
BUY IN OR SELL OUT?

These two articles on corporate citizenship originally appeared in *Discussion Papers No10: Buy In or Sell Out? Understanding business-NGO partnerships* and are reprinted by kind permission of World Vision UK.

Partnership with TNCs – an attempt to compartmentalise ethics?

Patti Rundall, Policy Director, Baby Milk Action

Introduction

In this article I will explain my concerns about the phenomenon of partnerships between the United Nations, not-for-profit non-governmental organisations (NGOs working in the public interest), and for-profit corporations (specifically transnational corporations or TNCs) which operate in many countries.

The development of *partnerships* has arisen, oddly enough, from a growing awareness of the damaging impact that TNCs can have on development, public health and the environment. NGOs are now aware of the need to think globally, and many are looking for ways to encourage corporate responsibility. In turn, TNCs are aware that they can no longer pursue profit with scant regard for the wider community.

At the same time NGOs, aware of their limited financial resources, are looking for ways to involve the private sector in their programmes. *Partnerships* are being presented as the magic formula which will *kill two birds with one stone*: encourage corporate responsibility, and at the same time provide much needed resources for healthcare and education systems.

I have been involved in monitoring some of the world's largest food and pharmaceutical TNCs. In the light of my experiences, I believe these new relationships – especially those which involve sponsorship – are, in fact, being driven by TNCs for very specific objectives, and that these objectives often run counter to those held by non-profit NGOs and the United Nations. I believe that the rights of TNCs are being enhanced through these relationships while citizens' rights are diminished.

NGOs should enter into such partnerships very warily, and only after conducting very thorough research and following very strict guidelines, ideas which I will outline later.

What TNCs get out of partnerships

TNCs encourage NGOs to engage with them in order to:

- ◆ create the image that they are responsible 'corporate citizens' who can be trusted to regulate themselves (encouraging NGOs to spend time on weak voluntary codes of practice, leaving little time to work on international codes and strong legislation and monitoring)
- ◆ influence public health policies and priorities (generally in favour of deregulation, privatisation and the dismantling of publicly funded health and education services)
- ◆ link their name to prestigious bodies such as NGOs and UN agencies in order to counter bad publicity and silence potential critics
- ◆ create dependency
- ◆ gather intelligence about NGOs and the UN.

Those involved in partnerships with TNCs point to companies that seem to have changed their practices in very specific areas. But were the changes prompted by the partnership, or by consumer boycotts and public criticism? And who is monitoring whether the changes are permanent? Audits paid for by companies themselves are useful but cannot be considered to be truly independent.

The risks and problems of TNC-NGO partnerships are rarely publicised or acknowledged, not least because they are difficult to establish. They often involve wider concerns relating to the very poor who, all too often, have no say in the decisions taken on their behalf.

Because these partnerships also involve NGOs working closely with people who are PR experts, relationships change. Those who once spoke out clearly against unethical behaviour, soon find it uncomfortable and embarrassing. If they do criticise, they do it privately, in off-the-record meetings, rarely in public.

In 1983, at the 12th annual meeting of the World Sugar Research Organisation, Professor John Reid of the University of Cape Town explained how this works in relationship to the question of sponsorship of research:

“There is a hidden agenda in the research support business. Those who accept your support are often perceived to be less likely to give you a bad scientific press. They may come up with the results that cause you problems, but they will put them in a way that leaves you happier than had they emanated from someone not receiving your support. My own observation and comment is that this hidden effect is powerful – more powerful certainly than we care to state loudly, either from the point of view of the honour in science or in industry. It takes a lot to bite the hand that feeds you: a muzzle is a good insurance against unwelcome bites.”¹

The advantages of an ethical image are well known, and PR consultants openly advise companies who face criticism to adopt **cause-related marketing** strategies – to aggressively advertise their links with charities and good causes in order to counter-balance bad publicity. “The benefits of cause-related marketing are long term... You are building a surplus account for the times when you have a crisis.”²

Alternatively, a multi-billion dollar TNC can easily ensure that one small part, maybe just one brand, meets NGO ethical criteria, and can use it to deflect criticism from its main operations.

