
BEHIND THE SCENES

Corporations spend large amounts of money on lobbying politicians to create or preserve the conditions they consider essential for their own well being. The Center for Responsible Politics in the US estimates that Washington's influence industry was worth about \$1.42 billion in 1998. British American Tobacco was the top spender with \$25 million paid to lobby firms in 1998, at the height of its campaign against accepting liability for the health costs of smoking. Another tobacco giant, Philip Morris gave \$3.5 million in donations to US political parties. This section looks at five influential bodies that are pushing the corporate agenda in the corridors of power – the Transatlantic Business Dialogue, the Global Climate Coalition, the International Chamber of Commerce, the European Round Table of Industrialists and the World Economic Forum.

Transatlantic Business Dialogue

The TABD is one of the world's most powerful unelected bodies – “unique because of the personal involvement of CEOs (chief executive officers) working closely with the highest levels of government from the EU and the US. It is not an organisation, but a framework drawing on the resources of existing companies and associations.” This “process” involves 100 of the West's most influential CEOs divided into 40 issue groups which comprise one EU CEO paired with a US counterpart. For example, Monsanto's Robert Harness and Unilever's Huib Vigeveno are responsible for agri-business. The EU and US both assign a senior government official to each pair to facilitate discussions. The TABD meets twice a year – a CEO Conference in the autumn which produces a list of recommendations, the ‘implementation table’, and a Mid Year Meeting in May when officials feedback on progress, and produce a report which is submitted to the US President and EU Commission President, along with a new table. These include agenda items for the World Trade Organisation (WTO), the supra-national body which governs international trade relations.

High on the agenda is implementation of an agreement to protect foreign investment – a resurrection of the ill-fated Multilateral Agreement on Investment (MAI) which failed to materialise from secret negotiations conducted in the Organisation for Economic Cooperation and Development (OECD), between 1995-98.

The Products Liability Group is promoting a measure which restricts the right of citizens to sue corporations for negligence such as the Exxon Valdez oil spill. Several of the issue groups seek to extend Mutual Recognition Agreement (MRA) measures – the “approved once, accepted everywhere” principle. This dispenses with individual nations' rights to adopt their own regulations – on health and safety for example. If the US government or WHO Codex Alimentarius committee approves Monsanto's bovine growth hormone (rGBH) or genetically modified seeds, then other countries cannot ban their use despite concerns about the possible effect on health and the environment.

The Transatlantic Business Dialogue (TABD) offers an effective framework for enhanced cooperation between the transatlantic business community and the governments of the European Union (EU) and United States (US). It is an informal process whereby European and American companies and business associations develop joint EU-US trade policy recommendations, working together with the European Commission and US Administration.

The Objective

The aim of the TABD is to boost transatlantic trade and investment opportunities through the removal of costly inefficiencies caused by excessive regulation, duplication and differences in the EU and US regulatory systems and procedures. Additionally, the TABD works to identify areas where the US and the EU could enhance cooperation in meeting the challenges of the global marketplace.

The Origins

In November 1995 the TABD was launched in Seville, Spain at a conference attended by CEOs from more than 100 US and EU companies and by top government representatives led by European Commissioners for Trade and for Industry and by the US Secretary of Commerce. It is a key part of the New Transatlantic Agenda, adopted at the 1995 Madrid Summit, which laid out an Action Plan to enhance economic and political relations

The EU-US Relationship

The US and EU share the world's largest trading relationship – \$524 billion – and the largest relationship, with \$890 billion in cross investment. More than six million jobs are dependent on these investments. The strengthening of EU-US economic relations should be seen within the context of world-wide multilateral cooperation. The TABD fully supports the rules and principles of the World Trade Organisation.

The New Transatlantic Marketplace

One of the goals of the TABD is to contribute to the creation of a New Transatlantic Marketplace (NTM) permitting goods, services and capital to flow more easily across the Atlantic. The realisation of this goal requires the progressive removal of traditional transatlantic trade and investment barriers, and the TABD is contributing in a practical, step-by-step manner.

CEO-Level Conference

A conference is held each year to bring together CEOs and senior-level government representatives, make new recommendations and measure progress on outstanding problems. This unique combination of CEOs and senior government representatives provides an unprecedented opportunity to foster understanding and to achieve breakthroughs on challenging issues. Previous conferences have produced significant advances, including the mutual recognition and harmonisation standards; proactive industry leadership in electronic commerce; and the upholding of strong property protection, among many other achievements.

