

## **THE ICC & THE ENVIRONMENT**

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### **Mastering Corporate Environmentalism**

The International Chamber of Commerce (ICC), one of the most influential industry groups in the world, has over the last ten years developed and aggressively promoted the notion of ‘corporate environmentalism’. The ICC has been very successful in promoting the idea that global market liberalisation and industry self-regulation over government intervention is the key to sustainable development. It has forged close ties with various international institutions and United Nations bodies, and has left its forceful and decidedly unsustainable mark on both the 1992 Rio Earth Summit and the 1997 Kyoto Climate Convention.

*"Corporate environmentalism is the melding of ecological and economic globalisation into a coherent ideology that has paved the way for the transnationals to reconcile, in theory and rhetoric, their ubiquitous hunger for profits and growth with the stark realities of poverty and environmental destruction."*

— Joshua Karliner, *The Corporate Planet*

### **Developing the Doctrine of Corporate Environmentalism**

The foundations of corporate environmentalism were laid in the 1980s. The doctrine was further developed and refined in the years leading up to the 1992 Rio 'Earth Summit' (or UNCED, the UN Conference on Environment and Development), through a series of strategy meetings, forums and conferences. In 1991, the ICC launched its non-binding *Business Charter for Sustainable Development*, seeking to promote the concept of industry self-regulation: the solution to save the planet lies in environmentally responsible corporations operating within a free-market system.

The environmental work of the ICC has been always closely intertwined with the Business Council for Sustainable Development (BCSD), created in 1990 by Swiss industrialist Stephan Schmidheiny, upon the request of his friend Maurice Strong, Secretary-General of UNCED. As part of the preparations for the Rio 'Earth Summit', the ICC and the BCSD effectively sidelined the UN Centre on Transnational Corporations (UNCTC). This former UN body, responsible for developing a UN Code of Conduct for TNCs, had been asked for input into Agenda 21, the environmental action program agreed upon at the Earth Summit. In the end, Agenda 21's chapter on business closely followed the doctrine of corporate environmentalism, and a debate on the need for international regulation of corporations was skilfully avoided. In retrospect, one may conclude that the 1992 Earth Summit in Rio was largely captured by the global business lobby. This corporate hijacking of the UNCED process drastically slowed down global progress in the areas of environment and development over the 1990s.

### **Institutionalising Greenwash: The ICC and the WBCSD**

In 1992, the ICC created the World Industry Council for Environment (WICE), with the goal of involving industry in the Earth Summit follow-up process. In 1995, WICE merged with the BCSD, to form the World Business Council for Sustainable Development (WBCSD). WICE's head, Rodney Chase, then a managing director of British Petroleum, became the chair of WBCSD, and Asea Brown Boveri's Björn Stigson, became Executive Director. The WBCSD soon evolved into the dominant business voice on sustainable development and the environment. Its voice was supported by the ICC which also continued to promote the doctrine of corporate environmentalism.

Since the Earth Summit, the ICC has established strong links with various UN agencies that deal with the environment. One of the most prominent of these is with the UN Commission on Sustainable Development (CSD) which was created in 1992 to ensure effective follow-up of UNCED and monitor and report on the implementation of the Rio agreements. As ICC's secretary-general Maria Livanos Cattai put it at her speech at the opening session of the sixth CSD Conference, in 1998, *"This critically important session, in which industry has been chosen as the first stakeholder group for direct dialogue with the CSD, marks a true*

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*watershed in relations between the United Nations and the great diversity of business and industry I represent today.*" The ICC's glossy reports and speeches delivered at the CSD focus on a careful selection of minor environmental success stories from ICC member companies in areas such as environmental management, technology cooperation and water management.

Other environmental bodies of the United Nations have also come under intense lobbying pressure from the ICC. Cooperation between the ICC and the UN Environment Programme (UNEP) is well established, and the fruits of that union include regular joint reports, projects and programmes. The latest event will take place at the upcoming ICC world congress in Budapest, Hungary, on May 3-5 2000, where UNEP's executive director Klaus Töpfer and ICC's President Adnan Kassar will give the ICC/UNEP Corporate Environmental Management Award to one of the fifteen nominated corporations.

