

## *BANKS AND CLUSTER BOMBS FUNDING:*

### *A LEGAL BUSINESS*

#### *INTRODUCTION*

*The global banking and finance industry long felt to be released from any fundamental responsibility toward shareholders and depositors other than produce strong financial results and profits. In the 1990s, activists have tried to link environmental issues to financial markets, and only from 2000 to 2008 the banking sector actively started to address issues regarding social standards.<sup>1</sup>*

*The CSR issue analyzed in the following paper takes into consideration some of the largest and well known financial institutions worldwide that are responsible to fund through loans and credit facilities producers of cluster bombs, weapons that maim and kill particularly civilians in developing countries. Connected to this issue there are two main aspects to investigate; one is the legislative aspect, and the other one is ethical. The former has to deal with the presence of a Convention prohibiting any use or support to producers of cluster bombs. This treaty has recently become binding international law, and it has been signed by some of the countries where several of the banks come from. Yet, due to the presence of a legislative 'loophole' in the text of the Convention the banks are able to claim that their activities are officially "not illegal". Implications linked to this such as why the loophole has not been corrected and who is hampering the improvement process will be therefore examined.*

*The ethical aspect is expressed by the nature, or the 'non-nature', of cluster munitions: specifically designed to hit populated areas and to be confused with humanitarian aids or innocuous objects, these weapons kill and maim civilians and a high number of children. It is simply inadmissible the support that directly or indirectly some financial institutions give to this non-conventional type of weapon that is the cluster bomb. Some 107 countries signed the Convention, but there are many others, and among them the biggest like United States, Russia, China and India, that are not part of the treaty yet. The complete ban of cluster munitions cannot become real until all the countries recognize the immorality of this weapon and decide to take a decisive step toward its elimination.*

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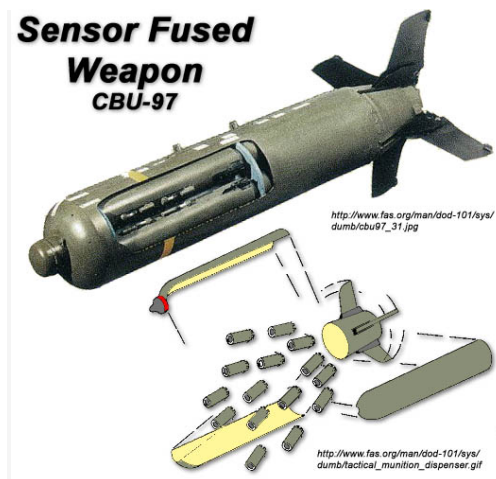
<sup>1</sup> Conroy, M. E. (2007), *Branded!* New Society Publishers, Canada

Lastly, will be analyzed and evaluated the role of the Cluster Munition Coalition (CMC), the NGO that aims at the eradication of cluster bombs, and the Amnesty International's media campaign to raise awareness on the CSR issue. It is interesting to see what are the responses and reactions of the banks accused of funding the cluster bombs market, and also to estimate the effects of the NGOs activities on public opinion and political decisions.

## OVERVIEW

### What are cluster bombs?

Cluster bombs are missile like devices that upon being released fragment into multiple smaller explosives, or 'bomblets'. Since the bombs break apart before detonation, controlling where they land is impossible, thus, 98% of all cluster bomb victims are civilians, and one third of those are children.<sup>2</sup> Air-dropped or ground-launched, they cause two major humanitarian problems and risks to civilians. First, their widespread dispersal means that it cannot be made a distinction between military targets and civilians so the humanitarian impact can be extreme, especially when the weapon is used in or near populated areas, in blatant violation of Art.51 of the Geneva Convention.<sup>3</sup> Second, many sub-munitions fail to detonate on impact and become *de facto* antipersonnel mines killing and maiming people long after the conflict has ended, thus causing widespread harm among the population.