The Working Method of the TABD

There are more than 40 issue groups covering different sectors (eg Medical Devices, Telecomm Services), and horizontal issues (eg Customs, Climate Change, Intellectual Property). Each issue group, led by a business executive in the US and EU, is responsible for making joint trade recommendations and tracking their implementation. The issue development process remains flexible to accommodate new challenges that arise in transatlantic business.

The issue groups are divided into five working groups, under the active leadership of a US and EU CEO and coordinating Managers. This format is designed to ensure effective coordination, raise visibility of the issues and maximise results. The TABD working groups are:

Group I: Standards & Regulatory Policy

Group II: Business Facilitation

Group III: Global Issues

Group IV: Small and Medium-Sized Enterprises (SMEs)

Group V: E-Commerce

Group III - Global Issues

This working group promotes development of the global trading system through cooperative actions that stimulate strengthen the multilateral framework, particularly with respect to the WTO. The Group focuses on the positive benefits of transatlantic and global trade liberalization. The issue committees cover the WTO Agenda, Services, Procurement, Intellectual Property, Investment, Competition, and Climate Change

from TABD website (www.tabd.org/)

Global Climate Coalition (GCC)

The GCC is a coalition of the largest oil, gas, coal, car and chemical companies and trade associations, set up in 1989 “to coordinate business participation in the scientific and policy debate on the global climate change issue”. Members include corporate giants such as Exxon, Du Pont and Union Carbide. Both Shell and BP Amoco have recently left the GCC in an attempt to project a more environment-friendly image.

GCC employs E Bruce Harrison, one of the main anti-environment PR firms, to direct its campaign to discredit the findings of the Intergovernmental Panel on Climate Change (IPCC) and undermine the global climate change treaty. This panel of 300 independent experts has published several reports which concluded that the earth is warming up due to man-made emissions of greenhouse gases, and urgent action is needed to avoid the destructive impact of climate change – flooding, extreme weather etc.

The GCC has successfully lobbied the US government to avoid or water down inter-national controls at climate negotiations at Rio, Berlin and Kyoto. Its strategies include questioning the scientific basis of climate change, shifting the blame of climate change to developing countries, and using the threat of US job losses. It promotes the research of industry-funded scientists, and sets up its own ‘grassroots’ campaign groups which promote ‘wise use’ of the earth’s resources. Another tactic is the sponsorship of front organisations such as the National Wetlands Coalition which projects an image of environmental protection while promoting oil drilling in wetlands.

Scientists agree that the greenhouse effect is a real, naturally occurring phenomenon. Greenhouse gases trap the sun’s warmth in the lowest layers of the atmosphere, keeping Earth warm enough to sustain life. Without the natural greenhouse effect, the average surface temperature on Earth would fall to about zero degrees Fahrenheit (-18C). The earth’s average temperature is about 60 degrees Fahrenheit (F), but in the natural greenhouse effect, atmospheric water vapor and clouds play a far greater role than other greenhouse gases. To put this in perspective, even if all man-made greenhouse gases were to disappear, water vapor and clouds would still leave us with almost all of the current greenhouse effect.

Scientists also agree that atmospheric levels of greenhouse gases (such as CO₂) are increasing as a result of human activity. But scientists differ on the rate and magnitude of the ‘enhanced greenhouse effect’ (warming) that will result due to the increase in the concentrations of these gases or warming of the planet, because the role of greenhouse gases in climate change is not well understood.

The Global Climate Coalition believes that climate change is a long-term, global issue, and therefore policies to address climate concerns must also be designed for the long-term by all nations. The GCC believes that it is imperative that climate policies focus on responsible voluntary actions, including further research, innovation and deployment of current and potential future technologies in developed and developing nations to address concerns about the climate. Unrealistic targets and timetables, such as those called for under the Kyoto Protocol, are not achievable without severely harming the US economy and all American families, workers, seniors and children. A new approach to climate policy is needed.

