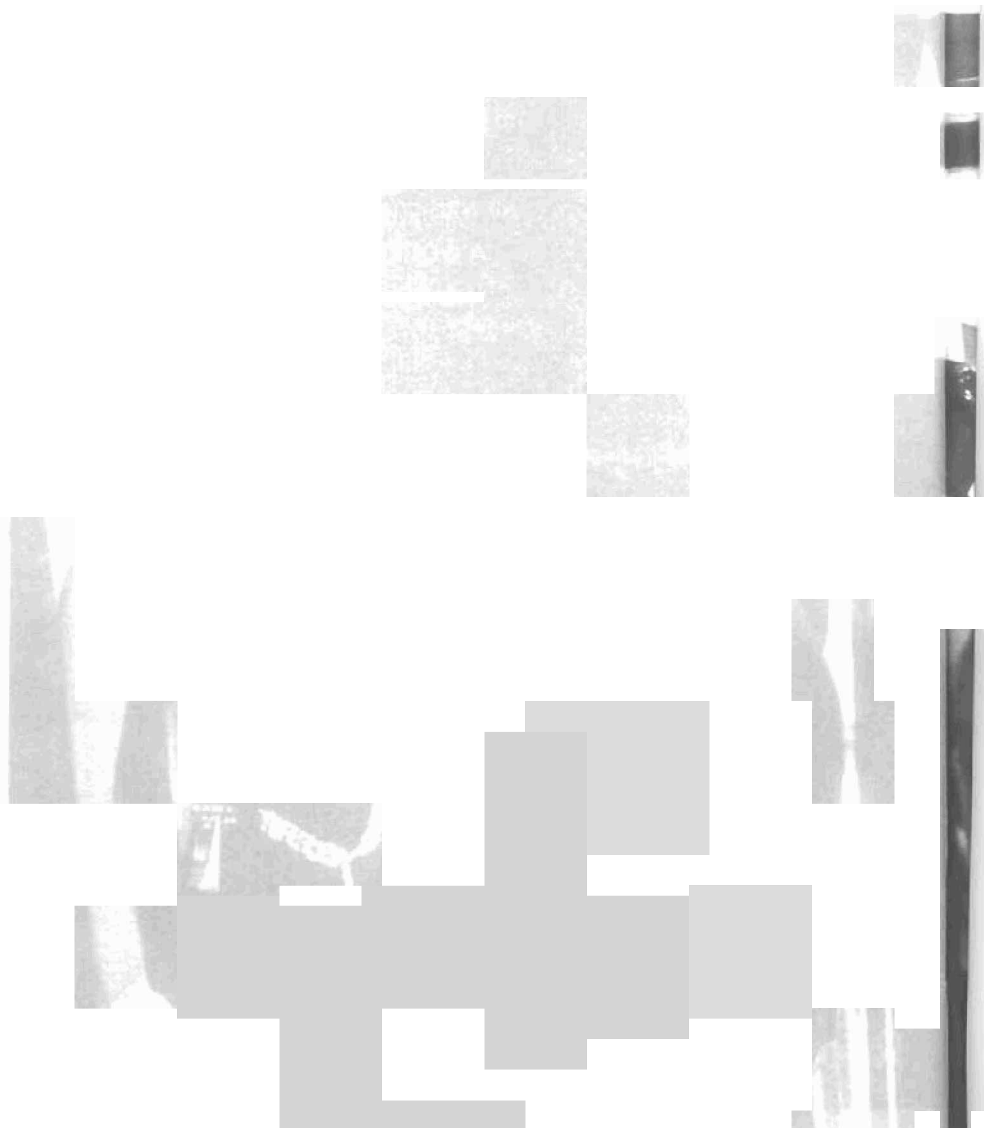
Oxfam and Corporate S

To Oxfam Hong Kong, partnering with the corporate sector means more than just receiving donations, writes Albert Chan.

The corporate sector plays an important role in the history of Oxfam Hong Kong. In the early days, we operated from a single room in an HSBC building in Mongkok and Hong Kong Land offered us a HK$1 rental space for our first second-hand shop. Hong Kong's largest music shop, Tom Lee Music, has partnered in Oxfam Musical Marathon for 12 years, and Trailwalker, in its 25th year in Hong Kong, enjoys the backing of such blue chips as State Street Bank, China Light & Power and PCCW, as well as the Hong Kong SAR Government.

Skip ahead to 2005, and the level of corporate giving has increased dramatically. More than 250 companies offered support: donations in kind, donations in cash, venue support for fundraising or campaigning, air miles, consultancies, professional services, technical support, logistics support, volunteering, and more. Without this foundation, Oxfam Hong Kong could not operate as we do: with a 2005 budget of over HK$140 million (USD18m) – up to one-fifth of which comes from the corporate sector.



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For more than a decade, we have been engaging with the corporate sector through the platform that has come to be known as corporate social responsibility (CSR). We see the corporate sector as a critical player in poverty reduction: the largest global economic force is in a position to secure a sustainable livelihood for millions of families. In some adverse cases, in developing and developed countries alike, they have helped create or sustain poverty. Some pharmaceutical companies and global labels quickly come to mind.

Yet, on an optimistic note, more and more companies seem to see CSR as not just brand building or a fix-it response to consumer pressure, but as a true means for developing a market capable of providing sustainable livelihood opportunities for everyone involved.

It is easy to speak from a moral high ground, and NGOs must practice what we advocate. Since the early days, we pledged not to receive any support from parent companies or subsidiaries in cigarettes, alcohol, weapons, or gambling

– all industries with products that have questionable value to society. In 2001, we did not accept support from a sports drink company newly purchased by a major pharmaceutical – it went against the principles of our campaign for access to medicine. In 2005, an offer of partnership from a cosmetics-related company sparked a lively internal discussion about how we viewed the gender dimension of the beauty industry. We eventually declined the partnership for several reasons, but this illustrates the spirit with which we approach corporate collaboration. In all, there have been many case stories of good and less good engagement.

Our campaigns and fundraising units keep in close contact, as we expect the purchasing and compliance departments of large companies to do. We also constantly review our own fundraising, sponsorship and purchasing practices, just as we review engagement terms and conditions with corporate stakeholders. On some occasions, we have had to discontinue relationships with our own suppliers, and likewise, we have had to visit stakeholders' operations to find ways to enhance their CSR. We produced and distributed a Resource Kit on CSR to 500 companies in the region. We also assess the 250 community groups which we support around the developing world. It can be difficult for an NGO with limited resources to monitor so many companies; with buy-outs and take-overs, a company can change overnight. It will be interesting to observe the future direction of The Body Shop, for instance, which was recently bought by L'Oreal: whose corporate culture will 'win' on issues such as animal testing, gender, and product origins.

Perhaps the most effective means to improve CSR is through transparency and accountability. Several policies are in place to keep our administrative, operational and fundraising costs in check. Yet, many standards remain to be developed. How much information needs to be disclosed for an agency to meet transparency standards? And if a company cannot abide by some basic accountability standards – such as a fastfood business that wastes resources and underpays its staff – should Oxfam walk away from a potential partnership? Or should we extend efforts to improve policy and practice, and share any setbacks together? The Council of Oxfam Hong Kong, responsible for the governance of the agency, has requested the agency management to undertake more transparency and accountability measures, such as providing the public with more information on the agency's cost and effectiveness. They also supported the new compliance and audit system, now in place.

There is no point of return for social responsibility; both for businesses and for NGOs.