

**Towards a different kind of globalization,
or how the anti-globalists view the world**

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Contents	Page
Foreword	iii
Preface	v
Introduction	1
Organization of the paper	3
1. Who are the anti-globalists?	3
1.1 Types of groups	5
1.2 The case against anti-globalists	6
1.3 Trade unions and anti-globalists	7
2. “A different world is possible”	7
2.1 Subsidiarity: a return to the local?	8
2.2 Towards sustainable long-term development	9
2.3 The World Trade Organization (WTO) as a symbol	11
3. How to achieve a different world?	13
3.1 Engage	14
3.2 Engage with the authorities.....	16
3.3 Engage with companies	17
4. Conclusion	21
Bibliography	23
Appendix 1	25
Appendix 2	27

Foreword

In February 2002, the ILO established an independent World Commission on the Social Dimension of Globalization, co-chaired by President Tarja Halonen of Finland and President Benjamin Mkapa of Tanzania and comprising 26 eminent commissioners from a wide range of walks of life and different parts of the world, each serving in their individual capacity. Its broad goals were: to identify policies for globalization that reduce poverty, foster growth and development in open economies, and widen opportunities for decent work; to explore ways to make globalization inclusive, so that the process can be seen to be fair for all, both between and within countries; to promote a more focused international dialogue on the social dimension of globalization; to build consensus among key actors and stakeholders on appropriate policy responses; and to assist the international community forge greater policy coherence in order to advance both economic and social goals in the global economy.

The report of the World Commission, *A fair globalization: Creating opportunities for all*, was released on 24 February 2004. It is available on the Commission's website www.ilo.org/public/english/wcsdg/index.htm.

A secretariat was established by the ILO to support the Commission. Among other tasks, it compiled information and commissioned papers on different aspects of the social dimension of globalization. The aim was to provide the Commission with documentation and data on a wide range of options and opinions concerning subjects within its mandate, without committing the Commission or individual Commissioners to any particular position on the issues or policies concerned.

Material from this background work is being made available as working papers, as national and regional reports on meetings and dialogues, and in other forms. Responsibility for the content of these papers and publications rests fully with their authors and their publication does not constitute an endorsement by the World Commission or the ILO of the opinions expressed in them.

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Preface

The Technical Secretariat to support the World Commission on the Social Dimension of Globalization first prepared a synthesis of ILO activities on the Social Dimension of Globalization (published as Working Paper No. 1 in this series). Documentation on the work and outcomes of other major commissions, an ideas bank, a database and knowledge networks of experts and social actors were subsequently developed. These networks have dealt with several topics, including: inclusion at the national level for the benefits of globalization to reach more people; local markets and policies; cross-border networks of production to promote decent work, growth and development; international migration as part of the Global Policy Agenda; international governance (including trade and finance); the relationship between culture and globalization; and values and goals in globalization. Gender and employment aspects were addressed throughout this work. The Reports on the Secretariat's Knowledge Network Meetings are available on the Commission's web site or in a special publication from the ILO (ISBN 92-2-115711-1).

During the course of these activities, a number of substantive background papers were prepared, which are now made available for wider circulation in the Policy Integration Department's Working Paper series (Nos. 16 to 38), as well as on the Commission's website.

In this paper Mr. Gijsbert van Liemt, an independent consultant from the Netherlands, examines the views of the anti-globalists. In discussing the anti-globalists, he focusses on the vast majority of non-violent activists. These anti-globalists seek sustainable, long-term development. In reviewing the causes that the activists defend, he gives particular attention to trade-related issues and the WTO. Although the anti-globalists can be attacked for being nostalgic, violent in their protests, or having inconsistent messages, van Liemt argues that their influence in global governance appears to be growing and that they have been instrumental moving various issues such as democracy, openness and transparency up the political agenda. However democracy, openness and transparency in decision making are not just causes defended by a small group of activists. These are universal values. Upholding these values is in the interest of all, including that of international organisations. Van Liemt concludes that if the WTO were to become as powerful an organisation as it is designed to be, it must be followed critically by committed, informed outsiders and that a continued dialogue with its critics will help it to strengthen its arguments and to broaden the base for its actions. But he also poses the question whether the WTO *should* become such a powerful institution and argues that the debate on that issue has only just began.

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March 2004

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Introduction

Globalization is an ill-defined term. It means different things to different people. Economists, politicians and the business community tend to stress the advantages of an integrated world economy. Globalization is desirable because scale economies and an optimal division of labour lead to higher living standards. Others, however, are more sceptical. Scale economies are usually associated with manufacturing, but are less important for poor countries exporting primary goods. Greater openness also increases the exposure of the economy to external shocks.

Many are outright critical. They are struck by the stark differences between the world of the “corporate globalists inhabiting a world of power and privilege” and that of ordinary citizens. “Focused on people and the environment, they see a world in deepening crisis of such magnitude as to threaten the fabric of civilization and the survival of the species - a world of rapidly growing inequality, erosion of relationships of trust, and failing planetary life support systems.” (IFG, 2001: 5). To some more radical groups, globalization is simply “the economic, political and military tyranny of the Western capitalists over the world”.¹ With such divergent views, it is not surprising that the objections to globalization voiced by anti-globalists have been wide-ranging.²

Most of these objections focus on trade. Do we need free or fair trade? Is it fair for the developed countries to tell developing countries to open up their markets and stimulate production for export, and at the same time restrict market access to these exports? Are certain values (protection of the environment and of human rights) more important than free trade, and who should be the judge of their relative importance?

Others focus on the organizations and people who set and enforce the rules and regulations under which international trade takes place. The World Trade Organization (WTO) is an obvious target because it deals with international trade, a prime concern of anti-globalists, but also because its broad mandate covers other controversial issues, such as (trade-related) intellectual property rights, (trade-related) investment measures and services. Can just *anything* be called “trade-related” and placed under WTO scrutiny? How transparent is decision-making in the WTO? Should the WTO take other trade-related issues (such as environmental and labour standards) into account?

¹ www.iacenter.org/genoa_antiimper.htm

² The terms anti-globalizers, anti-globalists, activists, NGOs, civil society groups, civic groups and civil society organizations (CSOs) are used interchangeably in this paper.

Yet others focus on the behaviour of the big corporations operating at the international level, which are seen as the principal force behind worldwide trade and financial liberalization. Are we experiencing an “accountability vacuum” in which freedoms for industry and corporate activity are not balanced by adequate safeguards to “ensure that companies contribute to, rather than undermine, consumer rights, social development and environmental quality?” (Consumers International, 2001: 6). Where do the loyalties of these large corporations lie? Are they shaping the world trading system to their benefit? Are they interested in more than just short-term profitability?

Box 1

The problem with short-term thinking

Anti-globalists are concerned about the influence of the big, multinational corporations in the global economy and in world governance (“corporate globalization”). They are possibly even more concerned, however, about the focus of these companies on short-term profitability, which they see as incompatible with the pursuit of broader causes, such as care for the environment, food safety, workers’ health and poverty alleviation, all of which typically need a long-term approach.

The focus on the short term is attributed to several factors. Quarterly reporting, and the attention it receives in the financial community, discourages managers from giving due attention to long-term issues, however important these may be even for the long-term viability and profitability of their own company. Profit-related bonus payments and stock options have a similar effect. A further factor is the declining number of years that a CEO is in her/his job.³ It takes a strong personality to concentrate on achieving long-term results when you know from the start that there is a 50 per cent chance that you are out of the job again within three years.

