In today’s interconnected global economy, there is a growing realization that we must restore public trust in business. Integrating environmental, social and governance issues into corporate management is the overriding purpose of the United Nations Global Compact and its ten principles. This is the heart of the corporate sustainability movement and an effective way to restore trust in business.

Take one look at the smog that hangs over the former Olympic host city Beijing and it becomes abundantly clear—globalization and economic expansion come at a price. Resource depletion, worker exploitation, pollution and corruption—this is the dark underbelly of globalization that has raised alarm bells around the world. Thankfully, more and more individuals and organizations are waking up to the social, environmental and ethical costs of a global marketplace and are making a sound business case for a new era of moral capitalism. Leading the way in this regard is the United Nations with its groundbreaking Global Compact initiative. Launched in 2000, the Global Compact now has more than 10,000 participants—including 9,000 businesses in 140 countries around the world—making it the world’s largest voluntary corporate social responsibility project.

OBJECTIVES

1. To introduce the student to the United National Global Compact and why its focus on human rights, labor rights, environmental issues and corruption is so attractive to the many stakeholders of business.

2. To develop the ability to think clearly about how one integrates environmental, social and governance issues into corporate management.

3. To develop a sensitivity to the moral and ethical values that enable companies to restore public trust in business.

4. To understand how a number of companies are implementing the principles of the Global Compact by examining case studies.

5. To examine and understand the changing role of business in society.
BOOKS

The course requires one book available at the N.D. bookstore: *Sustainable Development: The UN Millennium Development Goals, The UN Global Compact, and the Common Good (SD).*

All other course materials are available on SAKAI. That includes some reading from *Corporate Social Responsibility: The Role of Business in Sustainable Development (CSR).* Should you have trouble accessing SAKAI, contact my assistant, Deb Coch (coch.1@nd.edu).

REQUIREMENTS

There will be two short papers. The final grade will be computed on the basis of class participation (20%), the two short papers (40%) and the final paper (40%).

Class Participation

Besides attendance, effective class participation includes: listening skills; analysis ability; questions and comments; and, last but not least, a willingness to risk, testing new ideas.

Two Short Papers

1. Each student team (usually three students) will select its first two choices of companies from the list of *Communication on Progress Reports*. Each class session, after session 6, will have one presentation, about fifteen minutes long. These presentations should focus on how the company is addressing the ten principles of the Global Compact and advancing the Sustainable Development Goals (unglobalcompact.org). Come to class on Thursday, January 18, with your first and second choices for a company as well as the students working with you. Each team will submit a two-page paper or a PowerPoint with each presentation.

2. Each team will select one session where they will present the answers to the questions listed for the session. The group will submit a two-page paper with their answers. If a team has no particular preference, I will assign a session.

Research Paper

There is one individual written assignment which should be 5-7 pages in length, typed and double-spaced (40%). There are two options. Select one.

1. Read the article: “United Nations Global Compact: The Promise-Performance Gap.” Based on our class readings and your reflection, formulate your answer to the article. Incorporate key readings from the course. Due in class on Thursday, February 22.

   OR

2. If there is some particular aspect of the UN Global Compact that you would like to reflect on, e-mail the instructor by February 1.
COMMUNICATIONS ON PROGRESS REPORTS

Note that there is a direct link to each company’s Communication on Progress Report (sometimes called a corporate social responsibility report, a sustainability report, corporate citizenship report, etc.). The direct links can be accessed by going to the UN Global Compact website www.unglobalcompact.org and selecting “Communication on Progress.”

ADDITIONAL RESOURCES

In addition to readings listed for each class, the following resources from the UN Global Compact may be helpful. You can Google the title to access these publications or go through the Global Compact Website (globalcompact@un.org).

- UN Global Compact Annual Review
- A New Era of Sustainability: UN Global Compact-Accenture CEO Study 2010.
- Role of Governments in Promoting Corporate Responsibility
- A Greener Tomorrow – How Caring for Climate Signatories are Leading the Way to a Low Carbon Economy.
- Moving Upwards: The Involvement of Boards of Directors in the UN Global Compact.
- Innovating for a Brighter Future: The Role of Business in Achieving the MDGs.
- Global Compact Participants in Latin America and the Caribbean: Contribution to the Millennium Development Goals.

Principles

- Principles for Social Investment (PSI).