The 21st Century Climate Action Agenda is intended to serve as a living document to help guide the Global Climate Coalition in its continuing partnerships with policy makers in the international community, in the Congress, and in the current and future Administrations to responsibly and effectively respond to global concerns about the climate

Since its inception, GCC has been a leading voice for business and industry in the climate change debate both domestically and internationally. GCC has represented its membership at all international negotiations including those in Rio de Janeiro, Geneva, Berlin, Kyoto, Bonn and Buenos Aires. GCC is also involved with the Intergovernmental Panel on Climate Change (IPCC), providing comments on and peer review of the IPCC’s scientific assessment summaries.

The Global Climate Coalition is active in the debate on global climate issues because of the concern its members share about the potentially enormous impact that improper resolution of those issues could have on the nation's industrial base, our customers and their lifestyles, and the national economy. To respond effectively to those issues, and still avoid unnecessary social and economic disruptions, the Global Climate Coalition advocates the following principles as a reasoned approach to general climate change

- 1 The issues relating to global climate change are serious ones that must be addressed comprehensively and equitably by all nations*
- 2 Science must serve as the foundation for overall global climate policy decisions and enhanced scientific research must be the first priority*
- 3 Even if all of the scientific uncertainties were resolved, sound policy decisions must consider the economic and social impacts of alternative policy choices*
- 4 The United States can make important contributions to improving the global environment and conditions for development by encouraging technology transfer to developing nations, Eastern Europe and the Soviet Union.*

Scientific foundation

A bedrock principle for addressing global climate change issues is that science – not emotional or political reactions – must serve as the foundation for global climate policy decisions. Policy decisions, made without benefit of adequate scientific understanding of the complex global change phenomenon, could have far-reaching and unnecessary social and economic impacts, including altered energy use and employment patterns, and perhaps fundamental lifestyle changes. Indeed, strategies that provoke serious economic, social, environmental, or political dislocations could affect worldwide development as profoundly as any potential adverse climate change.

Existing scientific evidence does not support actions aimed solely at reducing or stabilizing greenhouse gas emissions. GCC does support actions to reduce greenhouse gas emissions or to increase greenhouse gas sinks that are justified for other economic or environmental reasons.

International approach

Global climate change must be addressed comprehensively and equitably by all nations. The United States must not pursue a course of unilateral punitive measures to stabilize or reduce emissions: to do so would impose severe and inequitable burdens on our economy, our citizens and our competitiveness. Drastic reductions in US greenhouse gas emissions would not yield significant reductions in global emissions. Any US action must be part of an equitable multilateral agreement that minimizes trade and domestic economic distortions.

The active cooperation of developing countries is essential for any effective global response to global climate change. Developing nations already account for a significant portion of total emissions, and their contributions are expected to account for the bulk of greenhouse gas emissions by 2025.

Comprehensive research

Sound policy decisions must consider the economic and social impacts of alternative policy choices. First, further research on global economic development is essential to help predict the potential growth of emissions and our technological ability to control those emissions.

Second, economic analysis is essential to determine the likely costs of various actions, and the benefits that those policies would yield. Third, the economic impact of any particular strategy may vary significantly among different regions. Thus, regional impacts must be examined to ensure that burdens are equitably shared.

from GCC website (www.globalclimate.org/)

Look up the Corporate Watch website (www.corpwatch.org/trac/climate/) for alternative perspectives on climate change.

International Chamber of Commerce (ICC)

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The ICC – perhaps more appropriately known as the ‘International Chamber of Corruption’ – is rapidly emerging as a major force among the institutions of globalisation. Originally founded in 1919, its aim is to represent the international voice of business – for which read big multinationals. Roger Geffen examines one of the world’s most influential and least known institutions.