But globalization is about more than just trade. It also involves financial liberalization and its consequences.⁴ Even before the 1997 Asian crisis, many had doubts about the wisdom of capital liberalization. This crisis only reinforced their scepticism. What are acceptable levels of debt and debt servicing? How can the burden of structural adjustment be equally spread? Should governments not give priority to the provision of essential services rather than to servicing foreign debt? How can the instability caused by speculative capital flows be avoided? Can the Bretton Woods institutions do more than “consolidate and secure the wealth and power of a small corporate elite”? (IFG, 2001: 8).

³ A worldwide study undertaken by human resource management consultants Drake Beam Morin (DBM) of 500 of the world’s largest corporations covering 25 countries and 50 sectors found that about half of the current CEOs had been in his or her job for less than three years (*Het Financieele Dagblad*, 5 December 2000). See also *Business Week*, 11 December 2000.

⁴ And other dimensions, such as culture and the media, migration and remittances, food safety and food security, international crime and privacy protection, the spread of viruses and the extraterritorial application of national law, none of which are dealt with in this paper.

Organization of the paper

This paper examines the views of anti-globalists. Why does globalization provoke such strong emotions in so many places? Which aspects cause so much discontent? Who are the protesters? Have their protests had any effect and how was this achieved? These questions are the subject of this paper.

The paper is organized as follows. The first section discusses who the anti-globalists are. Many people have been called anti-globalists. Some have quite radical views or have been engaged in violent action. This paper does not deal with them. Its focus is on the vast majority of non-violent activists (the “conformers” and “reformers”, as defined in section 1.1). Anti-globalists seek sustainable long-term development. Section 2 considers the causes defended by activists, giving particular attention to trade-related issues and the WTO. Section 3 discusses the ways and means by which activists try to get their ideas across. They inform, analyse and protest. Increasingly, they enter into dialogue with the authorities and with business. Have their actions been successful? The paper ends with a brief concluding section. At the outset it should be noted that, given the large number of activist groups around the world, the multitude of causes that they advocate and the many ways in which they do so, this short paper is by definition incomplete.

1. Who are the anti-globalists?

It is hard to say with any precision who the anti-globalists are. Many carry the label with pride. Others are hesitant about being associated with the small group of radicals who delight in damaging other people’s property (*les casseurs*). Anti-globalists differ in their means of action and in the causes that they defend. But they share a certain view of the world.

They see a world in which the legitimate interests of many people are being crowded out by the power of big corporations, which place the pursuit of short-term profitability above the fulfilment of important needs, such as care for the environment, human rights and poverty reduction. They also feel that the design of global governance and the way international institutions operate are biased in favour of the interests of these big corporations. In consequence, they consider it their task to: provide a counterweight to increasingly effective corporate lobbying and to emphasize the importance of goals other than profit (“people before profits”); defend these long-term goals (some of which span more than one generation) against short-term thinking; and ensure that the global governance system gives due weight to non-corporate interests.

Anti-globalists try to raise the public’s awareness and to influence decision-makers and the media at the national and international levels (see also section 3.1). They stimulate debate by providing information, analysis and expertise on difficult technical subjects. They help explain how complex procedures work. They facilitate interaction between policy-makers and those outside the system. They are not bound by formal divisions of responsibilities and can therefore react quickly to new developments. They examine critically official documents and decisions. And when they feel that these are incomplete, inappropriate or simply wrong or damaging, they mobilize opposition and try to change them. Their success in doing so has been helped in no small measure by modern telecommunications and the media.

Some question the very foundations underlying the case for further world economic integration. In agriculture, the wisdom of advanced specialization is being placed in doubt: seasonal vegetables instead of *haricots verts* all year round. “Biodiversity” is promoted for a mixture of reasons relating to both nostalgia and biosafety. Deep economic integration is seen as incompatible with the maintenance of cultural identity. WTO “top-down” decision-making is contrasted with “bottom-up” local democracy and decision-making (see section 2.1).

With the notable exception of some more radical groups, anti-globalists do not reject all aspects of globalization. Some (such as Barillon, 2001) have asked whether the term “anti-globalist” is not a misnomer, an easy way out for the media to describe a wide range of groups, each arguing their own different cause. Anti-globalists want globalization “with a human face”. They are critical of one or more aspects of globalization. In the words of French activist José Bové of the *Confédération paysanne*: “We are not against globalization itself because it is an inevitable movement, what we want is another kind of globalization (...).”⁵ Martin Khor of the Third World Network stresses that: “We aren’t anti-globalization: we want fair globalization.”⁶

Anti-globalists have gained considerable influence and strength since the early 1990s. Before then, protesters lived a more isolated life. But thanks to the Internet and to cheap international air transport, their voices have become more difficult to ignore and their actions better coordinated. The Internet allows them to communicate in a cheap and easy manner among themselves and with decision-makers at home and abroad.

Many trace their strength to the Earth Summit (the United Nations Conference on Environment and Development) held in Rio in 1992, when it became clear that a solution to modern environmental problems (such as global warming) needed *international* action and *international* agreements.

[...] a recognition began to build that, despite modest improvements in water and air quality, the earlier generation of environmental regulations was inadequate (...) Concentrating this awareness was the emergence of a whole new array of ecological concerns that, because of their transboundary characteristics and embeddedness in contemporary economic systems, defied traditional, largely localised mitigation strategies. Acid rain, the precursor of this new generation of problems, was joined on the international environmental agenda by ozone depletion, toxic chemical contamination, declining biodiversity and global warming. (Cohen, 1998: 112)

The Earth Summit was a critical event in the evolution of their role and their tendency to inter-relate and form coalitions. Representatives of over 1,000 non-governmental organizations (NGOs) attended a parallel NGO summit, the Global Forum. Rio marked the

⁵ Quoted on www.cb3rob.net/~merijns89/ARCH1/msg00493.html

⁶ In an interview with Alan Beattie in the *Financial Times*, 6 April 2001.

advent of NGOs as powerful players in international negotiations and the use of electronic communication as a democratizing medium.

1.1 Types of groups

Anti-globalists may have in common that they are critical of “this type of globalization”, but there are many differences between them. They differ:

- by origin (the best-known and best-financed have their base in OECD countries);
- by attitude (“northern” groups tend to be more critical of their government or OECD governments than “southern” groups, which are more supportive of their governments’ - economic development – objectives);
- by size (some are no more than one person operations with a Web site; others are professionally-run multimillion dollar organizations, experts at influencing the media); and
- by theme (solidarity with poor countries, human and workers’ rights, the environment, consumer activism, pro-democracy).

Some are concerned with very specific issues,⁷ while others have a very broad agenda.⁸ Some operate in only one country. Many are part of an international activist network.⁹ Some are known as anarchists and protest by smashing up “symbols of capitalism”. Most want better and more information, and more transparent and democratic decision-making. They want to influence decisions through dialogue.

Some have always been active on international issues (solidarity movements). Others started life dealing with essentially national issues (such as consumer rights), but as the problem became international, so did they. This was the case with, for example, cross-border pollution; or when top managers argued that their salaries needed to be high so as to attract international talent and those of their workers low so as not to worsen their company’s competitive position.