The construction companies say that the 'missing explosions' are at most equal to 5% of the cluster run. However, it has been estimated that the percentage of lost bursts due to various technical inefficiencies and/or environmentally reasons is not less than 15-20%, to reach even 40-45% as found in some localities Afghanistan. Every dispenser contains sub-munitions in the variable number of 200-250 unites that when randomly dispersed cover

<sup>2</sup> Cluster Munition Coalition website, <http://www.stopclustermunitions.org/the-problem/>

<sup>3</sup> Protocol Additional to the Geneva Convention (12 August 1949), Part IV Civilian Population, Article 51: Protection of the Civilian Population. In International Committee of the Red Cross: [http://www.icrc.org/ihl.nsf/Web\\_ART1470-750065](http://www.icrc.org/ihl.nsf/Web_ART1470-750065)

large diameters areas.<sup>4</sup> Thus about 20 sub-munitions fail to explode and remain on the ground. Considering the number of bombs that are normally used during a period of war, it is easy to conclude that unexploded sub-munitions can reach very high numbers.

That is one of the reasons why 60% of cluster bomb casualties are injured while undertaking their normal activities. The 'special design' of some sub-munitions makes them very similar for shape and colors to the typical humanitarian aid launched by airplanes in poor areas. Thus not only children, but also fathers and mothers searching for food, water and medicines for their family often pick the bombs from the ground unaware of their real nature. Cluster bombs result in the contamination of former war zones and their immediate vicinity, making it nearly impossible for local communities to begin a post-conflict reconstruction, to cultivate fields, and to access pastures and wells; it also make fatally unsafe roads, schools and even homes.<sup>5</sup>

The use of these weapons continues therefore to defy established principles of international humanitarian law. Nonetheless, 35 countries have produced or are still producing cluster bombs; among others: Argentina, Australia, Brazil, China, Egypt, India, South Korea, Turkey, United Kingdom, United States. 19 countries have used or still use cluster munitions, such as Colombia, France, Russia, Saudi Arabia, South Africa, Serbia, United Kingdom, United States. And 37 countries and territories are known to be affected by cluster munitions from use in armed conflict; only few examples are: Afghanistan, Albania, Eritrea, Ethiopia, Iraq, Lao PDR, Lebanon and Vietnam.<sup>6</sup>

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<sup>4</sup> <http://www.campagnamine.org/>

<sup>5</sup> <http://www.campagnamine.org/>

<sup>6</sup> <http://www.stopclustermunitions.org/the-problem/history-harm/>





### *The Cluster Munition Coalition (CMC)*

*The Cluster Munition Coalition is a global network of more than 350 civil society organizations working in some 90 countries to end the harm caused by cluster bombs. The CMC was launched in November 2003 and founding members include Human Rights Watch, Handicap International and other leaders from the Nobel Peace Prize-winning International Campaign to Ban Landmines, which secured the 1997 Mine Ban Treaty. Since the signing of the Convention on Cluster Munitions, the CMC mobilized an intensive global ratification campaign. The Coalition says to work through its members to change the policy and practice of governments and organizations, and to raise awareness of the problem amongst the public.*

*On the official website of the Cluster Munition Coalition, it is stated that since the Convention has taken effect and become law, States Parties are bound by all of its terms.<sup>8</sup> Is this confirmed by facts? If yes, how to explain the funding coming from several financial institutions of countries that have signed and ratified the Convention toward industries producing cluster bombs?*

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<sup>8</sup> <http://www.stopclustermunitions.org/the-solution/the-treaty/?id=84>

## *THE CSR ISSUE*

*“Each State Party undertakes never under any circumstances to assist, encourage or induce anyone to engage in any activity prohibited to a State Party under this Convention.”* (Art. 1(1) c of the Convention on Cluster Munitions)

Despite this quite clear statement from the treaty that bans the weapons and that has recently become international law, some of the world's top financial institutions undermine this commitment to ban cluster bombs by continuing to finance the following seven leading producers of the weapons and their components: Alliant Techsystems ATK (USA), Hanwha (South Korea), L-3 Communications (USA), Lockheed Martin (USA) Poongsan (South Korea), Singapore Technologies Engineering (Singapore) and Textron (USA). Since May 2007, financial institutions provided these companies with:

- investment banking services worth more than US\$6,712.15 million;
- loans amounting to at least US\$3,190.26 million;
- owned or managed shares and bonds for at least US\$33,116.1 million.<sup>9</sup>

To help monitor and curtail the flow of funds to corporations that still manufacture cluster bombs, the Cluster Munition Coalition set up the Stop Explosive Investments Campaign in October 2009 with the release of a report on investment in cluster munitions by financial institutions, called *Worldwide Investments in Cluster Munitions: A Shared Responsibility*. The goals of the campaign were to raise public awareness about the financial institutions investing in cluster bomb production, to encourage financial institutions to articulate clearer guidelines on ethical investment with respect to cluster munitions, and to urge governments to adopt legislation banning investment in cluster munitions.<sup>10</sup>

What the CMG in the report has called the “Hall of Shame” contains 166 financial institutions from fifteen different countries. The majority of these financial institutions (128) are from countries that have not yet signed the Convention on Cluster Munitions,

<sup>9</sup><http://www.ikopaxchristi.nl/files/Documenten/wap%20cluster%20munitie/CMG%20rapport%2025%20mei%202011/Worldwide%20Investments%20in%20Cluster%20Munitions.pdf;%20a%20shared%20responsibility%20-%202011.pdf>

<sup>10</sup> <http://www.stopexplosiveinvestments.org/report>

*and that consequently can define themselves as being not restricted in their activities by this particular treaty. The other 38 financial institutions are from nine states that have signed the Convention. Seven financial institutions are from three countries that have signed but not yet ratified the Convention. 31 financial institutions are from six countries that have both signed and ratified the Convention, and this is what defines the most improper situation. Of the 166 financial institutions, 73 financial institutions are from the United States so that US-based financial institutions account for 44 percent of the total. However the USA has not signed the Convention on Cluster Munitions; but 26 financial institutions investing in producers of cluster munitions are from EU member countries, of which 24 are signatory states.”*

*Based upon these research findings, one may conclude that the Convention on cluster munitions is not that much a binding law as it is supposed to be, or it is not really respected by the member states. Is this a reflection of a more general problem connected to the fact that international treaties are often considered as a ‘second-class’ law? Or is the reason to be found in the text and content itself of the treaty? The response would not be wrong if one answers: both. Certainly the general attitude toward international agreements and organizations that are seen as weak and stripped of a real authority plays an important role. Though, the focus here is on the content of this particular treaty that is the Convention on cluster munitions. The main problem, as briefly mentioned in the introduction, is the presence of a loophole that allows banks of countries that ratified the Convention to invest in producers of cluster bombs. In fact the text of the treaty does not explicitly mention also the prohibition for member states to indirectly financing the weapon. This leads to a situation where the governments that implement the international law in their national legislation just “copy” the omission; whether this is intentional or not, it’s not easy to determine. Anyway banks are very conscious of this “escape” and some of them do not hesitate to take advantage of it.*

*There are however countries that made clear the interdiction also of indirect investments and financial loans to the cluster bombs industry. For instance, the French government gave an interpretative statement specifying that they understand investments in cluster munitions as being banned under the prohibition on assistance. On 6 July 2010, the Deputy Minister of Defense at the National Assembly said: “Any knowingly financial assistance, directly or indirectly, in the production or trading of cluster munitions would be considered as assistance, encouragement or inducement falling within the scope of the law under criminal complicity or commission of offenses under this bill. If the monitoring of the implementation of the law by the National Commission for the Elimination of Antipersonnel Mines (CNAME) shows a failure on this point, the Government would draw the appropriate conclusions, proposing to Parliament the necessary legislative*

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<sup>11</sup> OIG Report (May 2011), *Worldwide Investments in Cluster Munitions, a shared responsibility*



changes.”<sup>12</sup> On an opposite side is the United Kingdom: The UK Cluster Munition Prohibition Bill received Royal Assent on 25 March 2010. In both Houses, debates on the Bill questioned whether the financing of cluster munition production was prohibited under the legislation. The text of the legislation in fact did not even include a general prohibition on investment in, or provision of financial services to, companies involved in the production of cluster munitions. Later, in response to parliamentary questions the Government issued a Ministerial Statement on 7 December 2009 confirming that “under the current provisions of the Bill, which have been modeled upon the definitions and requirements of the Convention, the direct financing of cluster munitions would be prohibited. The provision of funds directly contributing to the manufacture of these weapons would therefore become illegal.”<sup>13</sup> Hence the legislation does not prohibit indirect financing of cluster munitions.

