

# Is Corporate Engagement an Advocacy Strategy for NGOs? The Community Aid Abroad Experience

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*THIS article focuses on the question of whether corporate engagement can be used as an advocacy strategy for international nongovernmental organizations (NGOs). The article will explore some of the characteristics of corporate engagement by studying the corporate engagement experience of the Australian NGO Community Aid Abroad (CAA) in its program, the Mining Campaign. The risks that emerged for CAA from policy decisions and processes within the development of the campaign are of central concern.*

CORPORATE ENGAGEMENT is the process whereby NGOs agree or seek to engage with corporations. The levels of engagement are on a continuum from confrontation to sponsorship, with a wide range of relationships emerging between NGOs and corporations. Motivations for engagement are based on necessity, or a set of ideas, aimed at achieving social, moral, economic, ethical, or financial objectives.

An NGO is an organization formally independent of the state and the private sector; it has its own constitutional identity that does not seek profit for individuals or shareholders. In the Australian context, the term generally refers to organizations with national or some overseas activities, distinguishing it from purely local, community-based nonprofit organizations.

The CAA Mining Campaign was an advocacy campaign with the objective of seeking improved conditions and material outcomes for peoples affected by Australian-based mining companies operating in countries in the Asia-Pacific region, where CAA had strong relationships with local NGOs. The campaign focus on mining was due to a rapid increase in Australian-based mining development throughout

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the region in the 1990s, which often resulted in extreme social, environmental, and economic effects on local communities.

CAA, emerging in the early 1950s as Food for Peace and formally as CAA in 1962, has always had diverse antipoverty and social justice activities directed at social change both in Australia, targeting indigenous Australians, and internationally, in countries such as India and Africa. Although primarily a development or aid agency, CAA has a reputation of offering alternatives to government and mainstream development assistance, demonstrating a capacity to change and adapt in keeping with a changing international context. Claiming two hundred thousand supporters, CAA has branches in each Australian state connecting its community support; however, its activities are driven by the executive in Melbourne.

### NGOs and Social Advocacy

There is a trend for internationally active NGOs to direct advocacy relating to corporate behavior toward corporations rather than toward states and state institutions. Although CAA is based in Australia, therefore in the Southern Hemisphere or South, many view it as a Northern NGO. The North-South distinction, based on the Northern Hemisphere's dominance in development, does not fit easily with Australia's place as a developed nation. Generally, Northern NGOs come from developed nations, and Southern NGOs are those from developing or newly industrialized nations. The terms assert a hierarchy of NGO power and influence based on traditional economic and political dominance by Northern Hemisphere nations. These distinctions reflect a history of colonial relations that continue, in an economic sense, in the contemporary context. The terms are so entrenched that Australian activists and NGOs continue to use them, despite their incongruity and questionable political appropriateness.

CAA's corporate engagement experience is, however, very much located in the South and is integrally related to its proximity to Australia's Southern, developing nation neighbors. As a study of corporate engagement, it has global applicability, providing insight for other Northern NGOs.

Corporations' willingness to engage with the interests of NGOs as stakeholders is motivated and explained by corporate citizenship. The objectives of a corporate citizen are to create profit and are linked to new social movement concerns, particularly human rights and environmentalism. Corporate citizenship can be expressed by adopting principles such as the "triple bottom line" (Elkington, 1998, p. 397). Derived from sustainable development theory, it asserts a need for the simultaneous pursuit of "economic prosperity, environmental quality, and social equity" as a goal for corporate performance (p. 397).

Corporations aim to reduce risk of exposure and negative campaigning by NGOs. This is achievable if corporations open their

doors to NGOs as stakeholders and engage in dialogue or partnerships (McIntosh, Leipziger, Jones, and Coleman, 1998). Whether or not “green” or human rights values trickle down into the operations of a corporation is part of a larger question for corporate citizenship theorists concerned with changing the nature of contemporary capitalism (see Elkington, 1998; Birch, 1998; Tichy, McGill, and St. Clair, 1997). Corporate citizenship strategies recognize that NGOs are significant players in the globalized context, and the strategies promote efforts to work with the NGOs.