Whether there is such a thing as an anti-globalist *movement* is a moot point. As Fotopoulos (2001: 24) has pointed out: “A movement presupposes a common analysis of the present situation or, at least, common goals and means to achieve the shared goals. But, the activists involved in these activities not only differ significantly with respect to the means used, which range from violent action to passive resistance and peaceful demonstrations, but they also differ on the goals themselves, let alone the analysis of the present situation.”

⁷ The Forest Stewardship Council (FSC) provides an international labelling scheme for timber and timber products. ATTAC wants to levy a tax on foreign exchange transactions and to use the proceeds to finance economic and social development needs.

⁸ The International Forum on Globalization (IFG) is an alliance of 60 activists and writers founded to stimulate new thinking, joint activities and public education in response to economic globalization. Its members include Martin Khor and Lori Wallach.

⁹ Third World *Network*; Oxfam is a confederation of twelve development agencies; Friends of the Earth calls itself “the largest international network of environmental groups in the world”; Clean Clothes Campaigns are coalitions of consumer organizations, trade unions, human rights and women’s rights organizations, researchers, solidarity groups and activists.

In terms of ideology, Fotopoulos (2001: 24-25) distinguishes between three different approaches. Some activists blame the socio-economic *system* for leading to the present form of globalization and the institutionalization of political and economic structures, thereby securing the concentration of political and economic power in the hands of various elites. Others just blame the *ideology* of the system, and in particular the ideology of consumerism and economic growth. The vast majority criticize the *symptoms* of the working of the socio-economic system rather than the system itself.

With regard to their attitude to international organizations, such as the World Trade Organization (WTO) and the International Monetary Fund (IMF), Scholte et al. (1998) and Dawson and Bhatt (2001) make a distinction between roughly three groups, which Scholte et al. call “conformers”, “reformers” and “radicals”. The “conformers” accept the broad objectives of these organizations and their methodology and framework. The “reformers” accept the need for the existence of these organizations, but seek to change their operating procedures and policy directions. The third group (“radicals” or “abolitionists”) seek a great reduction in the influence of these organizations and possibly their abolition. The different attitudes of each group naturally influence the nature and outcome of their discussions with these international organizations (see also section 3).

1.2 The case against anti-globalists

The “anti-globalization movement” has been the subject of much criticism. Frequent attempts are being made to discredit anti-globalists by depicting them as extremist, irresponsible, unaccountable, unpredictable and possibly dangerous (the latter with obvious reference to the anarchists).

But the more middle-of-the-road among them have also been subject to criticism. They have faced many questions. Do they have hidden agendas, such as “the protection of certain business interests from international competition?” Do they “simply lobby for a fixed set of outcomes” or are they willing to consider policy trade-offs? Do they seek engagement as a way to increase their own credibility? (Dawson and Bhatt, 2001: 22-25). How transparent and democratic is their internal decision-making? Whom do they represent? What is the origin of their funding? Developing country governments are apprehensive about the protectionist language and influence of some of them. Many are seen as better at confrontation than at contributing to positive outcomes. More in general, they are accused of being good at drawing attention to problems, but less so at finding solutions.

Many anti-globalists have been stung by the critique that they are more focused on problems than on solutions (see also section 3). Their reply is that, given the nature of the problems with which they are concerned, they can often do little more than try and influence decision-makers in government and in companies in order to achieve their goals. They also highlight their own suggestions and alternatives. Greenpeace points to its role in the development of chlorine-free paper, a CFC-free fridge (to avoid harm to the ozone layer), a PVC-free credit card and the fuel-efficient prototype car SmILE, which it has dubbed the “first aid for the climate” (*Financial Times*, 13 April 1999). The IFG points at such consensus statements as the collection of citizen treaties drafted in Rio de Janeiro in 1992 by the representatives of global civil society who met in parallel with the official meetings of the United Nations Conference on Environment and Development (UNCED), as well as their own Manifesto published in 2001/02 (IFG, 2001).

1.3 Trade unions and anti-globalists

Can the trade unions be counted among the anti-globalists? On several occasions these two groups have marched together (reinforcing the critique from developing country governments that the protests are no more than a thinly veiled plot by protectionists to keep their exports out). Pragmatism is a factor (“We have to look for allies where we can find them”). Some NGOs were created by trade unions or have union representatives on their board. Solidarity is another binding factor (for instance on the issue of workers’ rights in international trade). But on both sides there is a degree of uncertainty about the long-term nature of their alliance on specific issues, notably trade. To an extent, this reflects the different views held within the union movement itself, with some unions being openly protectionist and others stressing international solidarity.

Naomi Klein (2001a) hails the “really great work” that has been done by the labour movement, the student movement and the anarchists since Seattle. But she also highlights some points of potential friction. To organizers who believe “passionately” in non-hierarchical organizing, “a lot of unions look incredibly hierarchical and seem to replicate traditional power structures”. Many young people from an environmental background view unions as “a job protection racket” representing polluting industries and not being terribly concerned with the issues that move them. Her sober conclusion is that serious work needs to be done, which requires “more than marching together for an afternoon”.

When it comes to negotiations with companies and international organizations, trade unions are the preferred partner. Many companies distrust activists and find them unpredictable. They prefer the predictability of trade unions, which tend to have a clearer structure and whom they encounter in other forums. The IMF also prefers to dialogue with trade unions.¹⁰ “These bodies have substantial dues-paying memberships, and their officers are usually elected democratically. Partly as a consequence of this, the IMF has often been more comfortable engaging in discussion with labor organizations” (Dawson and Bhatt, 2001: 23).

2. “A different world is possible”

Anti-globalists assure us that “a better world is possible”, that “*Le monde n’est pas une marchandise*”, that “our world is not for sale” and that “another world is possible”. Such statements came as a relief to those who had for years woken up every day with TINA (“There Is No Alternative”). The fall of the Berlin Wall appeared to have put an end to all ideological debate. The neo-liberals had won. What was left was a “one-size-fits-all ideology” (Klein, 2001b). The anti-globalist slogans therefore raised expectations. But what would this different world look like?

¹⁰ This is not always so obvious at the country level.

The anti-globalists' proposals focus on achieving sustainable long-term development. Some advocate "a return to the local". The WTO, to many the symbol of globalization, needs reform. This section starts with a brief discussion of the case of those in favour of "a return to the local". It then refers to the goals of mainstream anti-globalists. Finally, it considers the WTO.

2.1 Subsidiarity: a return to the local?

(...) Instead of shaping all systems to conform to a global model that emphasizes specialization of production, comparative advantage, export-oriented growth, monoculture, and homogenization of economic, cultural and political forms under the direction of transnational corporate institutions, we must reshape our institutions to favor exactly the opposite (...) The operating principle for this turnaround is the concept of subsidiarity, i.e. favoring the local whenever a choice exists. In practice this means that all decisions should be made at the lowest level of governing authority competent to deal with it (...) Economic systems should favor local production and markets rather than invariably being designed to serve long distance trade. This means shortening the length of lines for economic activity: fewer food miles; fewer oil supply miles; fewer travel-to-work miles. (IFG, 2001: 12)

A recurrent theme among many anti-globalists is the alienation that they feel from those who take the decisions that affect their lives. As a result of globalization, decision-taking is moving from the lowest possible level (where it is easy for ordinary people to participate) to the highest level, culminating in Geneva at the WTO, where "faceless bureaucrats" decide on important aspects of people's lives in a setting that lacks both transparency and democratic participation and representation. Key themes that keep coming up are alienation, accountability, democracy and transparency.

