THE ICC AND CORPORATE COOPTATION OF THE UN

The International Chamber of Commerce (ICC) has long been a triumphant lobbyist for global economic deregulation in fora such as the WTO, the G-8 and the OECD. Its latest effort, however, has been the solidification of a cosy relationship with the United Nations. Fearing an upcoming backlash against globalisation that could threaten corporate-driven trade and investment liberalisation, the ICC’s charm offensive towards the UN is very much a proactive move to ensure that any regulation of the global economy will be tailored to the interests of international business. The ICC has therefore entered into a partnership with the UN, resulting in several joint projects between business and various UN agencies. Specifically, the UN Conference on Trade and Development (UNCTAD) and the UN Development Programme (UNDP) have embarked upon highly controversial projects with the ICC and individual corporations.

The first of a series of dialogues took place on 9 February 1998, when 25 ICC business leaders met with a heavyweight UN delegation headed by Kofi Annan and agreed to “forge a close global partnership to secure greater business input into the world’s economic decision-making and boost the private sector in the least developed countries.” A few months later, the ICC, under the presidency of Helmut Maucher (then also chairing Nestlé and the highly influential European lobby group, the European Roundtable of Industrialists (ERT)), organised the Geneva Business Dialogue (GBD), where high-level officials from the WTO, the UN, the EU and the World Bank, and other top decision-makers met with 450 global business leaders. The GBD was the ICC’s attempt to take the reins in the debate about the regulation of the global economy, spurred by the global financial crisis. Fearing that the debate could move beyond their control, the ICC argued for granting more regulatory powers to international bodies like the UN and the WTO, while at the same time ensuring the stronger involvement of business in these bodies. Far from being empty words, this approach has resulted in concrete cooperation between the UN and the ICC.

ICC/UN Cooperation in Practice

- **ICC and UNCTAD**
  The UN Conference on Trade and Development (UNCTAD) became the new UN focal point for work on TNCs after the dismantling of the UN Centre on Transnational Corporations (UNCTC, see “ICC: mastering corporate environmentalism”). UNCTAD and the ICC are working together on a set of guidelines to assist least developed countries in attracting corporate investment. Corporations such as BAT, BP, Cargill, Coca-Cola, Nestlé, Novartis, Rio Tinto, Shell, Siemens and Unilever will assist “in the identification of past practices and optimal conditions to create a favourable climate for FDI.” UNCTAD and the ICC will work together also to help these countries to formulate competition and consumer protection laws and policies. ICC’s attempts to establish strong working relations with UNCTAD will discontinue the stated role of this organisation of promoting the interests of Southern countries and civil society movements.

- **ICC and UNDP**
  The Global Sustainable Development Facility project (GSDF), arguably one of the most ambitious projects between the UN and business, aims “to eradicate poverty, create sustainable economic growth and allow the private sector to prosper,” through the dubious goal of the, “inclusion of two billion new people in the global market economy,” by the year 2020. The 20 corporations involved, including many with terribly flawed social and environmental records such as ABB, British Petroleum, Novartis, Rio Tinto, Shell and Statoil, will be granted access to UNDP offices in over 135 countries, gaining “valuable insights into local conditions, key priorities and issues in developing countries, which will help them shape corporate strategies and products for these emerging markets.” Moreover, they will be entitled to highlight the UNDP relationship with a special logo. Fortunately, the continued critique of the GSDF by a global coalition of groups led by the Transnational Resources Action Center (TRAC) made the UNDP put a hold on the project until a ‘review’ is complete.
• **Global Compact**

This covenant between the UN and major corporations through the ICC, was launched on July 1999. The corporations involved, including Rio Tinto, Siemens, Shell, Norsk Hydro and Unilever, promise to become “global corporate citizens” and incorporate social, environmental and human rights standards in their mission statements and practices. However, the fact that the agreement is non-binding and lacks mechanisms for monitoring and enforcing it, reveals that the project is nothing more than an opportunity for TNCs to improve their public image while not making any substantial improvements with regards to their poor social and environmental records. The most tangible element of the Compact, a UN website launched in January of this year, failed to present the announced pledges by corporations, which were supposed to be posted to allow monitoring by NGOs. This has not prevented the ICC from using the Global Compact for its own public relations by launching its own website three months before the official one. The ICC website includes a collection of reports on various isolated environmental and human rights initiatives by BP-Amoco, Fiat, Unilever and other corporations that are involved in the ICC.

**Challenging Cooptation of the UN**

The increasing corporate cooptation of the United Nations is a disturbing development. Historically, the UN system has been a relatively democratic forum which has provided Southern governments and civil society groups with greater access and influence than in other international bodies. Corporate control over the UN constitutes a serious threat to those groups and interests losing out in the globalisation process, whether they be workers, communities, indigenous peoples, women or the environment. If successful, this effort would further undermine opportunities to use the UN to pursue the priorities of civil society groups and will make it harder for the UN to adopt a critical attitude towards transnational corporations. Protests against joint UN-business projects can be effective, as was demonstrated when the UNDP put the GSDF in the freezer. The Global Compact won’t go without challenge. On the same day that the UN website was opened, a "Citizens Compact on the UN and Corporations" was launched. More than 100 organisations from North and South have signed on to this statement. Instead of ‘partnership’ between the UN and corporations the Citizens Compact demands that the UN develops internationally enforceable rules for corporate behavior.

There are several reasons why the ICC wants to establish a partnership with the UN. Chief among these, include the ability to:

- influence global regulatory institutions to promote a business agenda and lock-in liberalisation;
- protect themselves against the growing worldwide backlash to globalisation through strengthened ties with a respected body;
- maximise their PR potential by referring to the proactive work that they are doing with UN agencies (greenwash).

For the UN:

- it might help it to regain a central position in global policy-making, which, during the last years of intense economic globalisation, has been predominantly controlled by the Breton Woods institutions (World Bank, International Monetary Fund and the WTO);
- it boosts the UN’s image which in some countries, such as the United States, is seen as weak and ineffective;
- it can help the UN to get new funds, as the ICC has already asked for at the 1998 and 1999 G-8 meetings.

**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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