

# Principles for NGOs

## Introduction

Persuaded by experience that a person's moral sense contributes to success in business endeavors, in 1994 the Caux Round Table published its *Principles for Business* as a world standard against which business behavior could be measured.

The CRT Principles not only reflect a concern with the ways business is done, but also with its objectives. Although the prime responsibility for creating a just society does not lie with business, it is the firm belief of the Caux Round Table that, nevertheless, business can and should make a contribution to this objective reflecting their role and position in society.

In our world it is governments that have the primary duty to create the fundamental conditions that can establish a more just and prosperous world through the use of law. To support governments in this respect and to help them focus on the core elements to do their jobs well the Caux Round Table recently drafted *Principles for Government* – as part of a wider set of *Principles for Responsible Globalization*.

Taking into account that business and government are essential to the promotion of a better world, the cast of characters is not complete without referring to the role and responsibility of third major player in a dynamic modern world: civil society. Energized by a vast number of non-governmental organizations (NGOs) the role and position of civil society has tremendously increased over the last few decades.

With the claims of NGOs also come their responsibilities. The Caux Round Table offers a view on these responsibilities – as part of the wider set of *Principles of Responsible Globalization* – expressed in the following *Principles for NGOs*,

The reason for developing the *Principles for Responsible Globalization* – with separate subsets for all three parties involved – lies in the belief of the Caux Round Table that business, government, and civil society need to co-operate and co-ordinate their efforts to create prosperity. The principles derive from two ethical ideals: “Kyosei” and “Human Dignity”. The Japanese concept of “Kyosei” means living and working together for the common good while the moral vision of “Human Dignity” refers to the sacredness or value of each person as an end in itself.

## NGOs

### *The rise of NGOs*

Non-governmental organizations are a basic form of participation and representation in the world today. Some are known on a national or international level, such as CARE, Oxfam, Save the Children, Medicins sans Frontières, Friends of the Earth, Greenpeace, Amnesty International, Transparency International, or WWF. A vast majority, however, is and will always be unknown to the general public. There is no way to reliably estimate the numbers of NGOs in the various countries around the world, although one thing is sure: the numbers have vastly grown over the years. Hundreds of thousands of NGO are active to promote their objectives and those of society – be it local or at large.

### *Definition of NGOs*

The multitude of NGOs and the wide variety of causes they promote make it hard to define what an NGO is. A definition may, however, not be necessary to describe their function in society. It is assumed that NGOs function to serve social or environmental objectives, empower people, engage in advocacy for change, and provide services. In doing so NGOs have formal characteristics aimed at their survival as an organization. They are or aspire to be self-governing on the basis of their own constitutional arrangements. They are private in that they are separate from governments, while at the same time not being focused on making a profit. NGOs require members and donations of financial support. Their objectives usually have an implementation time frame of at least a few years. Often the time frame is longer, like in the case of respecting human rights, defending the rain forest or combating poverty. In other words: NGOs are here to stay. During their stay they will continue to influence governments, business and international or multilateral organizations to conduct their operations in a way that meets criteria the NGO – or the group of NGOs – is promoting.

### *NGO Transparency*

In the last decade NGOs have stimulated business and government to become more transparent in their operations and the direct and indirect effects of these operations. In return, this has led business, governments and sometimes even the general public to demand NGOs to be more open. Not being democratically elected who are these organizations and who do they represent? What is their legitimacy in furthering their causes? Are they effective in promoting their objectives? Are they open, transparent and accountable to their stakeholders? Do the stakeholders have an opportunity to influence the policies and practices of an NGO? What means are acceptable to an NGO in furthering its objectives and what not? Many of these questions remain unanswered in the present-day operations of most NGOs.

### *Principles for NGOs*

With the Principles for NGOs – as part of the wider Principles for Responsible Globalization – the Caux Round Table urges reflection among NGOs to address the issues mentioned in the Principles. More than a strict set of rules the Principles set out a number of topics that require attention and reflection from the NGO community – for the sake of a responsible globalization process.