Such a perception naturally raises a number of questions. Some of these concern the governance of the global economy (discussed below). Can internationally-operating companies still be regulated at the local level or at that of the nation State? And if WTO-type institutions are the only option, how can these organizations be made to operate in a transparent and democratic manner?

But it also leads to a questioning of global economic integration itself. Should there be "a return to the local"? Should communities and neighbourhoods de-link from the global market? Should there be more direct links between producers and consumers as "the building blocks for the creation of local, sustainable, and self-reliant economies based on co-operation and solidarity rather than competition and profit"?¹¹

¹¹ 1998 People's Global Action Manifesto (available at www.nadir.org/nadir/initiativ/agp/pgainfos/manifest.htm - visited on 8 March 2004).

Proponents of such a return to the local argue that, in addition to strengthening local democracy, it is ecologically sustainable (most of the technology needed to de-concentrate and localize energy production, using photovoltaics, biomass, geothermal, mini-hydro, wind and other renewable energy sources, is already available). It also enhances food security and food safety, as it relies on small-scale, diversified, self-reliant, community-based agricultural systems, instead of corporate-run export-oriented monocultures (IGF, 2001).

2.2 Towards sustainable long-term development

The vast majority of anti-globalists do not advocate a return to “the local”.¹² They seek to achieve other goals. These may be quite different from one group to the next. But they all seek to promote long-term sustainable development. This has essentially three dimensions:¹³

- (a) solidarity with the poor and with poor countries (enhanced market access for developing country exports; more stable prices for these exports; the cancellation of the foreign debt of the poorest countries; higher aid flows;¹⁴ the narrowing of the income and wealth gap between and within countries; and the reduction of the negative effects of capital liberalization);
- (b) respect for human rights and for minimum employment and environmental standards¹⁵ (application of the Universal Declaration of Human Rights; adoption by international companies of a comprehensive and verifiable human rights policy; no privatization of the supply of such essential services as water and healthcare; avoidance of “sweatshop” conditions in export production; attenuation of the pressure for more labour flexibility; the avoidance job losses; and action to combat “regulatory chill” in environmental policies caused by intensified international competition); and

¹² On the contrary, in certain cases (such as environmental degradation), they insist on a supranational approach.

¹³ Many consider these different dimensions to be all part of the same battle. CorpWatch sees global warming as “a question of local and global human rights and environmental justice”. To Friends of the Earth, participation and democratic decision-making are “vital to the protection of the environment and the sound management of natural resources”. It campaigns on a “broad, interconnected set of issues, ranging from international financial institutions to genetically-modified organisms, and from transnational corporations to forests.”

¹⁴ ATTAC and the Porto Alegre World Social Forum argue for a tax on “speculative” foreign exchange transactions (the “Tobin tax”) as a principal source of finance for these flows.

¹⁵ See, for example, Van Liemt (1998, 2000, 2001 and 2004).

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- (c) concern over the design and functioning of the global governance structure. World governance is seen to be shared between national governments, international organizations and multinational companies (but there are great discrepancies in the way the relative weight of each is perceived). To attenuate *corporate-led globalization*, “giant corporations” should be kept in check. But who should set and enforce these rules?¹⁶ In Porto Alegre, the idea of a Framework Convention on Corporate Accountability was floated.¹⁷

Strong, democratic and transparent international organizations are seen as an essential component of global governance. But not just *any* international organization. The United Nations (because it gives mini-States the same voting rights as superpowers)¹⁸ and the International Labour Organization (ILO) are frequently mentioned in a positive sense. The latter is hailed for being a multi-stakeholder organization *avant la lettre* and for having an internationally binding set of minimum rules on labour conditions, in addition to a system of supervision of compliance with these rules.

The OECD, IMF, World Bank and WTO do not receive such a good press.¹⁹ The OECD just represents the interests of the major world economies. The IMF and the World Bank are best known for the structural adjustment and stabilization policies that cause so much hardship to men and women in the street. The World Bank is urged to promote ecologically sustainable development rather than narrowly conceived policies to achieve export-led growth. The WTO attracts the most attention, which is why this paper pays particular attention to it.

¹⁶ Why would politicians want to introduce more rules after having voluntarily and on their own initiative imposed the “dictatorship of the markets” (Barrillon, 2001).

¹⁷ Remarkably few argue for more extensive and intensified use of the existing OECD Guidelines for Multinational Enterprises or the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

¹⁸ Despite the fact that efforts at the United Nations to establish a code for multinationals were abandoned in the early 1990s after some 15 years of negotiation.

¹⁹ Ignacio Ramonet (one of the founding members of ATTAC, editor-in-chief of *Le Monde Diplomatique*, and closely associated with the organization of the World Social Fora at Porto Alegre) sees these four organizations as the “four ministries” of a “hidden world government” (Ramonet, 2001).

2.3 The World Trade Organization (WTO) as a symbol

To many anti-globalists, the WTO has become the symbol of “this kind” of globalization. WTO rules and regulations affect more and more aspects of people’s lives. Yet few of these people are aware of what these rules are, how these decisions are reached and how each might affect them.²⁰

The WTO’s critics are particularly concerned about the combination of: (1) a perceived lack of transparency and democracy in decision-making (the “democratic deficit”); (2) the possibility to authorize trade sanctions (and to do so across agreements); (3) the “juridification” of the WTO’s procedures; and (4) its significantly expanded mandate, compared to the “old” GATT. These four elements combined have done much to raise the stakes in trade disputes. Panel decisions can no longer be disregarded and this can have far-reaching consequences. More and more decisions of national governments are being scrutinized for their “WTO-compatibility”. Unresolved trade disputes can lead to claims for compensation of up to hundreds of millions of US dollars.

- (a) *Democracy and transparency.* Developing countries are dissatisfied with the “non-transparent, manipulative and undemocratic decision-making processes in which the views of a large section of the membership are systematically ignored”.²¹ The role and composition of panels is a further source of concern. WTO proceedings are hard to follow. Meetings are not open to the public. Documents are classified.²²
- (b) *Sanctions.* The possibility to impose sanctions has done much to raise the effectiveness of WTO rules and the profile of the Organization. Dispute settlement under the WTO is more timely, automatic and binding than under the GATT-1947. Disputes arising from any WTO agreement are dealt with by the Dispute Settlement Body (DSB), which has the authority to establish panels, adopt panel reports, scrutinize the implementation of recommendations and authorize retaliatory measures, if necessary. The possibility for one of the parties to a dispute to block the establishment of a panel or the adoption of panel reports has been eliminated.²³ A standing Appellate Body has been created. When this Body concurs with the panel report, the Member affected must implement the report’s recommendations or pay compensation. If the Member fails to implement a panel report or offer adequate compensation to the Member which has won the dispute, retaliatory measures may be taken (Hoekman and Kostecki, 1995: 46-48).

²⁰ “The TRIPS agreement is a dream come true for lawyers who specialise in trade matters, and a nightmare for almost everybody else. The sheer complexity of the law on intellectual property, and the impenetrable nature of WTO texts, creates a very high barrier against public debate” (Oxfam, 2002: 208). “The GATS agreement is one of the most complex elements in the WTO system (ibid.: 224). For a critical view of WTO rules see, inter alia, Chapter 8 in Oxfam (2002) and Rhagavan (2002).

²¹ www.twinside.org.sg/title/undpsum.htm (Third World Network - TWN).