Tools & Guidance

- Blueprint for Corporate Sustainability Leadership within the Global Compact.
- UN Global Compact Management Model.
- A Global Compact for Development.
- Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A resource for Companies and Investors. (English), (Chinese).
- Supply Chain Sustainability: A Practical Guide for Continuous Improvement.
- Sustainable Supply Chains: Resources and Practices.
- Lawyers as Leaders: The Essential Role or Legal Counsel in Corporate Sustainability Agenda.
- An Introduction to Linkages between UN Global Compact Principles and ISO 26000 Core Subjects.
- The Global Compact Self Assessment Tool. Access Website.
- Guide on How to Develop a Human Rights Policy.
- Human Trafficking and Business: Good Practices to Prevent and Combat Human Trafficking.
- Reporting Guidance on the 10th Principle Against Corruption.
- Collective Action – Building a Coalition Against Corruption.

**Best Practices**

- Doing Business While Advancing Development and Peace.
- Dialogues on Integrating Human Rights – Testimonials by Business Leaders. [Access Website].
- From Principles to Practice: The Role of SA8000 in Implementing the UN Global Compact.
- GRI and UN Global Compact Forge New Alliance. [More Information].

*To obtain hard copies of any of these publications please contact: globalcompact@un.org. To download any of the publications, Google the title.*

*Please visit the UN Global Compact Library ([www.unglobalcompact.org/library](http://www.unglobalcompact.org/library)) webpage to access all material issued by the Global Compact.*
COURSE OUTLINE

Session 1: Tuesday, January 16—OVERVIEW OF SUSTAINABILITY AND THE PURPOSE OF THE CORPORATION

Reading:
2. PowerPoint presentation on Global Compact.
3. Speech of the Secretary-General to the WEF (January 29, 2009).

Questions:
5. *CSR* (p. 39) quotes as follows: “…in fact, the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a *community of persons* who in various ways are endeavoring to satisfy the basic needs, and who form a particular group at the service of the whole society.” Discuss other authors in this essay who agree with this position. Disagree. What is your position?
6. What do Porter and Kramer see as the purpose of business?

Session 2: Tuesday, January 16—THE SUSTAINABILITY CHALLENGE: THE CONTEXT FOR THE GLOBAL COMPACT

Reading:
1. “Doing Good: Business and the Sustainability Challenge,” Economic Intelligence Unit of the *Economist*.

Questions:
3. What is sustainability?
4. Discuss: “The social and environmental issues facing companies today are not going away—and are likely to involve a redefining of relations between business and society. This often involves fundamental political and even moral questions.” (“Doing Good,” p. 6).
5. Discuss: “Sustainability is not, however, a checklist of activities. It is a change in attitude that aligns financial, social and environmental goal” (“Doing Good”).
6. According to Daniel T. Boss of Microsoft, what is the business case for *CSR*?
Session 3: Thursday, January 18— PRINCIPLES ONE AND TWO: HUMAN RIGHTS

Reading:
5. UN Global Compact Note on Integrity Measures (4 pages).

Questions:
7. What is the purpose of the “Integrity Measures”?
8. Discuss the UN Millennium Development Goals, the Millennium Village Project, and Why Novartis would become involved in these projects.
9. Do motives for becoming involved matter?

Session 4: Tuesday, January 23— PRINCIPLES THREE TO SIX: LABOR

Reading:

Questions:
7. Discuss: “If we are truly to take the principles of the UNGC from being an agenda of the CEO to one that is implemented organization-wide, we need to understand how to engage our employees,” SD, p. 320.
8. Discuss some of the programs that the company you are presenting is engaged in with regard to Principles 3 to 6 (From the Communicating on Progress Report).

Session 5: Thursday, January 25— PRINCIPLES SEVEN, EIGHT AND NINE: THE ENVIRONMENT

PART A

Reading:
1. The Environment, pp. 1-2, Sakai
2. Principle Seven, p. 1, Sakai
3. Principles Eight, p. 1, Sakai
4. Principle Nine, p. 1, Sakai
Questions: 6. Discuss how the tools of environmental leadership are employed in two Global Compact learning network initiatives—Caring for Climate and the Environmental Stewardship Strategy (Reading #5)

PART B – THE UNGC AND THE ENCYCICAL ON THE ENVIRONMENT

Reading: 1. Encyclical letter *Laudato Si’* (Sakai)
2. Open letter from the United Nations Global Compact Responding to *Laudato Si’* (Sakai)
3. Pope Francis and the United Nations: Planet Partners

Questions: 4. The encyclical is against “carbon credits” (paragraph 171) and the open letter from the UNGC is for them (page 3). Explain. What is your position? Are there other areas of disagreement in the two documents?