Although some theorists assert that globalization is nothing new or does not exist (Hirst and Thompson, 1996; Bell, 1997; Rugman, 2000), the idea of globalization is generally accepted and its processes contested. Providing a context for its practice, scholars acknowledge globalization as an important motivation for corporate engagement (see Tichy, McGill, and St. Clair, 1997; McIntosh, Leipziger, Jones, and Coleman, 1998). As a given context, it is “best thought of as a highly differentiated phenomenon involving domains of activity and interaction as diverse as the political, military, economic, cultural, migratory, and environmental” (Held, McGrew, Goldblatt, and Perraton, 1999, p. 23). In this new context, NGOs and multinational corporations (MNCs) have emerged as significant nonstate actors: NGOs pursuing social justice and environmental responsibility, MNCs pursuing global profitability. NGOs, conscious of globalization, are also conscious of corporate power. Economic liberalization, in which the relationship between developed and developing countries is now governed by assistance in economic restructuring, is driven by goals for economic growth (Edwards, 1999). Therefore, overseas aid is concerned as much with how to assist recipients’ entry into global markets as it is with basic survival. As Dichter observes, “the for-profit sector” has taken over as the driver of development, replacing states and NGOs (1999, p. 51).

The world’s resources are primarily controlled by MNCs and because of their reach into developing countries, are logical targets for NGO advocacy (Bryer and Magrath, 1999; Dichter, 1999; Heap, 2000).

### Corporate Engagement as an Advocacy Strategy for NGOs

An entrenched social welfare advocacy process, with a long history of NGO participation, is directed toward the state and state institutions. It occurs particularly in the developed world and increasingly in the developing world (Monitoring and Documentation Services [MDS] India, 2000). However, most literature on advocacy is concerned with welfare and legal advocacy. Laws (1997) described advocacy as a process of arguing on behalf of another person and linked it to fundamental notions of democracy. She described four types of advocacy (client, organizational, program, and sectorwide) but did

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not address the form of strategic advocacy that seeks to facilitate and empower disadvantaged peoples to speak for themselves. Strategic advocacy such as corporate engagement shares what Laws saw as fundamental to advocacy: a basis in social problems.

Corporate engagement as strategic advocacy aims to address social problems that are created by MNCs due to the nature of their operation (particularly in developing countries) or by what they produce. Its strategic currency is measured by two factors: (1) material outcomes such as compensation for loss of property or traditional employment and (2) long-term change for the ongoing improvement in the well-being of those affected by corporate business practice, for the environment and society as a whole.

Advocacy is also well established in relation to human and environmental rights and issues with governments and international institutions, making links to international policies (van Tuijl, 1999; Mathews, 1997; Simmons, 1998; O'Brien, Goetz, Scholte, and Williams, 2000). However, corporate engagement as strategic advocacy for NGOs is new and presents challenges in terms of power relations between the advocates, the represented interests, and corporations (Heap, 2000; Edwards, 1999).

Salamon, Hems, and Chinnock (2000, p. 6) suggest that non-profits (or NGOs) are uniquely placed to perform advocacy, "to push for changes in societal conditions." NGOs are outside the market and the state and have the resource capacity to mobilize volunteers and public interest. According to Salamon and his colleagues, NGOs are in a position to serve as "a link between individuals and the broader political process providing a way to bring group concerns to broader public attention and to push for policy or broader social change, not only on behalf of those belonging to a group but also on behalf of the general public" (p. 6). Although the scholars are referring to the broadest notion of nonprofit organizations, their description of how these function in advocacy is applicable to NGO advocacy. The type of policy advocacy described by Salamon and his colleagues (2000) and Fisher (1998), although both oriented to NGOs and the state, leads to an understanding of the process of corporate engagement as an advocacy strategy. However, it is a civic involvement at a global rather than national or state level, and instead of confronting governments, NGOs confront MNCs as advocates for citizens, communities, and broad social change.