²² To an extent this is a public relations problem. The WTO could do much to educate the general public on what it does and why.

²³ Under the WTO, the adoption of panel reports can only be blocked by consensus, “a highly improbable event” (Hoekman and Kostecki, 1995).

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- (c) *“Juridification”*. When trade disputes cannot be solved through bilateral consultation or negotiation, the WTO authorizes the application of trade sanctions. Contrary to the GATT, the WTO has “teeth”, but to fight the disputes is not without cost. Legal advice can be expensive. There is concern that litigation may be resorted to before all possibilities of consultation and negotiation have been exhausted.²⁴ This is bad news for the multilateral system and for developing countries in particular.²⁵ Because of the sheer cost of litigation, poor countries may feel obliged to give in sooner than they otherwise might have. In the worst scenario, powerful economies would only need to threaten action for their smaller, less powerful opponents to give in. And as the WTO has such a broad mandate and sanctions need not be applied within the agreement in which the dispute arose, the power exercised by these countries through their superior financial clout is real.
- (d) *Expanded mandate*. There is a good deal of unease about the WTO’s broad mandate. The WTO administers the “old” GATT, the General Agreement on Trade in Services (GATS) and the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS). Much more than the GATT ever did, it covers many aspects of domestic policy-making, to the extent that these affect international competition in goods and services. As a result, individual governments see their policy-making in many fields being circumscribed by WTO rules. This scrutiny by the WTO weakens the discretion traditionally enjoyed by national governments to devise, after the normal democratic consultations, the measures they considered necessary and desirable.

Many regret the broadening of the WTO’s mandate and the pressure to hold new rounds of negotiations before the effects of earlier rounds have been digested and fully evaluated. Such a broad mandate may well be in the interests of firms from industrialized countries, for whom intellectual property rights (IPRs) and trade in services have grown in importance. The possibility to discipline WTO signatories in case of non-compliance, an option not available under the World Intellectual Property Organization (WIPO), strengthens the protection of intellectual property rights. But developing countries see no immediate benefit from stronger intellectual property protection.²⁶ Nor do they see great benefits from the inclusion of services for which, on the whole, they have a weak supply capacity. Worse, there is concern that the liberalization of such essential services as health care, education and water²⁷ may have negative consequences for the poor.²⁸ Many also lack the capacity to understand and negotiate new issues. But their calls for a standstill of trade negotiations, an “assessment round” to determine the problems and achievements of the

²⁴ WTO dispute settlement is passing from the hands of the diplomats to those of the lawyers. This may lead to more litigation “Surgeons like to operate (...) Lawyers like to litigate and win cases” (Weiler, 2001: 199).

²⁵ In 1999, an Advisory Center on WTO Law (ACWL) was established to assist developing countries to defend and bring cases to the dispute settlement system.

²⁶ On the contrary, pirated products may generate jobs, save them costly license payments and possibly even bring in export revenues.

²⁷ The sale of the Cochabamba (Bolivia) water system to a private consortium of foreign companies led to months of unrest following stiff price hikes (Consumers International, 2001).

²⁸ The developing countries therefore had little to gain from free-standing negotiations on TRIPS and services. Hence the need for a “broad” negotiation round in which they were promised additional market access in those sectors that matter most to them, namely agriculture and textiles (Wesseliuss, 2001; Primo Braga, 1995; Cheer, 2001). Unfortunately, progress in these two areas has been slow.

WTO's first years of operation and a thorough evaluation of the impact of WTO rules and practices before agreeing to new rounds of negotiations have had no success.²⁹

The WTO's expanded mandate also raises questions regarding its relationship with existing international agreements, for example in the areas of biosafety and intellectual property. In biosafety, the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) is seen to clash with the Biosafety Protocol under the Convention on Biological Diversity, with the former taking "sound science"³⁰ and the latter the "precautionary principle"³¹ as their points of departure. In the field of intellectual property protection, WTO's competence overlaps with that of the World Intellectual Property Organization (WIPO).³²

3. How to achieve a different world?

The actions of anti-globalists are motivated by feelings of solidarity. They want more capital to flow to developing countries, improved market access for the exports from these countries and a reasonable price for imported know-how. They want to avoid "social dumping" by insisting on respect for minimum labour standards and they defend the interests of current and future generations by insisting on care for the environment. In institutional terms, they want international organizations to be more transparent and democratic. They question the wisdom of further WTO rounds before the results of earlier rounds are well understood and evaluated, and they are concerned about the consequences of the WTO's broad mandate and its juridification. They want to promote sustainable long-term development and combat short-term profit-oriented thinking. How do they go about achieving these objectives? And how successful have they been?

²⁹ On the contrary, at the WTO's 1996 Ministerial Conference in Singapore, four new issues for negotiation (investment, competition policy, trade facilitation and transparency in government procurement) were introduced. The inclusion of these "Singapore issues" further complicates negotiations. This complexity has been cited as one of the reasons for the failure of the 2003 Cancún Ministerial Conference.

³⁰ A country can only set a higher standard than the international standard when this is backed up by scientific justification.

³¹ According to which preventive action may be taken where scientific evidence is "insufficient, inconclusive or uncertain", but where failure to act would result in an excessive risk to the environment or public health.

³² Developing countries feel that too strict control over IPRs raises the cost of technology transfer and might stifle economic development. But what many consider outright unfair is that certain industrial country producers have patented their know-how in traditional agriculture and medicine. Seed companies seek patents on their indigenous crops after slightly altering them genetically. Pharmaceutical companies take plants from indigenous communities which have been cultivating and protecting the plants, and turn them into highly profitable drugs. The TRIPS Agreement keeps the prices of essential drugs high in countries that cannot afford them (on the latter see, for example, Håkansta, 1998).

3.1 Engage

The anti-globalists *inform* the general public and the media of their concerns. For example, CorpWatch pressured Nike to improve conditions in its overseas contractors by releasing a confidential independent audit that exposed the conditions at a Vietnamese “sweatshop”. The release of the audit garnered significant media attention, including a front-page story in the *New York Times*.

They exchange information. They share policy research and analyses among themselves. In doing so, they support and strengthen each others’ and joint campaigns. They facilitate the exchange of information by translating documents, holding international meetings and, of course, through the Internet.

They *protest* in many ways, from demonstrating in the streets to attending company shareholder meetings, sitting in trees, lobbying in the halls of the United Nations and “flooding” their targets with e-mails (Friends of the Earth activists in Europe sent thousands of e-mails to the White House when the United States Government continued to block progress on an emission reduction treaty).

Dialogue

Increasingly, they are drawn into dialogue. From the outside, this would appear to be an efficient and direct manner of getting their views across. But as a strategy it is not without risk. By entering into dialogue they may lose the support of their activist supporters (particularly when there is no immediate result). Dialogue with authorities and business risks splitting the movement between those who do and those who do not participate.³³ Dialogue brings out more sharply the differences in the positions of the various groups.

At first, the authorities and the targeted companies were also not particularly keen to meet and discuss. They viewed anti-globalists as badly informed, single-issue activists unable to capture the intricacies of global economics, global diplomacy and global governance. But they were forced to change their attitude. They hoped that the anti-globalists would just go away. But that was not to happen.

On the contrary (rightly or wrongly), the activists have claimed success after success.³⁴ The 2001 WTO Ministerial Conference was held in the Arabian desert (Doha); the 2002 G-8 meeting in an isolated resort in the Canadian Rocky Mountains (Kananaskis). The reputations of Nike, Shell, Exxon and others have been damaged through activist campaigns.

