

Briefing to Amnesty International UK on Corporate Fundraising

Conflicts and Issues arising



Following the decision by Amnesty International UK AGM (2007) to carry an amended version to motion B3 – Corporate Fund-raising, this brief outlines the conflicts and likely issues that now face the UK section of Amnesty International, following the decision to not oppose Corporate fund-raising as a source of income for AIUK.

AGM Outline

Motion B3 was put forward at 2007 National Conference by Dave Plum and Sue Walley expressing '*serious concern towards corporate fund-raising by Amnesty International with the attendant risk to Amnesty's reputation for independence and impartiality*'. Effectively the principle opportunity and inspiration for the motion was to oppose AIUK's expansion into increased Corporate sponsorship as a means of income. During Working Party B an amendment was proposed *but defeated* outlying that motion B3 be modified to call for transparency rather than a halt to Corporate fund-raising. However during plenary, this amendment and subsequently the vote that followed were confusingly merged, as the amendment had reversed the objective of the motion. The amended motion was *comfortably carried*. As a result, AGM outlined that:

- Corporate fund-raising by increasingly used as a means of income for AIUK, however the sources of income must be made completely transparent

This leaves AIUK with the following issues to consider:

- Corporate fund-raising is defended as a means of raising more money which allows AIUK to extend its campaigns in achieving Amnesty International's goals.



Liverpool

Student

Amnesty

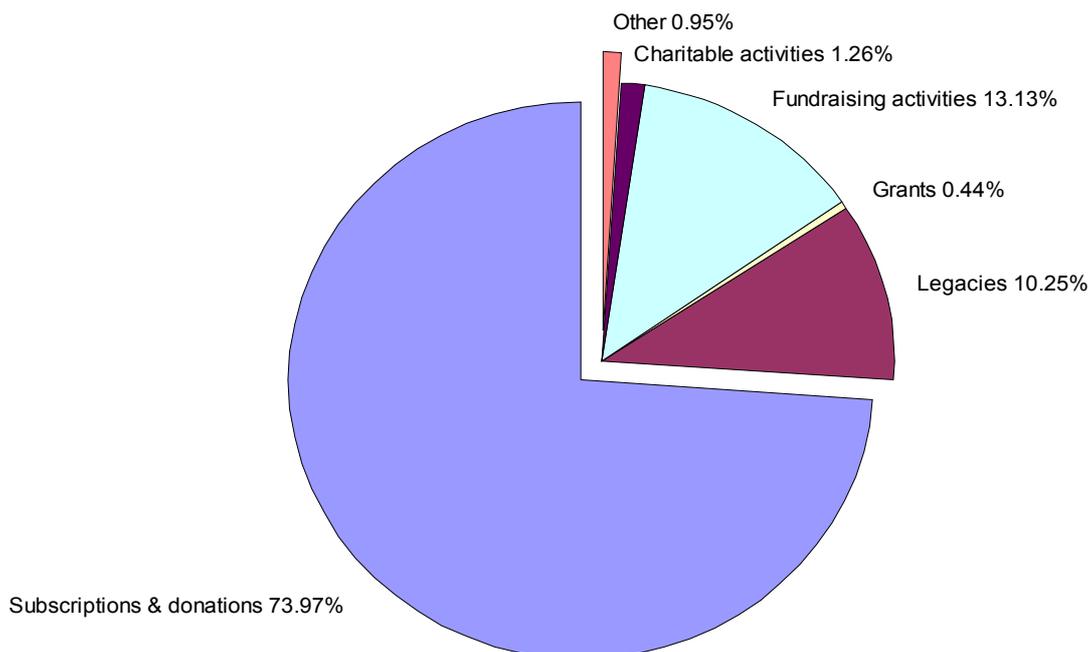
However this raises a number of concerns:

- Reliance on an out of organisation source for funding threatens Amnesty's independence and ability to act outside of external interests.
- Accepting funding from a Corporation is a political act which therefore undermines AI as an a-political organisation focussed solely on human rights.
- Transparency has little impact on the issue at hand, which is that AIUK should oppose all Corporate fund-raising.
- Corporate fund-raising is inconsistent with AI's campaign '*Right corporate wrongs*', and also the reports '*Flagship or failure?*' & '*Contracting out of human rights*'.

Note: there is a distinguishable difference between 'business' and 'corporate' fund-raising. Business can cover local organisations helping with local groups at a grass roots level, for example local shops could support Amnesty in a neutral fashion as they belong to the local commerce structure. Corporations however exercise political power and consequently this makes them political powers and therefore AI should not deal with these organisations, *especially* in financial transactions.

Financial Impact

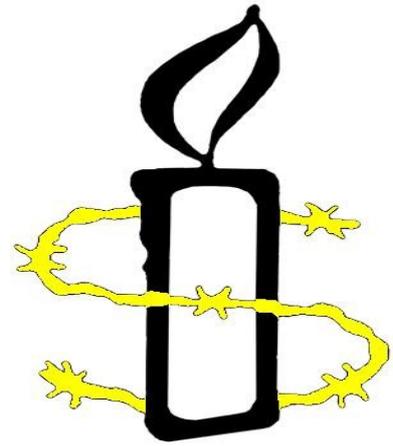
AGM informed that Corporate fund-raising at present accounts for an estimate of 1.2% of AIUK income, a majority of AIUK's funds coming from voluntary subscriptions and donations from AIUK members and supporters as outlined below:



Source: Chart derived from data from AIUK financial statements for the year ending 31 March 2006

