

Hijacked: Business for Social Responsibility

By Russell Mokhiber and Robert Weissman
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We've just returned from the Business for Social Responsibility (BSR) conference being held here in Washington, D.C.

We picked up maybe five pounds of propaganda being handed out by the sponsors -- ExxonMobil, Chevron, AstraZeneca, Walt Disney, Pfizer, General Electric, Altria/Philip Morris (remember: altriameanstobacco.com), McDonald's, Edison International, Starbucks, Ford Motor Company, Coca-Cola, Abbott Labs, Microsoft, Monsanto, KPMG, Chiquita -- among others. The news -- what these giant multinationals don't want you to know -- is that they hijacked Business for Social Responsibility from its founders.

In 1991, the founders, a group of small businesses, wanted to counter the voices of the giant multinationals -- the Chamber of Commerce, the Business Roundtable -- in the public policy arena.

Enter Robert Dunn, stage right.

Dunn is now chairman of Business for Social Responsibility.

At the time, Dunn was a vice president at Levi Strauss, one of the large corporate members of the group.

Dunn said to his colleagues -- the only way we are going to change large multinational corporations is to bring them into this organization.

And the only way they will come into this organization is if we vow never to engage in the public policy arena.

Dunn said that the focus of the organization would be on changing big corporations from within.

Translation:

No talk about government regulation.

No talk about national health insurance.

No talk about a living wage.

No talk about war and peace.

No talk about law and order -- for corporate criminals.

In 1994, Monsanto, purveyor of genetically engineered foods, wanted into the group.

One member, Gary Hirschberg, chairman of Stoneyfield Farms, said -- wait a second.

Do we want a company that makes pesticides and herbicides and genetically engineered crops to be a member of a socially responsible business organization?

Yes, came back the answer -- how else are they going to get

better?

Well what about tobacco companies?

How else are they going to get better?

What about oil and chemical companies?

How else are they going to get better?

What about nuclear companies?

What about military companies?

The reality is that Business for Social Responsibility has become a public relations organization for big corporations.

The only criteria for membership -- you have to be big and loaded.

The hijacking is now complete.

Laury Hammel knows what happened.

He was present at the creation.

Business for Social Responsibility was his idea in the late 1980s.

Hammel owns a string of health clubs in Boston.

Hammel wanted BSR to help business become more socially responsible, but also to engage in the public policy debate.

"We were sick and tired of having the Chamber of Commerce being the voice for business," Hammel said.

So, he started the group, and brought in such luminaries as Arnold Hiatt, former CEO of Stride Rite.

But at a board meeting of Business for Social Responsibility in 1993 in Cape Cod, there was a showdown between those who wanted the group to remain a voice in the public policy debate and those who wanted to stay out.

Dunn told the board that he would become president of BSR if the group stopped taking public policy positions.

"Dunn didn't want anything to do with influencing government policy," Hammel said. "Dunn believed that we would never change the world if we didn't get big corporations behind us. And we would never get them on board if we kept our foot in the public policy arena."

Hammel lost the battle with Dunn over allowing big corporations into the organization.

Dunn then asked Hammel to resign from the board.

Hammel refused.

So he was forced out.

"Dunn said he wasn't going to renominate me to the board because I didn't have money or stature -- I wasn't a big corporation," Hammel said.

Hammel is very fond of Arnold Hiatt, the former CEO of Stride-Rite, and a founding member of BSR.

Hiatt is still a member of the board of Business for Social Responsibility.

"He's an icon, one of my heroes," Hammel said. "But he's not in charge. It's Robert Dunn who is the driving force."

Hammel believes that Dunn's strategy of trying to change large corporations from within is bound to fail.

"Dunn has an incorrect analysis," Hammel said. "Take Wal-Mart for example."

Wal-Mart is a member of BSR.

"The only thing you can do to Wal-Mart is to do what they did with Standard Oil and take it apart," Hammel said. "There is an inherent flaw in the way they operate. When you make a change in Wal-Mart, you make a difference. But ultimately, you are going to fail because the business plan is flawed."

After being forced out of BSR, Hammel continued to organize local BSR chapters around the country.

Back then, the local chapters still had a voice in the national.

"But in 2000, the national BSR sent us a letter. There was no discussion. They just said -- we are eliminating all local chapters," Hammel said. "They told us that BSR was going to spend all of its time on big corporations."

Hammel has gone on help jump-start a new organization -- the Business Alliance for Local Living Economies (www.livingeconomies.org).

The message -- buy local, buy independent.

"When I first formed BSR, I thought all businesses had the same interests in common," Hammel said. "Then I realized that big corporations didn't want to be with us. And we realized that our interests were different."

"The first allegiance of big public companies is to their stockholders," Hammel said. "Most of these big companies have to cater to the whims of the stockholders. That puts them in conflict with the consumer, community and the environment. Very few big companies can buck that stockholder dictatorship."

"Second is -- where do you live? Are you locally owned? If yes, then you are connected to the community," Hammel said. "Companies like Starbucks (a BSR member) are creating a homogenized culture. They are homogenizing cultures all over the world. We want to see locally owned coffee shops."

"We have done several studies showing that for every \$100 spent at a local independent company -- \$45 goes to the community," Hammel said. "If you spend the \$100 at the corporate chain like Starbucks, only \$13 goes to the community."

The last BSR conference that Hammel attended was in 2001 in Seattle.

This was 10 years after he founded BSR as his dream.

"I sat down at a table and noticed three guys with name tags that said Philip Morris and Company," Hammel said. "I asked these guys -- you are not with the cigarette company, are you? And they said -- 'yes, we are with the holding company.'"

"I said to myself -- these guys are members of BSR? They make products that kill people. What is this?"

That was the last conference he attended.

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