³³ One reason why few activist leaders attended the 2001 Porto Alegre World Social Forum was that a good number of them had been invited to the Davos World Economic Forum.

³⁴ Defeat of the fast-track negotiating authority under the Clinton Administration, the NAFTA side agreements, defeat of the Multilateral Agreement on Investment (MAI), the failure to launch a new WTO round in Seattle, the cancelled European World Bank conference.

Many of their causes have been “mainstreamed” (including the negative consequences of capital liberalization,³⁵ fuel-efficient cars, the “juridification”³⁶ of the WTO, global warming, control over tax havens, debt cancellation for the poorest,³⁷ “corporate governance” and, most recently, business ethics). The critical press (even the business press) now assesses companies according to their *Triple P* (People, Planet, Profit) performance. Their actions and their causes receive much publicity.

Most important, perhaps, is that anti-globalists seem to have won the hearts and minds of many sections of the population. Support for their causes is broadening. New York *rapper* Adam Yauch participated in protests against the World Bank. Irish rock star Bono went to see United States President George W. Bush to plead in favour of more aid and debt relief for poor countries. The general public is increasingly sceptical of the benefits of globalization.

A September 2001 MORI survey showed that in the United Kingdom even three in five Conservative voters rejected the accusation that anti-globalization protesters were simply thugs and anarchists. Only one in eight of those questioned bought the official view that globalization enhances everyone’s quality of life; 58 per cent thought that ‘what’s good for business’ is not good for most people in developing, poorer countries; as many as 38 per cent believed globalization actually damaged the environment. Fully 41 per cent agreed with the statement that the protesters were raising genuine concerns and issues shared by many people around the world, and 38 per cent with the statement that the media focused on a small number of troublemakers, ignoring the peaceful majority of protesters.

A 2000 survey of 1100 opinion leaders in the United States, Europe and Australia by Edelman Public Relations found that in Europe almost one-third of respondents trust NGOs to do the right thing. In contrast, only a fifth trusted government, and 15 per cent business. In the United States, 11 per cent believed that governments and business were doing all they can “to make the world a better place”, while 70 per cent thought NGOs were trying to do so (*Financial Times*, 6 December 2000).

This comparatively high level of credibility is also a result of the damage that their targets inflict upon themselves. Public confidence in the honesty and competence of business leaders, and those responsible for overseeing them, is reaching an all-time low. Almost every day seems to bring a new business scandal. Accusations of “creative” book-keeping and “less than ethical” financial accounting are the order of the day. The press reports on unjustified, inappropriate (and even illegal) self-enrichment by top managers (sometimes with the help of their accountants, as in the case of Enron and Arthur Andersen); on managers placing the interest of short-term profitability above respect for the environment

³⁵ “Theoretically, there are similarities between free trade and free capital flows (...) [but] when you recognize that capital flows are subject to speculation, manias, panics and crashes there is simply no counterpart in trade” (Bhagwati, 2001: 12).

³⁶ In the words of an experienced academic WTO watcher: “It is becoming increasingly difficult (...) to be a true specialist in all areas of substantive law covered by the agreements” (Weiler, 2001: 191).

³⁷ Compare the Heavily Indebted Poor Country (HIPC) initiative.

and public health; and on governments failing in their supervisory tasks for fear of upsetting commercial interests.

3.2 *Engage with the authorities*

Anti-globalists consider that political and economic power is shared between national governments, internationally operating companies and international organizations (and the WTO in particular). Hence they target each of them.

National governments. By mobilizing public opinion and the media, the anti-globalists place (and keep) sustainable development issues on the political agenda. Their actions strengthen the hands of those in government responsible for defending these issues. Whether a deepening of economic relations with partner countries should be made conditional on progress in respect for human rights, minimum labour or environmental standards is a controversial issue.

Can NGOs participate in discussions on trade policy? OECD governments now hold NGO consultations to give civil society the opportunity to receive information and to present their position. This may go some way to bridging the information gap. But the multitude of issues and the complexity of procedures make it hard for almost anybody other than a handful of specialists to participate in a meaningful debate at the national level. In addition, as Halle has remarked, “the elaboration of trade policy remains an extremely opaque enterprise, even in OECD countries with a reputation for NGO-friendliness and a strong attachment to democratic practices (...) Trade officials are known to ‘hide behind’ the WTO, locking in trade liberalization by arguing that WTO rules leave them no choice” (Halle, 1999). The remedies suggested by Halle are worthy of exploration,³⁸ but there is reason to doubt whether they will meet with success in European Union countries, where decisions on trade policy are no longer in the national domain.

The WTO. The WTO’s actions are largely unscrutinized by national parliaments. The public has limited access to official documents. These are two reasons why activists have taken their case directly to the WTO (Rana, 2001). Access to information is the key to an informed debate (“Dialogue is good, informed dialogue is better.”). An informed debate also benefits the WTO. The WTO wants to become more transparent.³⁹ Intensified contacts with the NGO trade community can serve as an informed link between the WTO and concerned citizens, helping the WTO to create a broader constituency. The WTO publishes online newsletters. It makes documents available electronically and free of charge. Its staff speaks at NGO meetings. It holds symposia for NGOs.

³⁸ Halle (1999) suggested: (1) the creation of a national forum, with the participation of all relevant stakeholders, at which a country’s trade policy is debated; and (2) holding trade officials accountable for the positions they have taken in international trade forums.

³⁹ Article 10 of the Doha Ministerial Declaration states in this regard: “(...) we confirm our collective responsibility to ensure internal transparency and the effective participation of all members (...) we are committed to making the WTO’s operations more transparent, including through more effective and prompt dissemination of information, and to improve dialogue with the public (...)”

But demands such as the publication of evidence and reports as soon as they are available, or the right of NGOs to submit written evidence, are still under discussion. WTO members are “deeply divided over non-state participation in trade disputes” (Rana, 2001: 4).⁴⁰ How to remedy the juridification of the WTO; whether to have an “Assessment Round”; and how to decide which items should be included in, or excluded from its mandate, are possibly even more controversial issues.

3.3 ***Engage with companies***

Nike has implemented numerous reforms (...). We welcome ongoing and productive dialogue with our critics to move towards our common goal of protecting the rights and dignity of all people.⁴¹

In view of the limited success in their dealings with international organizations, activists — and “Northern” activists in particular — increasingly target the corporate sector. Corporations can play a key role in the promotion of sustainable development. The WTO does not want to take minimum international labour and environmental standards into account, leaving companies an obvious target for achieving progress on these issues. Companies are concerned about their reputation (and thus vulnerable to campaigns that target them directly). And they can take decisions more rapidly than public authorities (no need to consult with member governments).

Business thinking is in some ways more developed and more visionary than politicians (...) so working with business is in many respects easier and more rewarding than working with governments.⁴²

Many companies now claim that they pay more attention to the environment, human rights and other aspects of the broader responsibility of the enterprise than in the past. Actions by anti-globalists have been instrumental in this. Indirectly, the pressure exercised by institutional shareholders, “ethical investment” funds, the media, the law (and their own employees) have also played a role.

