

THE ICC: CRUSADING FOR INVESTMENT LIBERALISATION

Since the conclusion of the Uruguay Round in 1994 and the subsequent creation of the World Trade Organisation (WTO), the ICC has been campaigning for binding international rules to protect the interests of corporate investors. The main focus of the ICC has been on the development, adoption and implementation of a multilateral investment treaty. Such a treaty would seek to dismantle barriers to investment including social and environmental regulations. In this way, governments would grant investors extensive new privileges while giving up part of their own power to regulate TNCs. The rules and regulations which hinder “free” foreign investment are often those that seek to protect workers, jobs and domestic businesses, public services such as health and education, and the environment.

The ICC and the MAI: A Bridge Too Far

From 1995 till 1998, the 29 most industrialised countries of the Organisation for Economic Cooperation and Development (OECD) negotiated and attempted to agree on a so-called Multilateral Agreement on Investment (MAI). These negotiations were heavily influenced by corporate lobby groups such as the ICC which worked closely with the Business and Industry Advisory Council (BIAC), a formal consultative body at the OECD. The ICC’s April 1996 *Multilateral Rules for Investment* report, which was effectively a blueprint for the first MAI draft which was completed nine months later, indicated the high degree of consensus between the MAI government negotiators and industry. The MAI negotiators made extensive use of the ICC’s ‘expertise’, for instance in the development of the dispute settlement mechanism. In fact the ICC’s own Court of Arbitration was proposed as one of the three possible bodies that corporations could turn to for dispute settlement purposes in the MAI.

The ICC also used its access and consultative status at major international summits and institutions to push for the MAI. During the Denver Summit of the G-7 in 1997, the ICC met with the Heads of State urging the leaders to come to a quick conclusion of the MAI negotiations while avoiding the inclusion of binding safeguards for national environmental and labour standards in the MAI treaty.

In the end, the corporate bias of the MAI text proved to be its Achilles’ heel. After exposure of the draft treaty text, opposition from citizens’ organisations, but also from within governments at national and sub-national level led to the MAI’s final demise in December 1998.

The ICC & the WTO

The International Chamber of Commerce has very good connections with the WTO Secretariat. As ICC policy manager Stefano Bertasi explains: *“We’ve always had, throughout the years, a very close working relationship with the WTO, because obviously they deal with issues which are central to business interests. The ICC has always been a vector for business input into WTO work, since its creation, [and] since the creation of the WTO and the beginning of the multilateral trade negotiations.”* The ICC’s strategy to influence the process, Bertasi explains, *“is done in two ways: directly through the intergovernmental organisations, and through the member governments of those organisations through our national committees.”* The close liaisons between ICC and WTO are personified in the head of the ICC working group on International Trade and Investment Policy, Arthur Dunkel. Dunkel was formerly the Director-General of the GATT, and is currently registered as a WTO dispute panellist and is a board member of Crédit Suisse and Nestlé.

Wooing the WTO

While the OECD countries were negotiating the MAI, the ICC also campaigned for multilateral investment rules to be included into the WTO. It had called upon the December 1996 WTO Ministerial Conference to “begin within the WTO to establish a comprehensive and truly global framework of rules and disciplines to govern cross-border direct investment.” However, this proposal was opposed by several important developing countries, and only a working group on investment was created in the WTO.

With the MAI withering away, the WTO alternative gained in importance. In the second half of 1998, the ICC started supporting EU proposals for a WTO Millennium Round. On 20 May 1999, a top level ICC delegation (including President Adnan Kassar, Vice-President Richard McCormick from US West and Member of the Presidency Nestlé’s Helmut Maucher, Secretary General Maria Livanos Cattai and the Chairman of ICC Germany, Ludger Staby), presented German Chancellor Gerhard Schröder with a list of demands to be conferred to the Cologne G-8 Summit. These ICC demands closely overlapped with the proposals of the European Commission to include investment, government procurement and trade facilitation into a new round of WTO negotiations. The ICC also warned the G-8 governments that they would prevent multilateral environmental agreements (MEAs) and eco-labelling schemes from interfering with free trade. The ICC also put a lot of effort into persuading developing country governments. “If ever there was a piece of international legislation that is in the interests of the developing world, it is a comprehensive and uniform agreement to govern foreign direct investment,” ICC secretary-general Maria Livanos claimed during a visit to South Africa.

The ICC Fighting ‘Globaphobia’

The ICC denounces the growing opposition to economic globalisation, as witnessed by the recent protests in Seattle and Washington DC, as ‘globaphobia’. In response, the ICC seeks to help governments ‘educate’ the public about the ‘benefits’ of globalisation. In a recent ICC publication, ICC president Adnan Kassar states that “restoring the momentum of trade liberalisation” is his organisation’s “paramount strategic objective” after Seattle.

The failure of the Seattle Ministerial of the WTO once again frustrated the ICC’s ambitions to get investment protection into the WTO. But the ambitions are still there, and the ICC World Congress in Budapest will be another occasion where the case for multilateral investment rules in the WTO will be made. A recent ICC press release announced that WTO Secretary General Mike Moore will sound a rallying cry for the WTO during the Budapest Congress and set out the framework for getting the WTO’s globalisation agenda back on track. Mike Moore’s attendance at the meeting belies the close links that the ICC shares with the WTO and the importance that the WTO leadership places on the ICC and its recommendations.

Despite this, opposition and critique of corporate-led globalisation is mounting. A new international civil society statement articulates well their position. “The time has come to acknowledge the crises of the international trading system and its main administering institution, the WTO. We need to replace this old, unfair and oppressive trade system with a new, socially just and sustainable trading framework for the 21st Century.” With public scrutiny and distrust of corporate involvement in international decision-making growing, the ICC and other corporate lobby groups will find themselves increasingly under fire.



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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