The baby food issue

The adoption, in 1981, of International Code of Marketing of Breastmilk Substitutes was an acknowledgement by the World Health Assembly, the highest health policy setting body in the world, that aggressive marketing of breast-milk substitutes was posing a serious threat to the well-being of infants everywhere. Breast feeding is the optimal way to feed an infant in the vast majority of circumstances, and the World Health Organisation (WHO) estimates that as many as one and a half million infants die each year because they are not breast-fed. The number of infants suffering episodes of illness which could be prevented by exclusive breast-feeding far exceeds this number.

Since 1981, the International Baby Food Action Network (IBFAN), the WHO and UNICEF, together with NGOs from all sectors, have worked to ensure that the International Code and the eight subsequent World Health Associations WHA resolutions are implemented, monitored and adhered to in every country in the world.

Although the International Code does not try to stop the availability or sale of breastmilk substitutes, it does seek to prohibit activities which persuade people to use them, and to ensure that decisions about infant feeding are made on the basis of truly independent health advice. Even in countries where the Code has not yet been implemented, consumers can use it. Article 11 requires all companies to monitor their practices according to its provisions, independently of government action.

IBFAN’s campaigns, which involve Code training courses, networking, work on maternity legislation, emergency relief, HIV and campaigns such as the Nestlé Boycott, have focused on long-lasting effective controls. Because we have refused to be side-tracked into working with individual companies, helping them to improve their own voluntary codes, we have not lost sight of our long-term objectives. To date, over 116 countries (including India, China, Brazil and Nigeria) have taken action to implement the International Code, and over half the world’s population now live in countries where laws are in place which broadly incorporate its main tenets.

Our work has resulted in the prohibition, in many countries, of promotional tactics such as health claims, gifts for doctors, and sales incentives and quotas. This has undoubtedly curbed the growth of the US\$7 billion baby food market – a market dominated by about a dozen food and pharmaceutical TNCs, based in Europe, the United States and Japan.

But the work is far from over. Companies know that if every baby in the world were to be fed artificially for just six months, this market could expand to \$36 billion, and thus the race is still on to capture as much of it as possible. Unlike its artificial substitutes, breastmilk is not on sale or packaged, and is rarely promoted in glossy brochures. Its many benefits are still not fully understood, and few women are aware that product differentiation between brands is, for the most part, a myth. Success in increasing sales depends entirely on the marketing skills and promotion budgets of the company concerned. For this reason, in many countries, three or four TNCs control 90% or more of the market.

Building the right image

The International Code has always been an anathema to TNCs whose purpose is to maximise profits. In January 1981, in a letter to the WHO's Executive Board, Earnest Saunders, then Vice President of Nestlé, admitted: "The world industry has found this present draft code unacceptable... highly restrictive... irrelevant and unworkable."

Today no company would dare say such a thing. Instead, they falsely claim that they instigated it, have always supported and abided by it, and that their voluntary codes are, in effect, the same thing. As a recent article about the market leader's marketing of baby foods pointed out:

*"This is more about ideologies than rulebooks, and the issue lies at the very heart of Nestlé – it is about selling. It must be galling for a company that has reached the very peak of business achievement to be handcuffed in the very techniques that make it successful."*³

TNCs need to maintain a favourable business climate and to create the image of themselves as responsible *corporate citizens* who, as *creators of wealth*, deserve an unregulated market.

TNCs must at all costs appear to be law abiding, responsible and conciliatory. Only then can they persuade doctors and mothers to place their trust in them, and only then are they likely to be invited by governments to help draft national laws and, most importantly, to sit on national monitoring committees. From this position they can advocate voluntary, self-regulated codes in which the important provisions of the International Code are neutralised.