Shareholder activists examine companies in their portfolio for their social and environmental performance (in addition to investing for solid financial returns). The Interfaith Center on Corporate Responsibility (ICCR), an association of 275 Protestant, Roman Catholic and Jewish institutional investors, has been pressing corporations for change for over 30 years. ICCR’s members control US\$110 billion. The Center campaigns for social issues from human and workers’ rights to global warming. It makes frequent use

⁴⁰ Decisions on these issues need to be taken by consensus. Opposition of only a few members can hold up initiatives that go beyond just inform and explain, as is the case for instance with the declassification of documents (Moore, 2002).

⁴¹ Hannah Jones, Director, Government and Community Affairs, Nike Europe, in a letter to the *Financial Times* dated 25 January 1999.

⁴² Stephen Tindale, Executive Director of Greenpeace UK, quoted in Vanessa Houlder, “Greenpeace takes carrot and stick to multinationals”, in *Financial Times*, 5 November 2001.

of shareholder resolutions (see Appendix 1 to this paper, containing the text of one such resolution).

Pension funds seem almost natural allies of anti-globalists. Both are interested in the long-term. Pension funds are now a main, if not the main shareholder in many publicly-quoted companies. The California Public Employees Retirement System (CalPERS), the largest pension fund in the United States, has some social activist members on its investment committee. CalPERS invests its portfolio only in companies that meet rigorous environmental and human rights standards (*Financial Times*, 13 June 2001).

Demand for ethical or sustainable investment funds among the general public⁴³ has increased.⁴⁴ Many of these funds claim that their performance is not inferior to that of counterparts which do not take ethical criteria into account. Some even claim a superior performance, thus creating a clear win-win situation. A common explanation for this perhaps unexpected outcome is that companies that do business in a sustainable and ethical manner are run by managers who are more in tune with the demands of their customers, including those of the more critical among them. Also, many ethical funds *a priori* exclude only a few sectors.⁴⁵ Most exclude companies that are in the tobacco and arms business. Some also exclude companies active in nuclear energy, fur or child labour.

Legal initiatives also play a role. The United States Federal Sentencing Guidelines for corporations give more lenient treatment to companies with tough ethical policies (van Liemt, 2000). July 2000 saw the introduction in the United Kingdom of new rules obliging pension funds to declare the extent to which social, environmental or ethical considerations are taken into account in the selection of stocks by fund managers (*Financial Times*, 31 March 2000 and 27 April 2001). In the United Kingdom and the United States, companies have been taken to court in relation to human and workers' rights abuses in their overseas operations.

⁴³ And particularly among women. "Young, unmarried, professional women, often working in the caring professions like teaching or the medical sector, have been instrumental in driving the development of ethical investment in the US and Europe." (Tom Holland, "Ethics pay in the long run", in *Far Eastern Economic Review*, 18 April 2002).

⁴⁴ According to criteria set out by the Social Investment Forum, one dollar in every eight under professional management in the United States in 1999 was invested in a socially responsible investing (SRI) fund, a total of US\$2,160 billion, up more than 80 per cent from US\$1,185 billion only two years earlier (Geoffrey Heal, "The Bottom line to a social conscience", in *Financial Times*, 2 July 2001).

⁴⁵ Remarkably, the FTSE 4 Good index (a leading index for ethical investments) includes the Royal Dutch/Shell group, which suffered so much bad publicity over the Brent Spar trauma and the Ogoniland disaster only a few years ago. This is a tribute to the changes that have taken place within that company, or to a tremendous public relations exercise (or both). The new CEO, Mr. Jeroen van der Veer, was previously responsible for Shell's "sustainable energy" activities. Current Shell advertisements talk about the company's commitment to sustainable development, balancing economic progress with environmental care and social responsibility, culminating in the rhetorical question "Because do we really profit if the world doesn't?"

The search for a standard

Companies use codes of conduct, mission statements and their annual reports to shareholders to inform the world of how they see their broader responsibilities. However, there are great differences in the “hardness” of their respective commitments (see Box 2). Woolly language is frequent. References to “stakeholders” are common, but usually the company itself decides who these are. How do we know the views of “the community” or “society at large”? What is the weight of these views compared to that of the other “stakeholders”? What is to be done where the interests of different stakeholders are in conflict? How can performance in such areas be compared to that of the more traditional company goals, such as cost savings and profit maximalization? A satisfactory answer to these questions would not only serve to enhance the company’s credibility vis-à-vis the outside world. It would also provide essential guidance to middle and lower management in day-to-day decision-making and reporting. In more general terms, it would help silence those critics who argue that corporate environmentalism is merely “greenwash”, or in other words an attempt to achieve the appearance of social and environmental good without any corresponding substance.⁴⁶

Box 2

Shareholders, stakeholders and the broader responsibility of the enterprise

Many companies now indicate how they view their broader responsibilities. This is often done in rather vague terms. Company X prides itself “on concern for its entire stakeholder community” (which includes shareowners, employees, consumers, customers, suppliers, “the communities in which we operate” and “society at large”). Another stresses that “Investing in the community is about building a climate of trust, understanding and partnership between the company and the community that it serves. The group strives to be a ‘good neighbour’ wherever it operates.”

Care for the environment, and how to contribute to minimizing waste, are issues that come up frequently, although the depth of the commitment varies. Company Y aims to ensure that no lasting environmental damage occurs as a result of its activities. Another wants to minimize the usage of energy and raw materials and to avoid the creation of waste. Activists are sceptical of this type of “soft” commitment.

Fortunately, certain companies are more specific in their commitments. Sandvik (AR 2000) is implementing environmental management systems in accordance with ISO 14001 at all its production facilities. At the MAN Group (AR 2000), a number of locations have been audited by external environmental experts according to the requirements of the European Council Eco Audit Regulation (No. 761/2001) and Din EN ISO 14001. Suitable action was taken to alleviate any weak points in in-company environmental protection. “Such action also resulted in appreciable cost savings”. The company sees itself as “one of the forces driving the development of alternative propulsion technologies”. The German precision rolling bearings company FAG Kugelfischer (AR 2000) has set itself the target of having all its production locations in the world certified according to the ISO 14001 environmental standard by the end of 2002. Then its distribution companies will also undergo an ecological audit.

Source: Company annual reports.

⁴⁶ On this latter point, see, for example, CorpWatch and Raja (2002).

And against which standard should a company's broader responsibility be measured? Monitoring and verification of compliance with model codes or model principles has become a growth industry for a wide range of profit and not-for-profit organizations. There is no shortage of "model codes".⁴⁷ But which one to choose and why?

Governments have become active in facilitating dialogue and in helping to bring the ethical concerns of activists closer to the business community. In an effort to promote best business practices, the United States Government supports the Model Business Principles and the Apparel Industry Partnership, and the United Kingdom Government the Ethical Trading Initiative (van Liemt, 2000), in which corporations, activists and trade unions participate. However, critics fear that these "dialogues" and "partnerships" are no more than sophisticated tools for co-opting NGO critics, eventually leading to divisions between NGOs through a deliberate divide-and-rule strategy (Raja, 2002).

Finally, in 1999, the United Nations launched the Global Compact, an initiative that invites companies to commit themselves voluntarily to a set of nine principles relating to labour rights, other human rights and the protection of the environment (see Box 3). The United Nations wants to "ensure that these values are more than just fine words in obscure documents. By helping to protect and promote universal values, the private sector can help the United Nations make a persuasive case for the open global market". However, critics (CorpWatch; Raja, 2002) note that the Global Compact has no independent verification and monitoring mechanism. In the absence of such a system, the Global Compact risks being used to "bluewash" large corporations, allowing them to wrap themselves in the United Nations' blue flag without requiring them to do anything new.