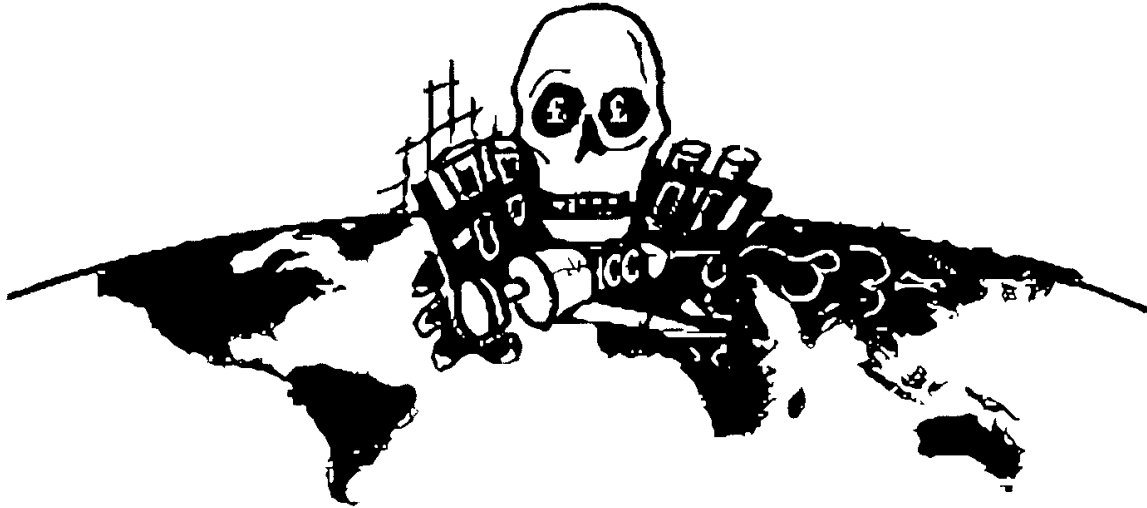


Illustration: Corporate Watch (UK)

Its membership consists of more than 7000 companies in over 130 countries, many of them organised into National Committees. The ICC’s National Committee in the UK is the Confederation of British Industry (CBI) – indeed the ICC can be thought of as playing an equivalent role in international politics to that played in the UK by the CBI. The difference is that there is at least a tiny semblance of ‘democracy’ in national politics (even if it is only one vote in 5 years), but who voted for the Presidents of the UN, European Union, OECD, WTO, IMF or World Bank?

Uniting the Nations

The ICC agenda is that of multinational corporations, which, it says, “have a well-proven record of improving social and environmental conditions in countries where they invest.” Under the Presidency of Helmut Maucher – the... Chairman of Nestle – the ICC has particularly set to work on (sorry, “cultivated close links with”) the United Nations, the organisation that promotes ‘restrictive practices’ such as the Rio Agreements (including Agenda 21 and the Conventions on Climate Change and Biodiversity). This has led critics of an increasingly ‘business-friendly’ UN to nick-name the UN president ‘Nes-Koffee Annan’ – much to the anger of Maucher himself!

A Paragon of Ethical Responsibility

The ICC’s lobbying work is carried out by ‘Commissions’ on topics such as banking, competition, the environment, financial services, insurance, intellectual property, marketing, transport, taxation, and trade and investment policy. It makes its presence felt in international summits promoting an agenda of increased freedom for multinational investment and the removal of trade barriers such as regulations protecting labour or the environment. It nevertheless promotes itself as a paragon of ethical responsibility, by promoting instead voluntary codes of conduct for corporations. The ICC’s own Sustainable Development Charter is a model of multinational greenwash: “Company after company is getting into the business of providing environmental solutions. The biotechnology industry is looking at bioengineering of crops to replace fertilisers or pesticides.” Of course, the western world’s mega-corporations have an exemplary record on sustainability, whereas “the great mass of small and medium-sized enterprises, and particularly those in the emerging economies, have yet to take up the concept.”

An ICC UK spokeswoman vociferously denied any involvement in advocating the Multilateral Agreement on Investment (MAI), despite the fact that the ICC drafted important sections of the draft treaty. It also operates the 'International Court of Arbitration', a likely candidate to act as the Court for determining trade disputes under MAI if adopted. The ICC's contribution to the G-8 summit in Birmingham last summer was specifically to advocate progress on ensuring full compliance with the Uruguay Round of GATT and the conclusion of MAI, ideally without environmental or labour standards.

Advocating the Benefits of Globalisation

More generally, the ICC is actively concerned at present to counter opposition to globalisation, which it dismisses as "irrational fears". It argues that businesses and governments must work together to advocate the benefits of globalisation, in the face of growing concerns about economic stability in the wake of the Asian financial crisis on the one hand, and about increasing dominance of poorer economies by global corporations on the other hand.