Because advocacy generally operates on behalf of the disempowered or the wider public good, some NGOs are established as advocacy-only agencies or see advocacy as a key function. This is particularly the case in developing countries, which have seen an enormous increase since 1990 in the number of indigenous and Southern NGOs working mostly against state institutions (Fisher, 1998). Fisher observes that, due to its scope, advocacy directed toward the state, including everything from negotiation on limited objectives to mass protests on major issues, is possible only in reasonably democratic

contexts. For NGOs working within less democratic states, dealing directly with MNCs creates new potential for not only improving immediate human rights and material outcomes but contributing to a process of democratization by strengthening civil society networks. NGOs urge MNCs to set their own human rights and environmental standards based on their democratic place of origin, often improving political participation for local people in the process.

Fisher (1998) breaks down political advocacy for NGOs in developing countries into several techniques. She notes that they can sometimes be used simultaneously and include “friendly persuasion” (p. 109), “acupuncture” (which she defines as “placing a needle at the points of a sick system” [p. 110]), legal and lobbying efforts, electoral politics, networking, and mass advocacy. Although Fisher does not mention NGOs’ corporate engagement, these techniques can be applied to corporate engagement. The acupuncture technique reflects a key aspect of corporate engagement. Advocacy as ongoing dialogue aims to change not only individual MNC policy but industrywide policy over time, mobilizing MNCs collectively to self-regulate and modify their behavior to satisfy NGO advocacy claims.

In the development and aid field, however, and to some extent within Northern environmental NGOs, adopting an advocacy function is a response to the contemporary globalized context. The heightened priority of human rights issues and the growth in indigenous peoples’ movements globally are two key influences in the growth of advocacy as a role for NGOs. This is clearly linked to individual NGOs’ core activities: their contact and involvement with developing countries, human rights organizations and activists, and indigenous peoples’ organizations and activists. But adopting an advocacy function is also part of a growing awareness of the fundamental importance of these issues. Like their corporate counterparts, NGO activists have embraced the political importance that human rights and indigenous issues have gained in the past decade recognizing the crucial links between key global environmental, human rights, and indigenous issues. For development NGOs, these issues have emerged as the politics of development has transformed, along with its economic and political contexts (see Dichter, 1999).

CAA is part of the international Oxfam network and is a key member of Oxfam International. (Since the research for this article was completed, the name was changed to CAA Oxfam Australia.) Although it is not yet under a “global governance” structure, as Foreman (1999, p. 178) suggests is inevitable for international NGOs, CAA is heavily involved in global policy development, by way of Oxfam networks and the other Oxfams. Oxfam currently defines *advocacy* as a range of activities “aimed at persuading decision makers to design, adopt, and change policies and practices to secure lasting benefits” for the people with whom individual Oxfam organizations work (Bryer and Magrath, 1999, p. 170). When applied to corporate engagement, this advocacy aims to influence corporate decision

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makers in order to achieve social and material outcomes for people affected by corporate activity. In this instance, the perception or reality is that corporations are either the cause of disadvantage and problems or are best placed to address the grievances of those seeking NGO advocacy.

Bryer and Magrath (1999), who are from Oxfam Great Britain, acknowledge that advocacy work is time-consuming and expensive. This can mean, in a broader sense, that corporate engagement ends up being exploitative of an NGO. MNCs, always ready to exploit the expertise of NGO workers, also have a tendency to use their new-found stakeholder NGOs as free consultants. Part of the paradox of competing agendas between NGOs and MNCs is that MNCs are good at exploiting all resources available to them; therefore, an NGO is in danger of becoming another resource.

NGO advocacy has been critically appraised and has some inherent problems. A persistent tension relates to the North-South relationship between developed and developing nations and the process of representation. As Jordan and van Tuijl (2000) point out, most NGOs say they are not representing the interests of those they are advocating for; rather, they facilitate networks, communication, and exchange, adding a level of expertise not available in less funded organizations and communities. However, NGOs cannot really avoid the process of representation, as they are the ones operating in certain political arenas (such as their country of origin) and are linked to their (often) middle-class constituent membership. This is also the case in corporate engagement. Edwards (1999) suggests that recognizing a domestic constituency and acting to pursue the political interests of that constituency is a positive direction for NGOs to pursue. Linking it to playing a substantive role in social movements, he suggests it will better legitimize the future role of international development NGOs. Edwards also points out that the growth in strength of Southern NGOs means that they are better positioned to carry out the traditional work of Northern NGOs, and he suggests that Northern and Southern NGOs should form true partnerships.