The ICC has also been on top of the negotiations spawned by the Earth Summit which led to the Climate Convention and the Biodiversity Protocol, developing strategies to turn both processes into the direction most beneficial for the corporations that constitute the ICC. Allying themselves with governments resisting these treaties and lobbying those that made efforts to address global environmental problems, it has successfully lobbied for the adoption of business-friendly 'solutions' to global warming and prevented weakening of intellectual property rights granted to corporations under the WTO TRIPs Agreement.

The ICC Commission on Environment is chaired by Lord Holme of Cheltenham, who also co-chairs the WBCSD working group on Corporate Social Responsibility (together with a Shell manager). It is hard to put much faith into these groups, as Lord Holme is a former Executive Director of the infamous Rio Tinto, still serving as an advisor to the chairman of that company. Rio Tinto has been the target of long-standing campaigns by a network of local communities and international groups fighting its abuses. The British mining company has been accused of direct and indirect violations of environmental, labour and human rights in Indonesia, Papua New Guinea, Philippines, Namibia, Madagascar, the United States, Australia and elsewhere.

#### **Challenging the ICC's Corporate Environmentalism**

The ICC has managed to portray some of the most reprehensible companies in the world as the biggest promoters of sustainable development, dogmatically insisting that environmental protection can only be achieved through economic growth, self-regulation and free markets. Most worrying of all, the ICC's privileged access to decision-makers has enabled the organisation to take the sting out of the sustainable development debate and avoid policy measures that could endanger 'business as usual'. Moreover, the ICC tries to sell the illusion that continued trade and investment liberalisation, such as embodied in the WTO agreements or the failed Multilateral Agreement on Investment (MAI), are a prerequisite for sustainable development. Behind the myth of self-regulation is a naked attempt by transnational corporations to control the global environmental debate before public pressure forces them to face governmental regulations. Such corporate greenwash has to be unmasked and challenged by groups fighting for social and environmental justice if real change is to be achieved.

#### **Profiting from Climate Change**

Faced with the undeniable threat of climate change, the world's governments have been engaged for years in negotiations on international rules to prevent one of the most pressing global environmental problems. Having closely followed and participated in international climate negotiations since the 1992 Climate Convention, the ICC, in partnership with the WBCSD and some UN institutions, has fought to avoid carbon and energy taxes and other regulations that are considered unfriendly for business. After working to ensure that the 1997 Kyoto Protocol enshrined market solutions as the way to reduce greenhouse gas emissions, the ICC turned its efforts into ensuring that industry can make a good business out of them.

Before the Kyoto negotiations, the ICC followed a classic corporate lobbying strategy. While not denying the existence of climate change as some of the boldest climate lobbies did, the

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ICC sought to avoid regulations arguing that economic disaster, massive unemployment and loss of competitiveness would ensue if binding commitments for emission reductions were adopted. The ICC also insisted that commitments should be global, including Southern countries, and that the solutions to the problem lied in industry voluntary agreements, market instruments, increased acceptance of nuclear energy and an unimpeded free market permitting the development of new and improved technology. Carbon and energy taxes and other regulations should be avoided at all costs in the name of international competitiveness. In the end they managed to shift the debate from a political decision to regulate industry to one based on technocratic solutions.

During the 1997 climate negotiations in Kyoto, the ICC, in partnership with the WBCSD and the Japanese industry lobby, Keidanren, organised an *International Conference on Business Initiatives for Mitigating Climate Change*. They claimed that if the responsibility for solving environmental problems were left to them, the result would be the swift introduction of technological improvements to increase energy efficiency. Subsequently, the Kyoto Protocol, the first legally-binding treaty which sets defined limits (though meager) on greenhouse gas emissions, introduced three industry-inspired market-based 'solutions' as the way to achieve the agreed reductions. The three so-called 'flexible mechanisms' of emissions trading, joint implementation (JI) and the Clean Development Mechanism (CDM), allow industrialised countries and their corporations to trade 'pollution rights'. The main target of the ICC is the CDM, which involves the trading of 'emissions reduction units' obtained in special projects between one industrialised country or corporation and a southern country, aimed at reducing greenhouse gas emissions. The Clean Development Mechanism is supposed to facilitate the transfer of funding and technology for energy efficiency measures to Southern countries. However, it also permits TNCs to evade their own climate responsibilities by shifting some of the reduction burden on the South.