The latter, of course, is seen as an entirely good thing: "Companies increasingly look to ICC as they adjust to a world in which the state's role in the economy is no longer pre-eminent," boasts the ICC's Mission Statement. Trade needs rules of course, and rules need strong Government, but only when Governments are making rules which allow trade and investment to flow freely. "The most important task facing governments and business together will be to build a truly global framework for cross-border investment and world-wide business activities." Conversely, Government must also be lean and efficient, and must avoid the sort of rules which could get in business's way – environmental or labour standards, protection for local economies – that sort of thing!

Looking After the Environment...

The ICC even has influence over global environmental conferences, such as the October Climate Change conference in Buenos Aires, where preliminary to the official conference, African politicians met with ICC business representatives from the world's largest corporations, including Shell, LaFarge, Texaco, Mobil, and Chevron. The goal being to discuss the potential for more government-business dialogue. In the ICC's own words, "The meeting aimed to tackle the continent's twin challenges of sustainable economic development and climate change mitigation." Rather, ways in which the Northern based oil industry can further exploit Africa's precious oil reserves. Unfortunately, the recommendations made during the preliminary meeting were presented to key players in the international climate change negotiations in Buenos Aires.

... and Democracy

The role of NGO's in shaping global policy is another ICC pre-occupation; indeed this seems particularly to reflect the personal priorities of Maucher himself. As Chairman of Nestle, Maucher has never had much time for campaigning organisations such as Baby Milk Action, and has never been afraid to adopt a confrontational stand with them. As ICC President, he used his speech to the Geneva Business Convention in September 1998 to sound off about: "activist pressure groups [who risk] weakening the effectiveness of public rules, legitimate institutions and democratic processes.

"These organisations should place emphasis on legitimising themselves, improving their internal democracy, transparency and accountability. They should assume full responsibility for the consequences of their activities. Where this does not take place, rules establishing their rights and responsibilities should be considered."

"Business is accustomed to working with trade unions, consumer organisations and other representative groups that are responsible, credible, transparent and accountable and consequently command respect. What we question is the proliferation of activist groups that do not accept these self-disciplinary criteria." Sounds like a man whose office needs a visit...

A global organisation devoted to the globalisation of corporate power itself may seem very intangible and hard to focus on, yet it can achieve dangerously concrete results. Its equivalent in European politics is the European Roundtable of Industrialists (ERT), of which, unsurprisingly, Maucher is also a member. The ERT has a remarkable track record in setting

the agenda of the European Commission. Twyford Down, Newbury, the M77 through Pollok Estate and the Birmingham Northern Relief Road are all part of the EC's Trans-European Road Network (TERN), originally proposed by ERT. As the ICC attempts to strengthen its grip on the United Nations, it too will become increasingly vocal in promoting globalisation, with unimaginable consequences for societies and the environment world-wide. For this reason, there is a growing need for awareness of – and opposition to – the ICC and other such groups' activities.

Dealing with Dissent

Fortunately, there are signs that this is happening. The previously mentioned Geneva Business Dialogue, organised jointly by the ICC and UN, prompted anti-MAI activists to hold a parallel gathering, which so frightened the powers-that-be that within just two days, the police raided the venue for the alternative forum, arrested all present members, expelled the foreign activists, and seized all computers and other materials. The suppression only served to intensify resistance still further – a month later on October 19th, several hundred people took part in an office occupation of the ICC's headquarters in Paris. That was the day before France pulled out of talks on the Multilateral Agreement on Investments.

So let us heed to a communique from the gathering itself: "To those who wish to dominate the world, the world replies; Resistance!"