The government claimed to work with the financial sector, non-governmental organizations and other interested parties, to promote a voluntary code of conduct to prevent indirect financing, and if necessary would use their right to initiate legislation.<sup>14</sup> This statement can be challenged just reading the British news: the newspaper *The Independent* in an article of August 2011 writes that in October 2010, RBS was still part of a banking syndicate that provided the American arms manufacturer Alliant Techsystems with a \$1 billion five-year credit facility, with RBS itself loaning \$80 million. It has also underwritten \$110.1 million in bonds to Alliant Techsystems and Lockheed Martin.<sup>15</sup> In addition some other big British banks like HSBC, Lloyds TSB and Barclays continue to have financial relationships with those companies, making shameful profits on peoples’ life.

If the main problem is this legislative loophole that allows the banks to deny the illegality of their activities, why the necessary correction has not be done yet? Who has the interest of keeping the law ‘imperfect’? Amnesty International launched a campaign on this problematic issue, focusing on UK financial institutions.

AMNESTY INTERNATIONAL WARRENBS CAMPAIGN:  
ANALYZING THE STRATEGIES

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<sup>12</sup> <http://www.stopexplosiveinvestments.org/legislation>

<sup>13</sup> Ministerial Statement (December 2009) *The Financing of Cluster Munitions Production; Foreign and Commonwealth Office*; <http://www.stopexplosiveinvestments.org/uploads/pdf/UK%20Ministerial%20statement.pdf>

<sup>14</sup> <http://www.stopexplosiveinvestments.org/legislation>

<sup>15</sup> Taylor, J. (August 16, 2011) *UK Banks Fund Deadly Cluster-Bomb Industry* <http://www.independent.co.uk/news/uk/home-news/uk-banks-fund-deadly-clusterbomb-industry-2338168.html>



*Britain became an active participant in the Convention on Cluster Munitions in 2010, year in which Amnesty International UK launched a media and e-petition campaign that mainly targeted the Royal Bank of Scotland (RBS), Barclays, HSBC, and Lloyds TSB.*

*Amnesty International is a non-governmental organization focused on human rights with over 3 million members and supporters around the world. On its official website they claim to be effective in stopping human rights abuses by “mobilizing the public to put pressure on governments, armed political groups, companies and intergovernmental bodies” via strategies such as public demonstrations, letter writing campaigns, awareness-raising events, petitions, cooperation with students groups, and so on.<sup>16</sup> It therefore seems that Amnesty’s activities main goal is to spread public consciousness in order to stimulate and call people to action. The audience of the organization is made first of all of its long-time supporters, people of various ages sustaining the causes, and students from colleges and universities that started to follow the NGO’s activities and calls since its beginning in the 1960s. Later on, when Amnesty will become one of the most well-known organizations in defense of human rights, its base of supporters and activists rose higher, as well as the working-team of ‘campaigners’ in charge of coordinating actions. Not only young people and students compose the audience of the organization, but also professionals, scholars, journalists, politicians and famous personalities sign Amnesty’s petitions and become bearers of its messages.*

*Calling the attention of a vast public and have media coverage is the tool that the NGO used also in the case of the campaign *Booming Business: British Banks and Cluster Bombs*. The information sharing started from the Cluster Munition Coalition, an international civil society campaign that opposes the use of the devices, and from its members *IKV Pax Christ* and *Netwerk Vlaanderen*. These organizations all together launched a report called *Worldwide investments in cluster munitions: a shared responsibility*, which is the most comprehensive study to date on the subject.<sup>17</sup> Amnesty then entrusted to national and international media the task of sharing knowledge: after having interviewed the President and the chief members of the Cluster Munition Coalition, it created a video of 12 minutes in which briefly explained the problems connected to cluster bombs and denounced some of the main UK banks of funding the producers of this type of weapon. In addition, big British newspapers like *The Independent* and *The Guardian* published articles and started to investigate and ‘monitor’ the financial institutions. Meanwhile, an opinion poll commissioned by Amnesty found that nearly eight out of ten people in Britain (78%) said RBS should not be allowed to provide loans to cluster-munitions producing companies. In the poll more than one in three (35%) thought that investment in companies which produce cluster bombs was just as damaging to the*