As far back as 1982, Raphael Pagan, a former public relations consultant to the baby food industry and pioneer in international issues management, spelt out a very comprehensive strategy to achieve this image. He recommended "organising effective NGOs, and gaining representation for them at every possible UN agency."⁴

At a Conference on International Activism and Multinational Capitalism in 1982, Pagan expanded on his theory, recommending:

"allying ourselves to some affirmative popular aspirations in the world so as to be visibly contributing, not only to the world's wealth, but to its finding a freer and more open road toward meeting its heart-felt needs than the road offered by the statists or by the no-growth small-is-better redistributionists,"

together with

"reaching out to hold an ongoing dialogue with the many new publics whose understanding we need to remain in business."

NGOs and doctors who once spoke out for the Code – mainstream NGOs such as the Red Cross, OXFAM, Save the Children, UNICEF and, of course the WHO and UNICEF – have become key targets in the partnership strategy. All have, over the years, been offered partnership or sponsorship. Those who have resisted, or dared to speak out, have come under attack.⁵

Helmut Maucher, Chairman of Nestlé SA, and President of the International Chamber of Commerce, (ICC) gave an insight as to how TNCs try to undermine the public's perception of NGOs who are critical of them. Speaking at the Geneva Business Declaration in Sept 1998, he said:

"ICC recognizes how societies are changing, with citizens speaking up and expressing their deep-felt concerns. However, in some respects, the emergence of activist pressure groups risks weakening the effectiveness of public rules, legitimate institutions and democratic processes... Business is accustomed to working with trade unions, consumer organisations and other representative groups that are responsible, credible, transparent and accountable and consequently command respect."

Mr Maucher of course fails to mention the way that his own company has undermined government efforts to bring in strong legislation. Nor does he mention how it ignores these laws when it suits it.

Sponsorship – a way to influence policies and priorities

Sponsorship is a vital element in the corporate strategy. It has been defined by the UK Government as “a payment by a business firm... for the purpose of promoting its name, products or services. It is a commercial deal, not a philanthropic gift.”¹ Yet it is rarely seen in this light. It works on many levels and has far-reaching effects.

The sponsorship of research, for example, can influence the way scientists behave, the research questions and outcomes, and issues raised in meetings where laws, policies and international rules are discussed.

As food production becomes more complex, the need for policy makers to have access to truly independent advice on scientific matters, and for commercial influences to be out in the open is essential. The public has been asked to take on trust the independence of the many scientific committees which advise such bodies as the European Commission or the Codex Alimentarius Commission (which sets recommended food standards for the world). TNCs have, for years, ensured that their scientists and doctors sit on such committees, and yet the extent of these links are not made public. After many years of pressure from IBFAN, in March 2000 the European Scientific Committee for Food (SCF) at last released the annual declarations of interest of its members. But this was not before many laws on baby food had been weakened in favour of the industry.

As in the health care system, the move to privatise and allow sponsorship of education systems, and the failure of governments to set ethical guidelines relating to public-private sector collaborations, is also threatening our rights to be educated in an environment which encourages free and open debate.

The manufacturers of genetically engineered foods paved the way for public acceptance of GM technology in the USA, “by preparing educational information for schools and investing heavily in science museums.”⁷

On an individual level, the influence of sponsorship is often subtle and health workers simply feel obliged to recommend the donor’s products in return for what they see as generosity. But it is also extremely effective: “Lucrative hospitals and doctors are known as JKs or jackpots among company circles. These are purchased by companies for up to Rs200,000 (\$5,000), after which the doctor or hospital is bound to recommend the company’s formula for six months or one year.”⁸

Capturing the UN

Increasingly, UN agencies are also coming under pressure to form partnerships with TNCs and to accept sponsorship. Like many NGOs, the United Nations system aims to protect human rights and is also seeking to influence corporate behaviour. It is also badly in need of funds. The UN Secretary-General, Kofi Annan has invited the leaders of global business to share **values and principles** and to give a **human face to the global market**. But can we really expect TNCs to share the same **values and principles** as the UN? And is it appropriate to talk about a TNC with a US\$45 billion turnover having a **human face**?

This push for private-public partnership is affecting the role of UN bodies, such as the WHO, in policy making, standard setting and advocacy. The public, rightly or wrongly, expects the WHO to arbitrate on many health issues, and when it refuses to do so, false conclusions are drawn.