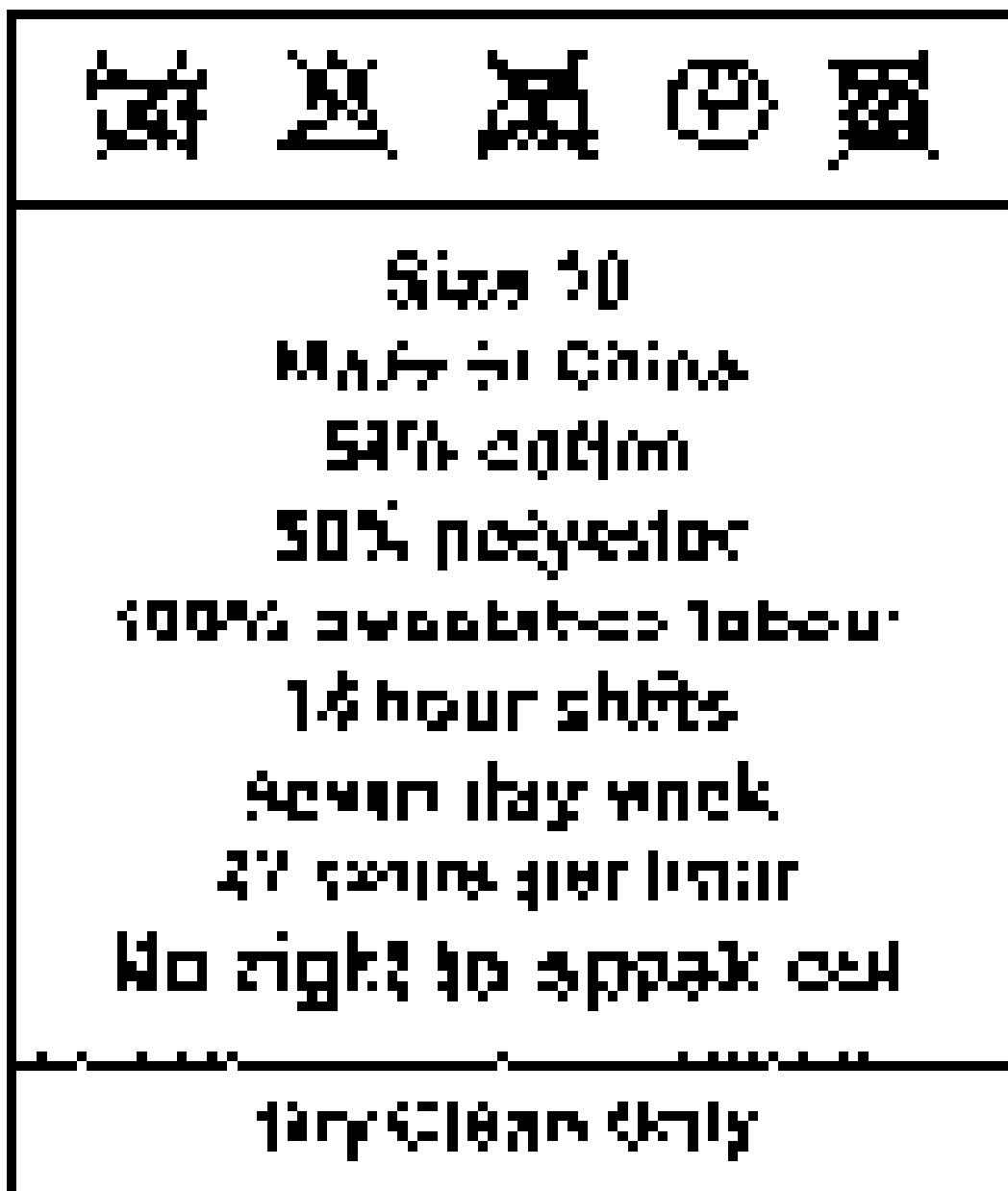


illustration adapted from an idea used by Body Shop

World Economic Forum

This “independent, impartial, not-for-profit Foundation” began in 1970 as an informal gathering of CEOs from Europe’s biggest businesses. It became the World Economic Forum in 1987. Its Annual Meeting in Davos “is now considered the global summit which defines the political, and business agenda for the year”. This self-appointed élite “acts in the spirit of entrepreneurship in the global public interest to further economic growth and social progress,” even though it is unelected and largely unaccountable. It boasts over 1000 members, including prime ministers, finance ministers and ‘Global Leaders of Tomorrow’, and has been a major force behind the liberalisation of the world economy.

The rapid growth of global communications, information technology and international business in the second half of the twentieth century has increased the need for a common platform where the stakeholders of society could be brought together to consider and advance the key issues on the global agenda. The World Economic Forum is that platform.