<sup>16</sup> <http://www.amnesty.org/en/who-we-are/faq#is-ai-effective>

<sup>17</sup> *MS website, Report* <http://www.stopexplosiveinvestments.org/report>

reputation of high street banks as its bonus culture and the effect it had on the global economy. More than two out of three (67%) said they would support a law to ban any investment in companies that produce cluster bombs.<sup>18</sup>

When Amnesty's campaign was launched, more than 12,000 people emailed Stephen Hester, the Chief Executive Officer of RBS, to demand that the company stop investing in cluster munitions producing companies. Amnesty also invited public donation to fund an advertising campaign to reveal RBS's investment in companies which produced the banned cluster munitions, which seems to have received overwhelming public support. Besides this participation described in enthusiastic terms by Amnesty International's Arms Program Director Oliver Sprague, the doubt that awareness campaign do not commonly generate profound changes still remains.

This consideration opens the debate on how efficacious can be to raise public awareness, and whether awareness is enough to reach concrete goals. Amnesty has been using the "raising awareness" strategy since its beginning, and can boast today a considerable amount of visibility and influence. There is undoubtedly the positive aspect of informing people on global and national interest issues, making them more conscious and active citizens. At the same time, there is no guarantee that at least half of the citizens that the NGO informed and warned will actually do something concrete to help the cause. First of all a reason could be that society and its citizens/consumers are exposed to several different issues every day. They are therefore so overwhelmed by the number of information that cannot handle it, and it becomes easier just to ignore them all. The other element is that even when people are asked to change small habits in their lifestyle, as in not buying a particular type of paper because it is known to be made cutting hundreds of trees, the majority of consumers would probably not stop using it either because it is cheaper, because it looks nicer than others, or simply because the safety of a forest is not their priority. Thus, spreading consciousness alone may not be enough to interrupt a negative attitude. It can rather be a starting point to extend the base of supporters and to directing the eyes of the civil society or institutions, groups, or companies responsible for violation of some forms of social responsibility.

Related to civil society's powers, there are factors that extend this capability. One is the improvement in global communications technology: internet in particular has allowed activists and campaigners around the world to form coalitions and organize collective activities whose impact is emphasized right because of its global aspect. Secondly, even transnational campaigns are not excessively expensive thank to the high number of volunteers working, rather than average paid employees.<sup>19</sup> However, the civil society and NGOs' potentialities are softened by other factors: they rarely have a coherent transnational agenda; the NGOs remain powerful as long as they retain their credibility;

<sup>18</sup> Amnesty International UK; News section August 2011

<sup>19</sup> Conroy, M. B. (2007) *Branded!* New Society Publishers, Canada

and the power that they have is already 'soft' and indirect. As the distinguished Professor and Economist Michael Conroy explains in his book *Branded*: "NGOs gain influence by convincing others to take action".<sup>20</sup>

