



# BREAKING THE CYCLE

Global Witness Director **PATRICK ALLEY** tells Brunswick's Richard Meredith that companies and NGOs can work together, even in a crisis

NGOs play an influential role in shaping the public's view of companies. Their work can be the catalyst for corporate crisis, and often they use such events to amplify their campaigns. NGOs' engagement does not always need to be adversarial. Many see the potential for constructive relationships with business as fundamental to their role. Patrick Alley, Director and co-founder of Global Witness, the well-known advocacy and campaigning group, explains their approach to issues, campaigns and interactions with the corporate sector.

**What do you see as your mission, as your social role?** Global Witness's work stems from a recognition that the majority of the world's most resource-rich countries are among the most corrupt, unstable, poor, unequal and conflict-ridden on the planet. Our role is to make sure that citizens in these countries can benefit from what they have and build stable, peaceful and well-governed countries. There remain those in the business community who continue to operate on the false premise that progress on legal and moral issues acts against their bottom line. I don't think ours is a radical agenda. It is one shared by many governments, and a reality accepted by many companies, and by the people they employ, and want to employ.

**How do you decide what you campaign for?** Our strengths lie in our investigations – getting our facts

watertight and producing case studies that influence opinion from the boardroom to the international political stage. It doesn't work to talk about a global issue such as corruption in broad terms. So we start with a country or the actions of a particular company that can exemplify and amplify the issue that we are trying to draw attention to.

We measure success by changes to, or the introduction of, laws or policies which translate into meaningful benefits for citizens. We are skeptical about voluntary codes of practice, or statements of intent or corporate social responsibility programs as an alternative to legal and regulatory requirements. Often, it takes a change in the law to bring about a change in attitude. So we campaign for law and policy change.

**For example?** We have been looking at corruption in the extractive sector in Angola since the 1990s, and its role in funding the civil war. Fifteen years ago we exposed the "blood diamonds" issue, and it seems incredible that knowing this, business and governments still felt it was OK to buy diamonds that funded the armed groups engaged in these wars. This hugely damaged the diamond industry's image and only then did it join with governments to create a certification mechanism to keep conflict diamonds out of the trade. But certification hasn't succeeded in stamping it out. Diamond purchases continue to finance violence and tyranny, as we know from Zimbabwe today. We are turning our attention now to regulation to eliminate this brutal trade.

Angola is also one of the two top oil-producing countries in sub-Saharan Africa. The wealth created has produced an unaccountable super-rich elite and money that should be invested in social infrastructure has gone into corrupt pockets. We try to communicate to companies and governments that transparency is key. The Angolan government, like others, wouldn't publish how much oil companies were paying

them for oil, and the companies wouldn't tell us either. The companies' argument is that if one of them discloses this information, it puts them at a disadvantage to their competitors. This is the problem with voluntary codes and why our strategy is to use legislation to make sure all companies have to comply.

**What practical steps have you taken to promote transparency?** We conceived and co-launched "Publish What You Pay," a network of organizations that calls on companies in the extractive sector to publish the payments they make to foreign governments. We helped set it up in 2002 with George Soros of the Open Society Foundation, and NGO partners, including CAFOD, Transparency International, Save the Children and Oxfam. The network has now turned into a global campaigning coalition of more than 750 NGOs in over 50 countries.

The policy change that this campaign achieved is the Extractive Industries Transparency Initiative. In 2010, Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the US finally made the publication of these payments mandatory for extractive companies wanting to list in that market. Alongside similar rules in the EU, we now have the basis of the global standard we are campaigning for.

**How do you get companies to engage with you?** When we began, there were some sympathetic companies, but we also encountered a lot of resistance – many of the key players continue to invest huge resources to resist change. People in governments and companies told us there was no way we would be able to change these practices but we have definitely made significant progress.

Media campaigns can be effective, especially if they are focused, hard-hitting and consistent. We engage with companies if they are willing, throughout, and use

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our influence with governments to get industry around the table. We also liaise with institutional investors who support the business case for transparency. Given they actually own large chunks of the companies concerned, they can exert real influence for greater transparency and make the case that it creates a more stable and fair investment environment.

**How should companies engage with you when they are in crisis?** We will always engage in a dialogue if a company says "let's meet," unless we think it is simply trying to be seen to engage without any real intention of changing its policy or practice. We present recommendations, based on information gathered from on-the-ground investigative work, which demonstrate how companies can reduce any harmful impact they may be having. We fully expect that any responsible company will listen because, and let's be clear, at a broad level the issues we raise are simple: reduce corruption, reduce conflict, reduce poverty.

We are ultimately pragmatists. We take what business says to us seriously and consider changes to our position if necessary. But we don't believe in the value of dialogue or conversation for its own sake.

**When you're at the table with a company in the middle of a crisis or campaign, what do you look out for?** We are looking for authentic engagement. We are well used to the pattern in which companies can sound helpful and polite,

but where their sole objective is just to calm the crisis and make us go away.

Unfortunately, many large companies have a strategy of engaging with NGOs for a very long period without any action that delivers real change. This approach might be a small blip in their budget, but could paralyze an NGO in terms of their limited resources. Other companies use engagement with an NGO for public relations purposes, which can weaken that organization's ability to maintain their credibility.

We only sit down with a company if we are clear we are talking to someone with influence, that our engagement is based on good faith from both sides, that we are both acting with discretion and that there is a genuine willingness to tackle the problem at hand. ♦

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**PATRICK ALLEY**

Patrick Alley is a Director of Global Witness and co-founded the organization in 1993. He focuses on the NGO's work on conflict minerals and forests, especially challenging industrial logging in the tropics.

**GLOBAL WITNESS**

The NGO runs pioneering investigations, advocacy and campaigns against natural resource-related conflict and corruption, together with associated environmental and human rights abuses. It was jointly nominated for the Nobel Peace Prize for its work on conflict diamonds.