Over the course of three decades, the Forum has grown from humble beginnings as a European economic conference into a unique global institution capable of gathering world leaders in business, government and civil society to address the major challenges confronting humanity. In line with changing global needs, the Forum is now evolving from its role as a facilitator to a more active role as a catalyst, with an increasing focus on ongoing collaborative projects to address global issues and challenges

No other institution brings together the ‘world’s leadership team’ by the Forum does. At the Annual Meeting in Davos, Switzerland, and at Regional Summits and meetings throughout the year, the main players on the global stage are asked to articulate the major problems facing the world, and to find solutions. They are brought together to form taskforces, to organize projects and to launch initiatives. They are fully engaged in the process of defining and advancing the global agenda.

1982

The first Informal Gathering of World Economic Leaders takes place on the occasion of the Annual Meeting in Davos, bringing together cabinet members of major countries with heads of international organizations (such as the World Bank, IMF, GATT). This serves as a model for similar initiatives in the global public interest, including: the Club of Media Leaders (editors-in-chief), annual Informal Gathering of heads of the world’s foremost non-governmental economic research organizations, the Informal Gathering of Regional Leaders, the Informal Gathering of Global City Leaders, the Roundtable of Industry and International Organization Leaders. All take place on the occasion of the Annual Meeting in Davos.

A special Informal Gathering of Trade Ministers from 17 countries is organized in Lausanne by the foundation, which spurs the launch of the Uruguay Round.

1983

Governors Meetings, integrating the chief executive officers of the world’s most important corporations, are created in specific industry sectors. These ‘CEO clubs’ add an industry orientation to the foundation’s well established country-related activities. Today ten such industry groups exist with more than 400 Governors.

1993

In order to reinforce the club character of its networks, the foundation limits its activities to members and to their special guests only. The foundation starts the concept of Forum Fellows nominating some 300 top experts in the political, economic, social, cultural and technological fields as pertinent advisers and contributors to its activities. The Informal Gathering of Editorialists and Commentators is created to provide the media with its own networks and with the opportunity to interact intensively with the other constituents of the Forum.

from WEF website (www.weforum.org/)

The European Round Table of Industrialists (ERT)

The ERT was founded in Paris as a private circle of 17 European industrialists in 1983 to strengthen the competitiveness of the European economy on the world stage through “improved dialogue between industry and government, at both national and European levels”. It now has 48 members. Its work covers a wide range of subjects, from education to liberalisation of the economies of developing countries. It was a major force behind closing the Uruguay Round and the Multilateral Agreement on Investment (MAI).

The ERT Members meet in Plenary Session twice a year. The Plenary Session determines the ERT work programme, sets priorities, votes budgets and decides on the publication of ERT reports and proposals. The decisions are taken by consensus

The ERT Chairman, two vice-Chairmen and five other elected Members form the Steering Committee. The Steering Committee reviews ERT activities and makes proposals to the Plenary Sessions. Each ERT Member nominates an Associate to act as a main point of liaison at working level and to help implement the decisions taken by Members. ERT Members nominate Press Officers who help coordinate ERT communications to national governments, EU institutions and the press

Much of the work is done by Working groups established by the Plenary Session. They are chaired by ERT Members and staffed by Members, Associates and experts from the ERT companies. Groups cover subjects such as education, employment, environment, competitiveness, the internal market, enlargement, taxation...

The ERT identifies the most important issues, analyses the critical factors and makes its views known to the political decision-makers at national and European level by means of reports, position papers and face-to-face discussions. At European level, the ERT has contacts with the Commission, the Council of Ministers and the European Parliament. Every six months the ERT meets with the government that holds the EU presidency to discuss priorities. At national level, each Member has personal contacts with his own national government and parliament, business colleagues and industrial federations, other opinion-formers and the press

The ERT has close contacts with UNICE (Union of Industrial and Employers Confederations of Europe), the official representative body of the European business and industry world vis-à-vis the European institutions. This group discusses important non-sectoral trade issues and inter-regional partnerships from the perspective of global European companies and in the context of the global framework for business. ERT also supports the activity of the TransAtlantic Business Dialogue (TABD) and the TransAtlantic Policy Network (TPN).

In 1997 the ERT published a report, *European Industry and the Developing World For a Global Framework of Mutual Interest and Trust*

ERT calls on governments, international organisations and private investors to intensify their discussions on setting up a new framework agreement that reflects the reality of global trading by developing countries. This contribution is based on practical experience and original research. The common objective is to establish a new and coherent set of global rules for international and local private investment.

from the ERT website (www.ert.be/)