Two of the instruments that seemed to be effective in Amnesty's campaign at least in convincing some of the banks to open a discussion table and to promise to change practices were those playing on current and potential costumers of the British banks involved. Amnesty's activists were sent to campuses of colleges and universities to talk to students and persuade them to take action for example boycotting those banks. Campaigners went to workplaces, offices, and in the street asking people if they liked the idea of giving money to a financial institution that is known to make profits on a terrible industry of death. The message was clear and strong. Acting directly on banks' clients and threatening their profits brought to a change of some financial institutions, as they wanted to avoid negative advertisement. For instance RBS had repeatedly insisted that it did not invest in cluster munitions manufacturers. An extract from the initial response issued by RBS to enquiries by Amnesty supporters and concerned RBS customers reported: "We do not invest in companies who produce cluster munitions and do not recognize the claims made in the *ITKV Pax Christie* report. This is a serious issue and we have engaged with the writers of the report to understand these allegations."<sup>21</sup> Nevertheless, a few weeks after the launch of the intense Amnesty's campaign, the Royal Bank of Scotland committed to issue a new policy on investments in cluster munitions. An extract from the new response issued by RBS in September 2011 stated: "After discussions with various NGO groups we have identified some defense sector clients whose activities could be considered to be outside the spirit of the Convention. As a result, we will be suspending all further services to any client where we cannot be certain that they are in compliance with our policy. We will seek to work with both the UK Government and NGO groups to create clarity on this issue, and encourage other banks to do the same."<sup>22</sup>

The big announced RBS U-turn made positively hope for a radical change, and for other banks to do the same. Nonetheless, that was not precisely the case since many financial institutions continued to strenuously defend their investments. The biggest problem in fact remains: the loophole in the legislation has still to be corrected, and the actor in charge of this is the British government. Searching information about the divestment campaign and the accusations toward the mentioned banks, an interesting fact emerges: RBS, the Royal Bank of Scotland that together with Barclays and others was in the middle of the controversy, is majority-owned by the UK government that came in this financial position in 2008. The government currently own 67% of ordinary shares.<sup>23</sup> Such a tight monetary link between the UK government that is the one able to make the expected

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<sup>20</sup> *As Above*

<sup>21</sup> *Amnesty International Uk; News section September 2011*

<sup>22</sup> *Amnesty International Uk; News section September 2011*

<sup>23</sup> [http://www.investors.rbs.com/equity\\_statistics](http://www.investors.rbs.com/equity_statistics)

*legislative correction, and the bank that more than others took advantage of the 'mistake' in the law, could lead to suspect a precise political will of the highest institution of the State to not interrupt the lucrative funding activities.*

*This would explain the slowness in correcting the loophole in the national legislation, and the attitude of the bank that feels well protected. If such is the case, Amnesty and the other NGOs could enter the controversy from a stronger position and having more leverage over banks and the government. A direct interest of the British government in maintaining financial activities because of their high profitability ignoring the violation of fundamental human rights and of a binding international law, would be quite a big affair.*

### *THE BANKS' RESPONSE*

*The role of banks in the international arms trade is not merely secondary or accessory.*

*Corporate social responsibility commit the banks to assume management and operational rules that must respond not only to national and international laws- in other words to a criterion of legality and legitimacy- but also to the broader question of responsibility toward social and ethical issues. Specifically this means for banks to focus attention not on the financial gain that may result from investments in financing military industry and the arms trade, but on the expectations of peace, security and social sustainability advanced by civil society.*

*Regarding the specific CSR issue previously discussed, the reactions and responses of the banks, at least of the British ones taken into consideration, can be summarized in a process that starts from a total deny, to the opening of a discussion with the NGOs, and that leads some financial institutions to attempt various types of 'greenwashing'. Eventually, the banks either promise a change in their investment policy, or they let the time 'sweep away' the campaign and the issue from the attention of the media and the people, ignoring the invitation to change their practices. All the UK banks avoided any confrontation with the NGOs and refused to make a camera interview for the video that Amnesty TV recorded as part of its media campaign. However, it is interesting to consider few individual responses of each of them.*

*HSBC claims to be sustainable in its profits, to build long-lasting relationships with customers based on trust, to respect environmental limits and to invest in communities.<sup>21</sup>*

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<sup>21</sup> HSBC, <http://www.hsbc.com/1/2//sustainability>