5. Throughout the encyclical the concern for poor is linked with the environment. Explain why according to Reading #3.

Session 6: Tuesday, January 30— BUSINESS AND HUMAN RIGHTS—SOME NEW CHALLENGES

Reading: 1. “Getting It Straight: Commercial Conflict Dependent Actors in Myanmar.”

Questions: 2. What is a “commercial conflict dependent actor”?

3. Has Total made ethical decisions while in Myanmar contributing to a sustainable development?

Session 7: Tuesday, January 30— FURTHER REFLECTION ON HUMAN RIGHTS

Outside Speaker: Douglass Cassel, Director Emeritus of the Center of Civil and Human Rights at the University of Notre Dame Law School.


Session 8: Thursday, February 1— PRINCIPLE TEN: ANTI-CORRUPTION


Question: 5. Discuss: “I am convinced that the greatest untapped profit opportunity available to business today is having a purpose that benefits both society and bottom line.” (Reading #3).

Session 9: Tuesday, February 6— DEVELOPING MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)


Questions: 2. Discuss: “Through our creating shared value concept, we work directly with over 500,000 farmers to help them improve the quality and quantity of their produce and, as a result, increase their family income,” (Reading #1, p. 97).

3. In your view, should creating shared value (CSV) replace corporate social responsibility (CSR) today? Why? Why not?

Session 10: Tuesday, February 6— CSR AS AN INSTRUMENT OF GLOBAL GOVERNANCE

Reading: 1. The Involvement of Boards of Directors in the UN Global Compact.

Questions: 4. What are some of the reasons for Board involvement in the UNGlobal Compact?

5. Explain how corporate social responsibility can be an instrument of global governance.

Session 11: Thursday, February 8— HOW THE GLOBAL COMPACT ENVISIONS MAKING THE WORLD A BETTER PLACE: THE CASE OF PETROCHINA

Reading: 1. PetroChina and the UN Global Compact, pp. 1-2.
3. A Response from the UN Global Compact, pp. 1-2.
5. UN Global Compact Office Responds to NGO letter (January 12, 2009), pp. 1-3.
8. UN Global Compact Note on Integrity Measures (Review from Session 3).

Questions: 9. What is the role of the UN Global Compact according to “Investors Against Genocide”? According to Georg Kell, Executive Director of the UNGC? According to the Global Compact Board Meeting of July 24, 2009?

10. What is your judgment on the matter?

Session 12: Tuesday, February 13—WHERE DO WE GO FROM HERE?

Reading: 1. “Beyond Corporate Responsibility to the Common Good,” SD, pp. 369-387

Questions: 3. Discuss: “The breadth and depth of the issues that abound in the world suggest that they are systemic, and must be dealt with by seeking root causes and fundamental issue.” (Reading #1, p. 369).
4. Summarize the reading from CSR (#2). The term spiritual values is used (p. 94). What does this mean?

Session 13: Thursday, February 15—SOME REFLECTION FROM THE DISCIPLINE OF PEACE STUDIES

PART A:

Outside Speaker: Hal Culbertson, Associate Dean, Keough School of International Affairs of the University of Notre Dame


Question: 2. Discuss: “The success of the MDG project will depend in large part on its success in countries in conflict or at-risk of conflict,” SD, p. 222.

PART B:


Question: 2. What can we learn from Heineken’s engagement in the Eastern DRC?
Session 14: Tuesday, February 20—SUPPORTING THE WORK OF THE UN GLOBAL COMPACT

Reading:

Questions:
5. What are the strengths and weaknesses of the PRME according to Arvid Johnson (Reading #1)? Of the PRI? Is the PRI working?
6. What are the strengths and weaknesses of the initiative of some PRI companies to police corporate responsibility reporting?

Session 15: Thursday, February 22—SOME UNRESOLVED ISSUES

Reading:
2. “GRI: Sinking or Swimming?”

Questions:
4. What is a materiality analysis? Give some examples.
5. What is the GRI? Do you agree with Andy or Mallen? Why?
6. What is Nason’s criticism of the Global Compact? Do you agree?

Session 16: Tuesday, February 27 - TBA