### **The Case of CAA's Mining Campaign**

The following discussion is based on case study research conducted over a period from April 1999 to November 2000. The author conducted twenty-six formal in-depth interviews of informants, interviewing some key CAA actors involved in the Mining Campaign up to four times throughout the period, in order to understand progress of the campaign. The author also interviewed other NGO actors associated with the activities of the campaign and some NGO actors in the United Kingdom who were concerned with MNC activities in developing countries. In addition, she interviewed mining executives from the three mining MNCs most targeted by the campaign during the case study period. Although the study allows identification of a range

of characteristics of corporate engagement, the study's limitations are that it did not include an evaluation of the outcomes of the campaign and relies on a qualitative assessment of processes within a single subject of study. This implies an inability to always validate findings. However, in documenting the Mining Campaign as a corporate engagement experience, the author found that the evidence is embedded in the voices of the informants, those most intimately involved. It is from them that this study learns about the nature and form of corporate engagement as an advocacy strategy.

CAA does not regard itself as one of the big players in the Australian development NGO context. It received the fourth largest amount of Australian government official aid in 1999–2000, totaling over \$6 million (in Australian dollars). This allocation funds some twenty-seven projects across eighteen different countries (Australian Agency for International Development, 2001). This is a small allocation only in comparison to the NGO recipient of the largest amount of official Australian aid, World Vision, which received over \$14 million in the same period. The funding configuration attests to CAA's credibility with the Australian government and its capacity to deliver on development programs. This is an important aspect of CAA's reputation as a nonstate player, reflecting its capacity to satisfy government requirements as a development services provider while still attracting left-wing or liberal support for its campaign and advocacy activities. CAA raises the majority of its funds through public donations as well as funding from other NGOs, such as Oxfam International (CAA, 2001).

Despite its mainstream aid status, CAA is a social movement NGO, and the Mining Campaign emerged within CAA because of close links to grassroots activism. For CAA, these links are formed on the basis of two constituencies. The first is the domestic Australian community groups that are composed of mainly volunteers and activists, participating mostly in fundraising and community education. The second is composed of grassroots NGOs linked to CAA through or as program partners acting as organizational conduits for CAA's development, aid, and advocacy activities overseas. This is what Dichter (1999, p. 39) refers to as an "internationally oriented intermediate organisation."

CAA recognizes the environmental costs of mining as well as the social, indigenous, and human rights issues within its campaign. For example, CAA's first precipitous act toward direct engagement occurred in Papua New Guinea in 1995 at the Porgera Mine, when it published a photograph of unrestrained effluent pouring into a river below in the CAA magazine *Horizons*. Mine owner Placer Dome Pacific, an Australian-based mining MNC, initially offended and hostile in response to the photograph, eventually responded by beginning a dialogue to improve its practices and their effect on the villagers around the mine. CAA's campaign was also influenced by the inherent structural relationship between exploitation of natural

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resources by MNCs through extractive industries and the high level of dependency that indigenous and local people have on natural resources in developing countries.

The focus of this research was the development and progress of the Mining Campaign, specifically CAA engaging with Australian-based mining MNCs to achieve outcomes for people affected by mining. The research documents how the campaign emerged on two levels. At the policy level, during 1994 and 1995, it was apparent that the idea of engagement with the private sector was becoming an important consideration for NGOs, as, simultaneously, a strong human rights advocacy focus was emerging in the organization. This commitment was manifested in the launch of the Basic Rights Campaign in February 1997. The second level of development of the campaign occurred from 1995 onward, as it became directed at the mining industry in response to demands from the field and events around mines with majority Australian interests in the southeast Asian region (see Atkinson, 1998).