This has important implications for public understanding of the role of TNCs. IBFAN has consistently come under pressure from the WHO to remove criticism of TNCs from its speeches at the World Health Assembly. At a recent WHO Technical Consultation on Infant and Young Child Feeding, in March 2000, the background papers prepared by invited experts were radically censored by the WHO to remove mention of unethical corporate behaviour. Do such interventions facilitate open and transparent dialogue in the interests of the most vulnerable sections of the world’s population?

HIV/AIDS and infant feeding

Sponsorship is also critical in the issue of HIV and infant feeding. Much more research is needed in this area, and many questions remain unanswered about the impact of different patterns of breast-feeding. Research published in the *Lancet*, in August 1999, showed the benefits of exclusive breast-feeding to babies of HIV+ mothers.⁹ Meanwhile the baby food and pharmaceutical industry has been putting pressure on the UN agencies to accept their sponsorship, knowing that, in this way, they can present their products as life savers – the ultimate, cause-related marketing strategy.

In July 1999, the website of Bristol Myers, the US baby milk and pharmaceutical company, showed the company's keenness to be involved in UNICEF's infant feeding programme: "The company has... initiated a dialogue with UNAIDS to discern if there is a role for the company in improving the outlook for infants... ". Bristol Myers website also revealed that: "... education also increases sales of HIV products by developing the HIV marketplace... the returns will ultimately materialise... most of this HIV market is untapped... ".

IBFAN has been urging the UN agencies involved in HIV policy making to resist such offers and to ensure their research priorities, pilot studies and education programmes are truly independent and not influenced by commercial interests.

As tri-sector partnerships (NGO/UN/TNC) increase, there is a risk that the number of truly independent agencies who will have an interest in investigating the wider picture – the global impact of TNC operations – is likely to decrease. The public at large will remain ignorant of the problems they cause, and the prospects of *health for all* will be diminished.

Recommendations for guidelines for interactions with the commercial sector:

- ◆ draw up specific objectives
- ◆ explain why the interaction with the commercial sector would be of benefit to the world's population
- ◆ list types of interaction covered
- ◆ avoid terms such as partnership, mutual respect, trust, transparency, and shared benefit
- ◆ the stated basis of any interaction should be that it positively contributes to the stated mandate (interactions should not have a negative effect on that mandate)
- ◆ ensure maximum transparency
- ◆ research thoroughly the total operation of the enterprise – advocate the formation of an agency which could collect information on TNCs
- ◆ publicise all corporate donations and collaborative projects.

References

- 1 Quoted in *The Spread of Sponsorship* Sir Roy Shaw, Bloodaxe Books, 1993
 - 2 Quoted in *Nestlé faces Ethical Dilemma* Marjorie Thompson of Saatchi & Saatchi, *Marketing Week*, p31, 11 February 1999
 - 3 *World beater that is proving a formula for trouble*, *The Times*, 15 April 2000
 - 4 Quoted in Judith Richter *Engineering of Consent, Uncovering Corporate PR* The CornerHouse, March 1998.
- NB: NGOS set up by TNCs can be called BINGOs (Business Interest NGOs). Public Interest NGOs, in contrast are called PINGOs. BINGOs often pretend to be PINGOs and it is important to recognise their very different aims and objectives.**
- 5 *Cracking the Code, Monitoring the International Code of Marketing of Breastmilk Substitutes* The Interagency Group on Breastfeeding Monitoring, 1997
 - 6 1986, United Kingdom Government leaflet from the Office of Arts and Libraries, quoted in *The Spread of Sponsorship*, Bloodaxe Books, 1993
 - 7 John Vidal *Biotech food giant wields power in Washington*, *The Guardian*, 18 February 1999
 - 8 *Feeding Fiasco* The Network Association for the Rational use of Medication in Pakistan, 1998
 - 9 Anna Coutsoudis et al *The Lancet Vol 354*, p471-76, 1999

A different bottom line

Anita Roddick, Co-chair and founder, The Body Shop International plc

There is an old-fashioned concept of business and there is a new one. The new concept has not been generally accepted yet, but it is increasingly influential nonetheless. And if you subtract the old from the new, you'll find the modern phenomenon of non-governmental organisations, or NGOs, makes up most of the difference between them.