On 15-16 October 1998, two weeks before the Buenos Aires Climate Summit, the ICC, together with the WBCSD, sent a 30-person delegation to Dakar, Senegal. The mission, which included representatives from Shell, LaFarge, Texaco, Mobil and Chevron, met with energy and environment ministers from more than 20 African countries in order to tempt them with promises of technology transfer and foreign investment in exchange for their support for the Clean Development Mechanism. Not satisfied with this, the ICC, together with Keidanren, the WBCSD, the US Council for International Business (USCIB), the World Wide Fund for Nature (WWF) and the United Nations Environment Program (UNEP), organised in Buenos Aires, a *Workshop on Voluntary Initiatives in Climate Change*.

Buenos Aires was visited by a 100 member business delegation headed by the ICC. Under pressure of this heavy industry lobby, the negotiations on the implementation of the Kyoto mechanisms ended in a deadlock and the insufficiency of the actual reduction commitments wasn't even addressed. The *Buenos Aires Action Plan* delayed the adoption of the rules governing the flexible mechanisms to the sixth Conference of the Parties (COP-6), which will take place in The Hague, Netherlands, 13-24 November 2000.

The ICC is making good use of this interlude by heavily lobbying industrialised and developing countries to shape the rules for those commercial escape mechanisms. In the Spring of 1999, the ICC organised a second Dakar meeting bringing together business leaders and Southern governments to press for the Clean Development Mechanism.

Other ICC demands include:

- avoiding any ceiling on the amount of reductions that can be achieved 'abroad';
- that credits obtained in any of the three Kyoto mechanisms can be interchangeable;
- allow self-monitoring of results by industry;

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- use existing institutions such as regional development banks to control the resulting climate market; and
- ensure that any enforcement measure is in agreement with WTO rules and does not create an investment or trade barrier.

In the run-up to the COP-6, where all these rules are to be set, the International Chamber of Commerce will use all its power to make sure that whatever is decided there will be profitable for global business. Success for the ICC lobby would mean a severe setback for the attempts to counter the looming climate crisis.

#### **The ICC & the WTO TRIPs Agreement**

Intellectual property rights are a major issue for the ICC, which has long been campaigning for their inclusion within various institutions. While the ICC uses its environmental rhetoric in the CSD, the UN body in charge of the follow-up of the UNCED agreements including the Convention on Biodiversity (CBD), it has obstructed the implementation of the Convention and the subsequent negotiations for a Biosafety Protocol. The ICC has flexed all of its muscle within the World Trade Organisation (WTO) to introduce, implement and protect the controversial TRIPs Agreement. In the face of a social debate that increasingly questions and challenge TRIPs, life patents and its major corporate beneficiaries, the ICC dogmatically asserts that protection of intellectual property rights, including the patenting of life-forms, is essential for economic growth, stimulates trade and investment and results in the transfer of technologies to developing countries.

Accordingly with these ideas, the ICC joined biotech lobby groups such as Brussels-based EuropaBio, in their efforts to turn around the opinion of the European Parliament on the EU Life Patents Directive. This Directive, which had been fiercely opposed by the European Parliament in 1995, was adopted by the same Parliament in 1998, after what had been one of the biggest and most expensive industry lobby campaigns in Brussels to date.

The next goal for the ICC was the review of article 27.3b of the WTO TRIPs Agreement, scheduled for 1999. Also known as the biodiversity provision, this article allows countries to exclude plants and animals from patentability. While the more aggressive corporate biotech lobbies advocate the expansion of this article to cover all life-forms (so that plants and animals can be patented everywhere), the ICC chose a more diplomatic approach. Concerned about the firm stance taken by Southern countries and civil society groups opposed to life patenting, which could threaten even the limited patenting rights already given to corporations, the ICC does not advocate a new review at this time.

One of the main arguments used by opponents of the TRIPs Agreement is that it only gives weight to the rights of corporations, contravening the Biodiversity Convention, which asserts that local communities should benefit from the use of genetic resources. The ICC tries to make the case that both agreements are totally compatible. However, the ICC shows its teeth when stating in all of its position papers (drafted by a commission headed by the chairman of ICI India, a huge chemical and pharmaceutical TNC not exactly impartial on the issue) that if a conflict is found between TRIPs and the CBD, the ICC *"will argue strongly against the weakening of the existing provision of TRIPs."*



*CEO, is a European-based research and campaign group targeting the threats to democracy, equity, social justice and the environment posed by the economic and political power of corporations and their lobby groups.*

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