The emergence of the Mining Campaign reflects transformations in CAA toward an advocacy role as part of its mission. Interview data and primary sources such as the minutes of the CAA National Executive, a voluntary board of directors, show that CAA has always been a social change agency, and its development program has always recognized and been driven by key social issues such as human rights, environment, gender, and race. The strongest motivation for this campaign relates to human rights issues. Many documented issues of human rights violations exist in Indonesia, Papua New Guinea, and the Philippines, three key hosts of mining companies targeted by CAA's campaign. According to Atkinson (1998), these violations include the following:

- Displacement of people from their traditional land
- Loss of employment
- Loss of sustainable agriculture and livelihood due to pollution of waterways
- Violence against people resisting mining encroachment
- Repression of groups of people by the military and police acting to protect the interests of mining companies

CAA went some way in achieving its formal objectives in the campaign. Those objectives included

- Lobbying mining MNCs, aiming to improve the social and environmental performance case by case
- Providing support for local mining advocacy networks, to strengthen counterpart NGOs, networks, communities, and Southern governments
- Lobbying the Minerals Council of Australia, aiming to strengthen existing model codes for the industry, including social objectives

- Promoting the principle of independent monitoring of mining MNCs and establishing a process of working with NGOs to create such systems
- Developing a greater understanding of corporate operations and ways to influence corporate behavior, learning from the Australian mining industry

CAA was successful in its first objective in that it was able to bring the mine management to the negotiation table so that local people affected by the mines could assert and negotiate demands. In one case, this resulted in a significant compensation package. By and large, material achievements are slow in advocacy processes, and CAAs function was limited to opening opportunities for dialogue and providing support for local NGOs.

Despite such achievements in the campaign, CAA has faced some challenges, and a number of issues emerging from the study reveal risks. Despite early input from the field and a commitment to it as a complementary campaign with field staff, management of the Mining Campaign was centralized and tightly controlled within a small group of men working at a senior level in the head office in Melbourne. The executive director was a central actor, with a high level of autonomy in making policy decisions.

The idea of going to large corporations and sitting around a table with corporate representatives was a cultural and political shift within CAA and in the wider NGO community. This distaste for corporate engagement arises out of a tradition of critical discourses toward large business interests. A number of Australian NGOs were openly critical of CAA's corporate engagement strategy, viewing it as a clear compromise of values. For example, the Mineral Policy Institute saw CAA's engagement as one step away from "marriage" (Burton, 1998, p. 7).

The overall conduct of the Mining Campaign was not based on a planned strategic model, an observation supported by a CAA-commissioned evaluation (Kelly, Brown, Nicholls, and Jones, 2001). This is understandable as CAA was embarking on a new form of advocacy. On review, the campaign can be seen to have had three phases of development as it progressed over a number of years:

1. Confrontational phase, 1995–1996, as the Indonesian Mining Campaign
2. Negotiation phase, 1997–1999, characterized by constructive engagement or dialogue with mining executives and broadened to be the Mining Campaign
3. Strategic phase, 2000 onward, when maturity in judgment emerged around corporate engagement and wider advocacy goals, both in the global NGO network and within CAA

The confrontational phase involved several forms of protest designed to draw attention to the activities of certain mining

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companies and their impact on local people. In the negotiation phase, CAA established its own protocols for engagement, setting out its strategic goals and guiding principles. Emphasizing the relationship between the engagement strategy and the realities and needs at the local level, it set out appropriate conditions for meeting with corporations, including documentation, transparency, and reporting back to staff, particularly those working in the field. It also set limits about not accepting sponsorship from corporations, an important step in addressing the question of how far to go in the engagement process. From its initial action, CAA found it beneficial to continue dialogue with the company executives to protect the integrity of the access they established between the local people and mine management. The ongoing dialogue, meetings in boardrooms, was challenging and, as one ex-CAA informant described it, “seductive,” but did present learning opportunities.

In the most recent, strategic phase, recognizing the seduction of talk, CAA developed a more critical policy. It decided not to participate in “talk-fests” just because the group had been invited, restricting its corporate engagement to strategic meetings only. This reflects a maturity that emerged in the campaign, avoiding an assumed complicity that MNCs can adopt in their community liaison audits (measures of community contact or contact with the community-based stakeholders). By this stage, the mining companies with which CAA engaged organized briefings and meetings with NGOs to build an expanded stakeholder community. CAA also found that mining company representatives were constantly contacting its staff members to sound them out for their views on issues, technically using them for free expert consultation, a risk of opening the door to engagement too far.

A further strategic initiative adopted in the campaign was the establishment of a mining ombudsman in CAA. The ombudsman was a contact person for complaints from local communities about mining practices abusing their rights. Announced in February 2000, the ombudsman position had an investigative function but was also employed to place strategic pressure on the Australian mining industry to establish its own independent, formal mechanism for people affected by mining practices (Atkinson, 2000).