## **The Principles**

### **Recognition**

The Caux Round Table recognizes the function of non-governmental organizations – as part of civil society – in establishing a better world. NGOs have an important role in serving the social and environmental needs of society directly – for instance in case of emergencies and relief. In addition they meaningfully contribute to:

- the awareness of social and environmental needs by business, governments, multilateral organizations, and the public at large,
- the social and environmental performance of these parties to meet the needs, and
- the accountability of these parties to their stakeholders.

To reinforce an NGO's recognition in society and to establish its credibility and trustworthiness with business, governments and the general public the Caux Round Table proposes to NGOs the adoption of the voluntary *Principles for Non-Governmental Organizations* as part of the CRT *Principles for Responsible Globalization*.

### **Fundamental Principle**

#### *Service*

Every non-governmental organization in civil society has a mission for which it mobilizes support, influences governments, international organizations and corporations, raises funds, educates the public, dedicates resources, and represents its members, its beneficiaries, its donors or its stakeholders in a wider sense. In doing so a private NGO seeks to achieve public goods or contributes to social capital, promoting a wider cause than its own continuity. The fundamental responsibility of an NGO is to conduct its affairs in ways that do not adversely affect the peoples, communities, and natural resources it touches.

That NGOs will remain faithfully effective in their missions of service, each NGO will be open and transparent regarding:

- its mission and objectives,
- its values and principles,
- its governance,
- its actions, and
- its means to achieve its objectives.

Those touched by the actions of an NGO, its stakeholders, must be in a position to take cognizance of and to assess an NGO, its constitution, its structures and systems, its intentions, its activities and its impact. Scrutiny is only restricted to protect legitimate

expectations of personal privacy or to sustain the confidentiality that is required in the organization's daily operations.

## **Derived Principles**

### *Independence*

A non-governmental organization will disclose all legal, organizational or financial ties with corporations, governments, or other organizations that may materially effect the intentions, activities and impact of the NGO.

### *Representation*

In dealing with governments, corporations, international organizations, a non-governmental organization is always clear and honest about representing the members, donors, beneficiaries, or other stakeholders whose interests it is asked to represent.

A NGO will recognize that its work of service to a larger public cause is a legitimate subject of public comment and analysis. It will therefore always engage in reasoned discourse regarding its mission and objectives, values and principles, governance, actions and the means used to achieve its objectives.

In addition, a NGO will provide fair and honest information about the cause it promotes, and the interests it represents.

### *Participation*

A non-governmental organization will communicate on a regular basis with those parties it represents and provide those represented with sufficient opportunities to react to its objectives, activities, and communications.

### *Respect for the law*

In its operations a NGO demonstrates respect for the law. It takes notice of all legal issues and obligations relevant to its decision making. In case a NGO decides to ignore legal obligations it will be accountable for the decision taken.

### *Care*

When planning or executing its policies and actions an NGO will demonstrate sufficient care for the interest of those against whom the actions are undertaken. In case a NGO inflicts damage upon a government, international organization, corporation or other party it will be accountable for its actions.

### *Integrity*

Leadership and staff of a non-governmental organization will not use their position for personal advantage or financial gain.

### *Accountability*

In seeking to serve a cause wider than its own continuity, a NGO accepts the responsibility of taking into account the full range of impacts on others over and above

the views and interests of its funders and members contingent upon its actions and its advocacy and, in so doing, to avoid negligent, reckless or thoughtless behavior.

A non-governmental organization will produce on a regular basis – but no less than once a year – a public report on all activities it has undertaken to realize its mission and its stated objectives. The report contains adequate and sufficient information for the stakeholders to take cognizance of and to evaluate the NGO's:

- organization and organizational efficacy,
- activities,
- effectiveness of its programs,
- fund raising, and
- financial performance.