Although it is acknowledged that an increased income would allow for an increase in revenue for campaigns and action, it should be noted that corporate fund-raising as a source of income is currently very low and it should be credited to AIUK that its supporters currently contribute a significant portion to AIUK's income through voluntary contributions. It is therefore significant to note:

- A halt to all corporate fund-raising will not have a significant impact on AIUK's income
- At present the level of voluntary support as a source of income is a credit to the commitment of AIUK supporters



Current corporate fundraising for AIUK

At present the most significant corporate participant with AIUK is the Co-operative bank. The logic behind this is that the Co-operative Group holds an ethical mission within its shareholder and investor policy, however it must be raised that this decision is based on 'the lesser of the evils', whereas AIUK should be asking why have these 'evils' at all? This decision to choose the Co-operative group in particular also highlights the potential threat of 'corruption' by the board. Whilst this brief is making no suggestions, it must be stated that if AIUK is to adopt a policy of 'selective sponsorship' whereby the board decides which corporations to accept funding from by a personal decision, it exposes AIUK to accusation of corruption and by approaches from those with an interest in investment which would put individuals at risk.

What must also be noted is the Amnesty International Credit Card, issued by the Co-operative Bank, whereby a very small percentage of commission is donated to Amnesty by the CB. Consequently this seems an exploitative measure of using an increase in consumption to lead to an increase in AIUK income, creating an ethical dilemma to which AIUK is in serious breach. As noted above, voluntary income is a great source of funding for Amnesty, and this should be applauded in favour of using other more subversive and ethically headache inducing methods.

Why do corporations want to fund Amnesty International?

Amnesty International is a particularly desirable organisation for a corporation to be associated with. Corporate Social Responsibility (CSR) is the format by which corporations realise that their actions are at such a level of public awareness that they have a negative impact upon a corporation's profits. Therefore by investing in active organisations a corporation can 'clean' its image, furthermore, CSR has actually become a profit making ideal, a corporation seen as being an 'ethical investor' become more desirable to the consumer. Examples of CSR include British Petroleum investing in ecological projects, in light of the serious ecological damage it actually causes, and McDonald's raising its profile by investing in junior sports schemes.

Consequently a corporation which raises funds for AI will be able to use its logo along with the AI, with the following consequences:

- The corporation will be able to credit from AI's work and be seen as a 'defender of human rights'
- AI will be seen as an affiliate of the corporation and any negative publicity on the corporation will harm Amnesty significantly

Moreover any corporation raising funds for Amnesty will yield other benefits:

- The corporation will be free from criticism from AI as its investment becomes of increasing dependence
- Corporations could effectively 'get away' with human rights violations as AI's voice would be muted
- Depending on the corporation in question, individual articles within the Universal Declaration of Human Rights will actually have a particular value, effectively some human rights will be seen as worth more than others

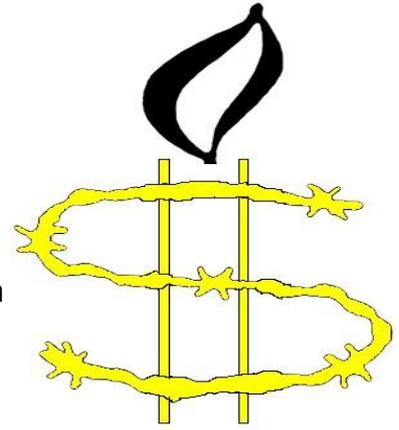
It must be noted that not all business is necessarily corporate investment, and in terms of local investment, for example local shops advertising for Amnesty or assisting in running a local event, some business fund-raising is acceptable. A local business can operate as a business rather than a corporation which operates with a sole purpose based on profit, a corporation is eligible to be sued if it fails to excel its profits which typically results in violations of what AI strives to campaign against.

AI also has several campaigns specifically targeting individual corporations, for example the 'contracting out of human rights' reports based on the Chad-Cameroon pipeline project criticises the US corporations ExxonMobil and Chevron as well as Oil corporations within Cameroon. Accepting corporate fund-raising would undermine both the integrity of these works and of Amnesty International as a whole.

Recommendations

Following the discussion outlined in this brief, the following recommendations are presented to AIUK:

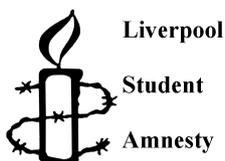
- Corporate fundraising must be halted on the grounds;
 - AI's reputation will be severely affected by negative publicity for the corporation raising funds
 - A corporation will be freed from criticism by AIUK if it violates human rights once it has invested
 - AIUK may become dependant on corporate fund-raising, putting a halt to its autonomy, also at the discredit of its supporters who will cease to be the largest contributors to AI income
 - Corporate fund-raising is not financially necessary for AIUK and the costs far outweigh any benefits corporate fund-raising may have
 - Accepting corporate fund-raising is a political act therefore bringing AIUK into line with neo-liberal politics therefore causing fractions amongst its membership
- Corporate fund-raising must not be accepted on any grounds, and must be brought to 0% based on the following factors;
 - Selecting corporations is based on an individual decision whereas a policy must be considered unanimous and not situational
 - Individuals within AIUK will be put at risk by approaches by potential investors
 - Individuals will be open to corruption claims based on selecting particular corporations for fund-raising over others
- AIUK must further inform its membership on human rights violations committed by corporations and extend its campaigns against all perpetrators from an a-political position



Mike Brandon, MRes, BA

Liverpool Student Amnesty

For a complete paper and reference list for this brief please contact mikeogc@liv.ac.uk



Note: the changing Amnesty logo represents the shift of Amnesty from autonomy to a capital dependent organisation. This publication is the sole property of its author.