Table 1 details six key areas of risk. In each case the mining executives interviewed expressed a critical view, suggesting risks in the progress of CAA’s advocacy role. Policy decisions and processes in the campaign reflected how the campaign was managed internally, driven by a small team that believed that corporate engagement was an inevitable aspect of the future role of NGOs. Although all six points raise management issues in the campaign, the first and last reflect some of the complexities of running the campaign.

The National Executive of CAA, the board of directors composed of volunteers representing all of the state branches of the organization, supported the executive director in establishing a policy

Table 1. Key Issues Arising from Interview Data for CAA Mining Campaign

<i>CAA Mining Campaign Policy or Process</i>	<i>Mining Company Executive Criticisms</i>	<i>CAA Mining Campaign Risks</i>
<p>Policy governance model had no link to membership or National Executive (board of directors). CEOs and senior policy staff made all decisions.</p>	<p>The nondemocratic organization therefore lacks accountability. It is viewed as not as accountable as corporations that have to account to shareholders.</p>	<p>Not all aspects of the advocacy process had wide support from CAA staff and membership. Some people working within CAA were opposed to corporate engagement, and the wide membership was not aware of the detail of the engagement process.</p>
<p>CAA internal protocols for dealing with mining companies included a strict policy of not accepting funds or favors, such as airfares, from corporations targeted by the campaign.</p>	<p>Key CAA people running the campaign did not visit sites; they relied on hearsay from other local NGOs about what was actually going on at mine sites.</p>	<p>CAA had to rely on local NGOs and contacts for all local information that could never be thoroughly verified as representing all the local interests. CAA risked getting embroiled in conflicting politics.</p>
<p>CAA allotted discreet funding to the Mining Campaign. It did not use wider organizational resources. Only one key person was allocated to coordinate key aspects of the campaign.</p>	<p>CAA people did not follow up on correspondence and communication; they lacked research. CAA did not seem to know all the facts.</p>	<p>CAA actors complained of lack of follow-up from MNCs and recognized their own lack of research, particularly early in the campaign. They instigated research projects in the later part of the campaign.</p>
<p>The campaign used a complementary approach with program people in the field and relied on local NGOs as representatives of locals and as key contacts in the region or country.</p>	<p>CAA would not acknowledge the mining companies' contacts in the local community as legitimate or representative.</p>	<p>CAA could not argue that it had consulted everyone involved in all negotiations with mining companies. It may have been misled in some cases of claims for compensation and other matters.</p>
<p>CAA resolved not to attend "talk-fests," corporate-organized stakeholder consultations, if CAA did not set the agenda or have a strategic purpose for attending. The idea was to avoid being exploited (without compensation) for CAA expertise.</p>	<p>Executives expressed disappointment at CAA's not attending some key forums and saw this as a lack of goodwill.</p>	<p>CAA risked losing some status as a key player in the NGO stakeholder process after investing much time in dialogue with mining companies. It risked missing out on possible opportunities of influence over corporate decision making.</p>
<p>The campaign was aimed at changing mining industry policy and ensuring industrywide accountability for Australian-based companies operating outside Australia. Its instruments were the mining ombudsman and the Code of Conduct Bill.</p>	<p>The ombudsman was "audacious" and unrealistic. Many mines are run under affiliates and in very different circumstances. The mining industry has its own self-regulation. Executives said that they could not apply the same standards of mining methods under different operational environments.</p>	<p>The mining ombudsman created expectations for more communities than CAA has the resources to address; thus it was at risk of not being able to fulfill those expectations. Introducing the ombudsman has not worked as a strategy to prompt the Australian mining industry to take over the ombudsman role.</p>

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governance model in the management of CAA. The policy governance model effectively left all policy decisions in the hands of the executive director and his policy and education team. In the Mining Campaign, this meant that few people were aware of how the campaign progressed.