NGOs are both the agents of change and the answer to the real issues of business – not the problems you'll find on the financial pages of newspapers, but the real ones that make up the mismatch between business and modern life. The mismatch was always there, but at the height of global capitalism, it has never been as sharp as it is now.

You can remember the old-fashioned view of business from the way popular culture usually depicts big business as the bad guys. The old-fashioned view of businessmen – it usually was men – portrayed them with their gimlet eyes fixed on the year-end results results, pushing aside anyone who got in the way. That's why I could never think of myself as being 'in business' when I started The Body Shop.

My idea of business when I started was provided by my mother's café. Working there taught me that business wasn't about financial science. First and foremost, it was all about trading – about buying and selling – and about a different kind of bottom line, which meant that you could bring your heart to work. You didn't have to leave morality safely at home to work there. Nor did you have to leave behind the understanding, sympathy, humanity or fun that is essential for business, just as it is essential for life.

As I see it, my mother's café embodied the new idea of business that seems to be emerging, though slowly and with enormous difficulty. But it also represents something of a much older tradition too. When Queen Elizabeth I gave her charters to companies, their central purpose was not about shareholder value or the bottom line – not about financial science at all – it was about what they could achieve for the common good. That was the central idea behind the East India Company or the Hudson's Bay Company.

The narrow model of business that succeeded it, and which concentrates on profit alone, is only about 150 years old.

In between this very old model and the modern one that is only just emerging, we have been through a period when business was blind to the concept of the common good, and blind to anything but the bottom line. 'A corporation's social responsibility is to make a profit,' said Milton Friedman – there was nothing else. It has been a model that was able to see nothing more, and, because of that, it has impoverished us all.

These days, business is the dominant socio-political force on the planet, so we can no longer pretend that the bottom line is the only thing that matters. If we did, then the organisations most able to make a difference to life would be shirking their responsibilities. Like Nero, the corporate planet would be doing the modern equivalent of fiddling while Rome burns – and to some extent it is doing just that. We can't afford for business to so limit its ambition when it is faster, wealthier and more creative than governments. There is a new responsibility that we in business must face up to.

NGOs come in here because they can interface between business and people, which is one of the reasons we have seen such an enormous growth in the sector over the past generation. NGOs now cover a multitude of different kinds of organisation – from the small groups of fair traders that we work with at The Body Shop to the large agencies dealing with human rights and the environment.

There are now at least 100,000 NGOs working on green issues alone all over the world. Some of them are persecuted and embattled; some are increasingly powerful. One question from Greenpeace by fax to a food manufacturer last last year was enough for them to take GM ingredients out of baby food. It was Indonesian NGOs that helped bring down the dictator President Suharto.

The role of NGOs is to be the beneficial aspect of globalisation. Their vigilance around the world makes the great abuses which humanity once brushed aside visible for all to see. Together, they now represent billions of people – often the least powerful and the people whose voices are heard the least – determined that trade should be more equitable, fair and just.

It isn't surprising, as this parallel force emerges, that many of those involved are women. Look at the pictures of the dam protesters in India, and the powerful Chipko movement of Uttar Pradesh, and you will see it is predominantly mothers, grandmothers and children together who are turning the tide.

The NGOs and the world's biggest corporations clashed in Seattle at the end of last year, and I came away choking from the CS gas and feeling a deep sense of shame at the way that multinationals and politicians can behave. Millenniums are traditionally periods of great fear and great hope. The week's events certainly engendered fear for the future – but there is also a corresponding hope.

For one thing, NGOs provided the only bridge between the different sides in Seattle. They were the only ones who could talk to everyone, to politicians and corporations and campaigners. It was a small example of how NGOs have been able to get people to communicate, and a reminder of some of the most creative partnerships that NGOs are now creating. All over the world we can see these emerging: unusual alliances between human rights groups and education institutions, alternative trade associations, progressive consumer groups, and often they are in partnership with business.

