes to those whose land has been exploited beyond recognition.

This was an unrepresented people and nation. They asked us to help and we helped. For 5 years we helped. This has absolutely nothing to do with market share, brand strategies. This has everything to do with the human spirit at work.

When you see first hand the oil spills and the oil flares in abundance near villages in Ogoniland.

When you see the state of the schools in Ogoniland. The Ogoni people and the other Niger Delta minority communities, like so many other indigenous peoples, are marginalised by the economic and political structures of Nigeria.

When you visit the hospitals and speak to women who have just had Caesarean's with no anaesthetic, it doesn't take a rocket scientist to realise that we have a culture that has legitimatised economics to override any other value.

Shell's operations in Nigeria is a case that we at The Body Shop have long focused on.

As a company and as individuals, we stood by the Ogoni people while they fought for their rights in Nigeria. The lowest point came in 1996 when Ken Saro-Wiwa and eight other Ogoni were hanged. The Body Shop declared corporate war on Shell. We turned our shops into action stations over a four year struggle to release 20 Ogoni prisoners.

Our campaigning separates The Body Shop from most other companies. They are sometimes either deemed brave or stupid, and because there is a consistent drop in sales whenever we run a campaign, it has been hard for other companies to work beside us on some of these issues. No other company campaigns with such vigour and passion.

This is politics of consciousness and this alone separates The Body Shop from most other companies. Our campaigns are either deemed brave or stupid, and because there is a consistent drop in sales whenever we run a campaign, it has been hard for other companies to work beside us on some of these issues.

For me, it is really important that in this seemingly never-ending growth of The Body Shop, we start to institutionalise such social concerns. And one way we've done this is to launch our first major Human Rights Award earlier this year.

This biennial Award will recognise the brilliant work of grassroots groups that work on behalf of the disadvantaged and the marginalised.

It enshrines our commitment in what I hope will become a permanent international fixture, and it does it in such a way that it recognises the real cutting edge, the individuals, the grassroots activists who selflessly and tirelessly work for the community around them. It scours the globe looking for outstanding examples of inspirational action. It pays special attention to the long-neglected economic, social and cultural rights of the world's most disenfranchised peoples.

Every two years, a global jury of human rights experts will pick a different emerging human rights issue.

For our first Human Rights Award in 2000 we chose 'the right to education', with particular emphasis on the surge of child labour.

Nowhere is public outrage displayed more than in the reaction to child labour. We have ample proof that in the worst forms of child labour, children are being used as slaves. They are bought and they are sold. They are sometimes tortured, often confined to the workplace and are unable to leave their jobs.

Whether it's kids working in brick kilns, or working on farms as bonded farm labour. Or kids in sexual slavery being used as human cargo for sexual purposes. Today you'll find that countries like Thailand have more prostitutes than monks. In India, parents are forced to sell their children's labour to pay their creditors for basic necessities. This is the direct effect of the mentality that puts the economic value on everything. A mentality that doesn't measure the strength of a country by how they look after the weak and the frail.

Child labour means lower costs. Children rarely complain and they work long hours without overtime. How are we all contributing to this? It is our insistence on price competition. This competition makes everyone look at ways of cutting costs, and one of the easiest ways to do this is to use child labour.

In 2002 for our second Award we've chosen 'the right to housing.

It was important that The Body Shop Human Rights Award recognise solutions that are founded on rights as fundamental as the right to education. Denial of long-term educational and economic opportunity can mean the death of a whole culture.

The Award offers not only money, but also international exposure. With nearly 1800 shops in 48 countries, we can deliver a powerful awareness-raising message to millions of people.

All too often, especially these days, corporate social responsibility has been seen as a way of preserving the status quo – to lend a brand the aura of morality – rather than re-think how the company exists in the wider community.

Worse, we have managed to hand over the whole business of responsibility to auditors and the audit-minded. The new Global Reporting Initiative is complicated and long-winded, and seems to me to miss the point.

Checklists DO miss the point. Walmart, for example, denied any connection with the Chun Si factory I was talking about a moment ago. But it turned out, of course, that they had been using the factory for some years.

Their auditors PricewaterhouseCoopers had inspected the factory no less than five times in 1999 alone. They found a failure to pay overtime but missed everything else.

The problem is that auditing is not a serious way to tackle responsibility, and especially not when it comes to sweatshops. The factories are notified ten days in advance. Often they keep two sets of books, and – in the case of Chun Si – two sets of workshops.

But the basic problem is that corporate social responsibility doesn't seem to be able to stand up against the demands of the markets. Or the main measure of success for CEOs, which is usually now share price.

The stock markets rewards 'toughness', downsizing or cost-cutting. They don't reward ethical behaviour or imaginative social responsibility. Quite the reverse. Often it just gets ridiculed in the major investment magazines like Forbes and Fortune.

So the schizophrenia remains. Corporate boardrooms will take moral decisions when they don't touch the central task of the company, but believe ethics are irrelevant when they do.

We have to go further than that. Corporate social responsibility is simply not going to develop into anything worthwhile unless there is some reform of the financial system. So that bold ethical experiments do not actually make things worse for the companies trying them out.

All of us who work in the advertising and marketing of consumer products, as diverse as the garment industry and the computer industry, should take this personally.

We have to make sure that the companies whose products and services we are selling, show more developed emotions than fear and greed, and to request thousands of people who all employ in marketing and design, direct some of their vast reserves of creativity to these social problems.

We have to take this personally!

Thank you.