As the interview data also revealed, most people were not aware that CAA was in dialogue with mining executives. The only information the CAA distributed widely related to success in the advocacy process and in promoting the wider goals of the campaign, for example, protest postcards to government ministers, calls for donations to fund the campaign, or the establishment of the ombudsman position. This created a risk because of a widespread critical view of NGOs as nonrepresentative, nondemocratic, nonaccountable institutions (Johns, 2000; Rugman, 2000). It also meant that CAA eventually left behind the early complementarity of working with those in the field as it made later policy decisions. In the early dialogue with mining executives, most meetings were conducted by the corporations, in their boardrooms, imposing corporate frameworks into the conduct of the business of the campaign.

The latter part of the Mining Campaign involved a push for improved codes of practice, regulation, and legislation for Australian-based companies operating overseas. Its aims required Australian companies to adhere to the same guidelines and practices that restrain them within Australia. Similar objectives are being pursued internationally by a range of other NGOs. Seen as an important strategy for the role of NGOs in a “global future,” it is a means of putting pressure on MNCs to do “maximum good, not merely focus on the worst excesses” of their practices (Trivedy, 1999, p. 624). The regulatory approach is dogged by the lack of formal enforcement outside state structures. Corporations favor self-regulation, and a number of industry organizations have established practice standards and codes. For example, the Council on Economic Priorities Accreditation Agency launched the SA8000 in 1997. This industry-driven initiative focuses on codes of conduct and definitions of terms related to workers’ rights, forced labor, and child labor, functioning as a volunteer audit and evaluation process for MNCs (McIntosh, Leipziger, Jones, and Coleman, 1998). Such standards and codes are seen as ineffective because adherence to them is voluntary rather than required.

CAA’s pursuit of codes of conduct legislation as part of its advocacy campaign raises questions about which constituency it is advocating for (as with its support of the proposed Code of Conduct Bill put to the Australian Parliament and defeated in 2001). Will such a code improve outcomes for local people affected by mines? Is it part of the wider movement against globalization? Could CAA have more productively used the monetary resources for that strategy as support for local NGOs seeking legislative change from their own governments, for example, fighting for improved land rights, better

environmental standards, and so on? As mining executives have pointed out, mine operations are most directly subject to the laws of the countries in which they operate, and the host government determines issues such as land rights, often limiting corporate responses to indigenous claims. CAA risks criticism in pursuing this path, raising questions of links about NGO political accountability and representational capacity. This path also shifts the focus back on the state as the locus of power, moving away from CAA's advocacy objectives to promote corporate citizenship.

## Conclusion

Corporate engagement as an advocacy strategy is a challenging path for NGOs. Although NGOs and MNCs may be driven to engage through some shared motives, corporate engagement has also emerged as a practice because of the increased importance of both, as nonstate actors, in the global political economy. NGOs wield greater influence than ever before, and MNCs hold unprecedented levels of power, the power to have a significant impact on many peoples' lives and, in some cases, the power to determine the economic wealth of an entire developing nation. Corporate engagement as an advocacy strategy is a means for NGOs to use their influence on MNCs to exercise their power in more equitable and responsible ways. Whether at a case by case level, as in CAA's approach to specific mining MNCs, or at a broad policy level, challenging MNCs to be good corporate citizens, as with the introduction of an ombudsman role or codes of ethics, corporate engagement offers opportunities for change.

However, the CAA case study indicates that certain risks will emerge in such a campaign. By engaging with NGOs, corporations can gain from an associated identity with NGO stakeholders, which improves their reputational capital. However, the closer NGOs get to corporations, the greater the risk is for losing touch with their constituent causes and threatening their own legitimacy. Acutely aware of this problem, CAA attempted to address it through protocols, in order that the corporations they engaged with did not dictate the direction of the Mining Campaign. However, as the campaign continued for over five years, CAA exposed itself to the pitfalls of incrementalism, learning more strategic management of the campaign in the later phase. Recognition of the three dominant phases of the campaign as confrontation, negotiation, and strategic phases of engagement suggests that the strategic phase evolved by testing and continuing to apply earlier strategies. NGOs also need to maintain their reputations. CAA, as a highly regarded development agency, used its good reputation in that sphere to influence policy and decision making in its advocacy activities, relying on its own reputational capital. However, as specified in Table 1, its internal policies created risks that may limit the ultimate outcomes of the Mining Campaign as an advocacy strategy.

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