*This is the same bank that underwrote £14.6 million bonds of Textron, a U.S. manufacturer of cluster bombs. Barclays stated to work in accordance with the International Declaration of Human Rights and to be directly responsible of promoting the Declaration itself through their employment policy and practice that requires high professional ethical standards.<sup>25</sup> On the official website it is currently said that Barclays is helping disadvantaged people when the bank actually contributed \$54.38 million to an ongoing \$1.5 billion credit facility for Lockheed Martin, manufacturer of cluster bombs. RBS had repeatedly insisted that it did not invest in cluster munitions manufacturers; but after Amnesty campaign threatening the bank's reputation, the bank stated that it would improve the control over companies where it is unclear if they are not complying with the spirit of the Convention to ban cluster bombs. However, we have seen that this was more a mere statement rather than an actual change, since still in 2010 RBS was one of the main funders of cluster bombs producers. Furthermore, the interest of the UK government behind the banks' activities is still shady and this does not help a process of 'trust building'.*

*Trust seems to be the 'key word' for NGOs to leverage over financial institutions: confidence is in fact needed for banks to operate and to bring clients to open accounts with them, but it is also fragile, it can be lost and very hard to regain. Therefore, international organizations that monitor on the respect of corporate social responsibilities and human rights, could insist on calling attention on negative and irresponsible practices, to stimulate criticism and public pressure.<sup>26</sup> The banks should be instead more transparent about the nature of their investments, and in order to prevent criticism they could take a clear and unequivocal position against cluster bombs.*

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<sup>25</sup> Barclays, <http://group.barclays.com/Home>

<sup>26</sup> Conroy, M. S. (2007)

## CONCLUSIONS AND RECOMMENDATIONS

*From a moral perspective banks should not need a treaty to terminate their investments in companies producing cluster munitions. Yet, financial appealing profits, and points of weakness in the text of the Convention itself, do not help the correct and fair implementation of the international law. Moreover, the governmental position of countries that have signed and ratified the Treaty, such as the United Kingdom, has to be clarified, and the States' 'good intentions' verified. Some of the main improvements that could be made are related to the producing of more transparent systems with third-party verification of each bank's compliance with public commitment and social responsibilities. This would bring greater credibility both to the activities of the NGOs, and to the financial system.*

*Regarding Amnesty International's strategy, the campaign has been more effective in terms of public awareness than in reaching an actual change in financial institutions' practices and investments. The collaboration with other NGOs is important for logistic reasons' such as information sharing but it's not yet aimed at taking strong actions together. However, while Amnesty has taken care of the awareness aspect and has initiated a large media campaign, the Cluster Munition Coalition is the one that has been continuously working with the clear and precise aim of banning cluster bombs. Its report on banks' investments toward producers of cluster munitions and its daily commitment were essential to Amnesty to get information on the issue and to launch the campaign in UK. The CMC is collaborating with governments worldwide and has already reached the result of bringing 98 countries in the Treaty, with consequent implementation of an international law. The fact that this law does not specifically refer to indirect funding to cluster bombs, does not mean that the organization has not been working well. In addition, the Treaty was not thought to be on financial matters, and it is now responsibility of the internal institutions of the states members to interpret in the clearest and most honest way possible the content of the Convention. Certainly the CMC will continue to monitor the process. It can be suggested to the CMC also to take advantage and to find an example in the International Campaign to Ban Landmines, a Nobel Prize awarded NGO that was able to build a strong credibility system worldwide thank to its ground-experience in mine-infested countries. The main tool responsible for this success is the presence of national campaigns that work at the same time for the country in which they are based, and collectively at an international level. The CMC does not have this sub-system, but maybe it*

*could consider the possibility to adopt a similar one, playing on the potentiality and the credibility of the already existent national campaigns on the issue of landmines.*

*Generally speaking, it must be recognized that non-governmental advocacy groups acquired in recent years a greater power and influence. The explanation is probably also connected to the trust that people around the world has placed in some of these organizations, especially if compared to the fall of trust toward governments and business sectors. Professor Conroy underlines an important point: "legitimacy often comes from superior knowledge."<sup>27</sup> There are however elements that could be improved, such as a better formation of local expertise, through a deeper and more equal collaboration with their communities; academic and international expertise, for a question of 'prestige', and of confidence-building through the voice of important personalities who "lend their faces" for the cause; improvement regarding the document and certification system; and finally a focus on consumers' deeply concerns.*

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<sup>27</sup> Conroy, M. G. (2007)



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