

## **The UN Global Compact: Towards a critical mass or a critical state?**

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### **Abstract**

Almost ten years into its existence, the UN Global Compact has become one of the most visible CSR/Corporate Citizenship initiatives worldwide. With a membership base of almost 5,000 corporations as well as a range of other stakeholders, it is spearheading the current wave of more conciliatory modes of corporate social responsibility that have evolved in the last two decades. Not surprisingly, the Compact also stands in the centre of the fierce debate around the effectiveness of these new modes of governance: in a nutshell, the supportive camp characterizes new forms of corporate social responsibility and with it the Global Compact are characterized as a mutual learning process, emphasizing mutual interests and 'enlightened self-interest' of corporate actors. Insofar, it is expected that a critical mass of companies can be reached that will provide nothing less than the implementation of a set of globally acknowledged values as set out in the Global Compact principles. On the other hand, more critical scholars and practitioners have highlighted deficiencies of the current structure of the Compact, arguing that its overemphasis of voluntary, beyond-compliance corporate action might crowd out more promising regulatory approaches and serves corporate rather than societal interests.

This paper is based on an ongoing project looking into the *actual* impact the Global Compact has on its corporate members. Based on a brief literature review of recent academic work on the Global Compact, preliminary results of an empirical analysis of Communications of Progress (COPs) are presented. Following Easton's definition of effectiveness, the analysis focuses on output effectiveness, i.e. the issues that are addressed by the companies in their regular COPs, as an indicator of the overall impact and effectiveness of the Global Compact. It is argued that if learning has taken place within the network, this should become visible in the COPs that have been submitted by its members.

The first section of the results focuses on the current state of COP reporting, both on a regional and industry level, as well as in the context of company size. In the second part, preliminary results of a text mining analysis of COPs are presented, identifying how and to what extent Compact members address a range of different sustainability challenges.

(Tentative) conclusions are presented regarding (a) the short to medium-term future of the Global Compact, and (b) the conceptual limits of CSR in contributing towards social and environmental sustainability.

**Key words:** UN Global Compact, Communications on Progress, Text Mining, Corporate Citizenship, Corporate Social Responsibility