That is the context in which business has to interact with NGOs. Often their first contact with NGOs is to come under effective public attack from them. And one of the most powerful things a business board can do is to respond to this attack by risking working alongside them.

Increasing numbers of businesses are doing so. Some of them in a genuine spirit of partnership, some of them quite the reverse. And they are likely to do so all the more in the future. This is partly because consumers demand it. 'We don't care about the legislation,' one corporation told me in Seattle, 'But we do care about consumer revolt.' But it is also partly because the dividing lines between business and NGOs are blurring. Oxfam has an extensive chain of high street shops; The Body Shop has been running high-profile campaigns like a not-for-profit.

Partnership is the key to the relationship, because it is a model of new style business rather than old. These are not hierarchies, where one gender or rank lords it over another. They are partnerships of equals, where both sides can learn from each other.

Partnership is the way we at The Body Shop organise our relationship with NGOs as suppliers. We now have 37 suppliers in 21 different countries, and many of those are informal groups of fair trade organisations. It has to be a learning partnership too: we have to learn enough about their lives to work with them effectively.

Partnership also covers giving money, which The Body Shop does through our foundation. We believe we go where other companies have never dared go before. Nobody else would have conceived of and then funded *The Big Issue*; nobody else would have supported grassroots activist groups like Global Witness or stood their ground against Shell on their behaviour in Ogoniland, Nigeria. That was brave. We also fund Children on the Edge, caring for children in Eastern Europe, and Body+Soul, working with HIV+ women and children. Both are partnerships, making sure the way we give is most effective.

It is anyway not so much the giving, it's the taking part. *I don't want to be judged by how much I give but by how much I share.* That's the essence of trading in partnership with NGOs, so that both sides learn and are transformed by the relationship.

Take, for example, our project in Tamale in northern Ghana, where we have been sourcing shea butter from a co-operative made up of women from 13 villages. Trade has changed the status of women in these communities. Because they now have a livelihood, they can pay for books and uniforms for their children. They can call on a health worker when they're ill or a midwife when they're pregnant. Young girls who would once have automatically been put out to work can now get an education and a sense of opportunity. By working together with this small trading co-operative, we have been able not just to change people's lives, but also to change the way

people see the world.

But we have had to learn too. We have had to understand their culture and restrictions, what they are able to do, and what is difficult for them. We have had to understand their passions and all of us – myself included – have changed as a result.

Partnership is a very different business model. It gives NGOs a central role, and it turns business into a lever that can change perceptions and change the world. The point is that, although it is fashionable to talk about the relationship between the two as one of charity or noblesse oblige, it is actually precisely the reverse. Businesses now need NGOs, and they need them particularly in the following areas:

Corporations need NGOs to tell them the truth

If businesses are not checked, they can and sometimes do slip into criminal behaviour. The job of making sure they don't do so has become a key role for the NGOs. They are the new eyes and ears of a globalised world.

All over the world hundreds of thousands of small organisations, representing billions of ordinary people, are watching what the corporations are doing and holding them to account. The media seems unable to do this job, and governments are unwilling, but NGOs are ready and able to do it, because the biggest abuser of the truth around the world is now business. We have become so used to talking about political spin-doctors that we have stopped noticing the way in which multinationals bend reality, through the manipulation of images, when the real stories of child exploitation or animal exploitation get hidden behind the glitz. **NGOs have an absolute moral responsibility to tell the story as it is, and they are discharging it.**

They need NGOs to help them find a better bottom line

We need new units of measurement that go beyond profit – and probably beyond figures. And NGOs have been pioneering new ways of doing this.

A new book out this year talks about the “gap between statistics and stories”, and that's a gap that many businesses are simply not aware of. Yet telling the stories of the people behind the products – understanding the human faces beyond them – can revolutionise the way businesses understand themselves.