⁴⁷ Examples are AA 1000, the Caux Roundtable, the CCC Model Code, the Coalition for Environmentally Responsible Economies, the Global Sullivan Principles, the Global Reporting Initiative, the ICC Business Charter for Sustainable Development, the International Council of Chemical Associations (ICCA) Responsible Care, ISO 14001, the Keidanren Charter for Good Corporate Behavior, Social Accountability 8000, and those of the Worker Rights Consortium.

Box 3

The nine principles of the United Nations Global Compact

Human rights

- Businesses should support and respect the protection of internationally proclaimed human rights within the sphere of their influence; and
- make sure they are not complicit in human rights abuses.

Labour standards

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- eliminate discrimination in respect of employment and occupation

Environment

- Businesses should support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.

4. Conclusion

Anti-globalists can be attacked for being nostalgic, violent in their protests or because their messages are inconsistent, but, if anything, their influence in global governance appears to be growing. They have been instrumental in achieving bans on ozone-destroying CFCs, reduced trade in rainforest timber and increased support for cleaner energy technologies. Thanks to them, debt relief for the poorest countries has moved up the political agenda. Many companies now take seriously their responsibilities for workers' and human rights, and for the environment. Their actions have strengthened the position of those inside companies and government who share their broad long-term goals. They call for reflection and evaluation where others defend the "bicycle principle" (if you are not moving forward, you risk falling off), which has been the guiding principle of round after round of trade negotiations.

Democracy, openness and transparency in decision-making are not just causes defended by a small group of activists. These are universal values. Upholding these values is in the interests of all, including those of international organizations such as the WTO. As their influence grows, the anti-globalist groups will also be confronted with more questions about their transparency and internal democracy.

If the WTO were to become as powerful an organization as it is designed to be, it must be followed critically by committed informed outsiders. A continued dialogue with its critics will help it to strengthen its arguments and to broaden the base for its actions. Whether the WTO *should* become such a powerful institution is a different matter, on which the debate has only just began.

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Appendix 1

Excerpts from a resolution tabled by the Interfaith Center on Corporate Responsibility (ICCR) at the annual meeting of ExxonMobil Shareholders (2001/2002)

“WHEREASs, we believe that transnational corporations operating in countries with repressive governments, ethnic conflict, weak rule of law, endemic corruption, or poor labor and environmental standards face serious risks to their reputation and share value if they are seen to be responsible for, or complicit in, human rights violations; and,

WHEREAS, Our company (ExxonMobil Corporation) operates in several countries where allegations of serious human rights violations have been made (...)

WHEREAS, we believe that our company does not possess a comprehensive and verifiable human rights policy that would enable it to effectively manage and avoid these risks; and (...)

WHEREAS, we believe that significant commercial advantages may accrue to our company by adopting a comprehensive human rights policy including: enhanced corporate reputation, improved employee recruitment and retention, improved community and stakeholder relations, and reduced risk of adverse publicity, consumer boycotts, divestment campaigns, and law suits;

THEREFORE BE IT RESOLVED that the shareholders request the Board of Directors (...) develop and adopt a comprehensive and verifiable human rights policy which shall include an explicit commitment to support and uphold the principles and values contained in the Universal Declaration of Human Rights (...)

(...) In addition (...), we believe that any adequate company human rights policy should also include consideration of the following:

1. Workplace standards based on the core conventions of the International Labor Organization (...)
2. A policy on the use of security personnel, both private security and security forces provided by the government of a host country (...)
3. A policy requiring a human rights and social impact assessment be conducted prior to our company’s decision to invest in countries that are experiencing civil conflict or which have poor human rights records (...)
4. A plan for (...) a secure and independent complaint mechanism, provisions for consultation with local affected communities, provisions for social auditing by credible independent agencies, and provisions for annual public reporting.”

(Available at <http://www.iccr.org/> - visited on 8 March 2004)

Appendix 2

Selection of WEB sites consulted:

www.accountability.org.uk (AccountAbility, Institute of Social and Ethical Accountability)

www.agirici.org (Agir ici)

www.amrc.org.hk (Asia Monitor Resource Center)

www.attac.org (International ATTAC Movement)

www.citizen.org (Public Citizen)

www.cleanclothes.org (Clean clothes Campaign)

www.cuts.org (Consumer Unity and Trust Society)

www.corpwatch.org (CorpWatch)

www.etcgroup.org (Action Group on Erosion, Technology and Concentration)

www.foei.org (Friends of the Earth International)

www.fscoax.org (Forest Stewardship Council)

www.gatswatch.org (GATSwatch)

www.greenpeace.org (Greenpeace)

www.icc.org (International Chamber of Commerce)

www.iccr.org (Interfaith Center on Corporate Responsibility)

www.ictsd.org (International Centre for Trade and Sustainable Development)

www.iisd.org (International Institute for Sustainable Development)

www.ifg.org (International Forum on Globalization)

www.transparency.org (Transparency International)

www.twinside.org.sg (Third World Network)

www.unglobalcompact.org (The Global Compact)

Policy Integration Department Working Papers prepared for the World Commission on the Social Dimension of Globalization

- No. 16 International finance: Meeting the needs of people in developing countries, José Guilherme Almeida dos Reis
- No. 17 The gender dimensions of globalisation of production, Stephanie Barrientos, Naila Kabeer and Naomi Hossain
- No. 18 Social exclusion in the context of globalization, Jan Breman
- No. 19 Gender and globalization: A macroeconomic perspective, Çağatay Nilüfer and Ertük Korkurt
- No. 20 Globalization, social exclusion, and work: With special reference to informal employment and gender, Marilyn Carr and Martha Chen
- No. 21 Resources for social development, Antony Clunies Ross
- No. 22 Does the new international trade regime leave room for industrialization policies in the middle-income countries?, Alisa DiCaprio and Alice Amsden
- No. 23 Social dimension of globalisation in Latin America: Lessons from Bolivia and Chile, Alvaro García Hurtado
- No. 24 Globalization: Social impact and policy actions: A partly annotated bibliography, Bernhard Gunter and Rolph van der Hoeven
- No. 25 The social dimension of global production systems, Susan Hayter
- No. 26 Reforming global economic and social governance: a critical review of recent programmatic thinking, Jeremy Heimans
- No. 27 Corporate social responsibility: An issues paper, Michael Hopkins
- No. 28 Upgrading in global value chains, John Humphrey
- No. 29 Implications of globalization and economic restructuring for skills development in Sub-Saharan Africa, Richard K. Johanson
- No. 30 The outcome and impact of the main international commissions on development issues, Frédéric Lapeyre
- No. 31 Globalization and structural adjustment as a development tool, Frédéric Lapeyre
- No. 32 Globalization and perceptions of social inequality, Malte Luebker
- No. 33 The changing structure of trade linked to global production systems: what are the policy implications?, William Milberg
- No. 34 Corporate social responsibility: An overview of principles and practice, Jill Murray
- No. 35 Inclusive development strategy in an era of globalization, Ignacy Sachs
- No. 36 Social consequences of the globalization of the media and communications sector: Some strategic considerations, Seán Ó. Siochrú
- No. 37 Globalization, history and international migration - A view from Latin America, Andrés Solimano
- No. 38 Towards a different kind of globalization, or how the anti-globalizers view the world, Gijsbert van Liemt