Part of that crucial gap can be filled by using social audits – a technique pioneered by The Body Shop that ‘measures’ how a company relates to its various stakeholders. If the audit is done properly it interprets the idea of ‘stakeholders’ as broadly as possible. If it includes not just suppliers and neighbours but their families too, the social audit becomes a listening device that owes as much to NGOs as it does to business. It is also a method that is as likely to throw up transformational stories as it is to throw up statistics.

I would far rather be measured by how well we treat people we work with, how well we listen to them, than by any narrow and conventional business measure of success.

Corporations need NGOs to teach them about real life

You can find truth and real information at the grassroots. You can learn about passion, commitment and values by how you inter-relate with different types of community. This can help a business understand the effect that poverty of imagination can have, just as it can help them learn about the past, present and the future. And the only way business can reach that stage of learning is in partnership with NGOs.

This kind of business education breaks the mould of nine-to-five, which can be, in its way, a kind of death. Sending employees out to visit communities is an experience that can often change people's lives. That's why we encourage our employees to take some time each month to work locally with hospitals, children's groups or charities – wherever they feel they can help – volunteering over 16,000 hours a year.

The feeling of group commitment increases their sense of impact and effectiveness beyond what they would feel as individuals. This is an invaluable lesson, not just in teamwork, but in seeing how doing something to change the lives of others can also change our own lives. Work becomes an experience more fulfilling than the simple collection of a pay packet every week or month. Once again, it's more than the bottom line.

But then we do get something out of it that ends up on the bottom line as well. Learning and

experience gives us an edge. By trading with communities we can share our skills, but in return we get innovative, high-quality raw materials that make our products distinctive in an increasingly crowded marketplace.

The point of trading is reciprocity, after all. You get out what you put in. We are concerned with quality in trade, not just quantity.

None of this should suggest that the future relations between companies and NGOs are going to be problem-free. This kind of co-operation requires far-sightedness from business.

Business has to see beyond the short term.

First, every time the Body Shop runs a major campaign on human rights, we have had a major dip in sales. That's why there is all the difference in the world between using business as an agent of change and cause-related marketing, and the cynical exploitation of issues for sales.

Second, many businesses have not yet grasped the kind of commitment you need for this kind of partnership. Using business as a vehicle for social change is just not part of their thinking. They have much more learning to do even to get them to the point of putting their toes in the partnership water.

Third, there is the problem of 'greenwashing' – the way multinationals are setting up tame NGOs which purport to represent stakeholders, but which actually mutely do their bidding. This is a perversion of the process and it is doomed to failure because actually people are a little negative to accept this kind of truth-bending in the long term.

Fourth, there is the problem of measurement, which is difficult even for the most forward thinking companies which want to do business with NGOs, especially as trading partners. The simple fact is that we can't apply the same standards we use in the UK to small groups of producers in developing countries. This is a perfect example of how important listening to stories can be, because you have to understand the pressures people are working under in developing countries. They may need to be paid in advance, for example, and that makes the most important person the one who is arranging and paying bills. We simply have to be able to understand, and to do that we have to go out there to see and hear for ourselves.

One of the biggest barriers to partnership is time. It's not enough to realise how important these groups are – it takes time to get to know them. This is relationship work; it requires heart not figures. It may not add to the bottom line of a corporation, looked at narrowly in the short term, but it will certainly add to the bottom line of knowledge.

The only way that the poorest groups and people on the planet can have a voice is through the NGOs. There is no other way. The media isn't interested in these issues. Our entire information is now dominated by the cult of celebrity, so the vital job of getting most profound stories out – which the world needs in order to understand each other – has to be done by someone. Our society would be bereft without NGOs.

Because of all this, working with NGOs is just pragmatic good sense for a business. But it only works if they are open-minded about it. If there is no meeting of minds, no stories, no depth, it's an enormous waste of time for both sides. But with a willingness to learn from both sides, it can be revolutionary.

Business needs a holistic perspective – profits with principles – for its own good as well as everybody else's. This kind of model is absolutely necessary for long-term profits in the new century, but it goes beyond profits. Partnership between these two sides is a way of responding to the real and present needs of the community, just as it is an expression of faith in it. In that respect, NGOs and business working together is an expression of optimism in the future.