

Sustainable Wellington Net Editorial - 14 Jul 2001

Sustainable Development or Global Sellout?

Our Editorial this month is a reprint of an Editorial from a recent issue of the Corporate Europe Observer. With the tenth anniversary meeting of the 1992 Earth Summit in Rio De Janeiro due to take place in September next year in Johannesburg this editorial is a very critical, and very necessary look at exactly what has been achieved in the last 10 years.

I remember the optimism which followed the Earth Summit in Rio De Janeiro, a feeling that somehow something basic had changed, that the reality of the long term dangers of ecological destruction had finally been realised by governments and business. As this article details that optimism was sadly misplaced. Beneath the slick veneer of PR Greenwash in the governmental and corporate world it is still "business as usual". Anyone in doubt about this would just have to look at George Bush's [rejection of the USA's commitment to the Kyoto Agreement](#). Bush, who has been termed "The Toxic Texan", represents a new low point even in a country as used to the Corporate purchasing of politicians as the USA.

Perhaps the most galling development in the last 10 years is the total capture and perversion by Corporates of the term "sustainable development". This term once had a clear meaning embodying concepts of the conservative use of resources, environmental and ecological protection and social and economic justice and equity. It is now being used by groups like the World Business Council for Sustainable Development interchangeably with the specious concept of "sustainable growth".

But the situation is not all bleak. The grass roots rejection worldwide of the concepts and consequences of Corporate Globalisation is a clear sign that people have had enough. There are alternatives to Globalisation to Neo-liberal economic theories and to the dominance of narrow market based concepts of society. This article also has a great list of websites and resources to assist the fight for development that is really "sustainable".



June 1992 © Greenpeace/Morgan

Rio+10 and the Corporate Greenwash of Globalisation ("Free-market environmentalism")

[Corporate Europe Observer - Issue 9](#)

The tenth anniversary meeting of the 1992 Earth Summit in Rio de Janeiro will take place in September 2002 in Johannesburg, South Africa. In stark contrast with the optimism with which citizens' movements initially viewed the first Summit, expectations are low for the "World Summit on Sustainable Development (WSSD)". In the nine years that have passed since Rio, corporations and their lobby groups have perfected their greenwash skills, convincing governments and global bodies to allow them to operate increasingly unregulated in the global market. They have successfully managed to promote the primacy of "free trade" agreements over environmental and social treaties. In the run-up to Johannesburg next year, a large-scale business campaign is on the way to consolidate these gains and ward off the backlash against the neoliberal global economic model. Corporate greenwash and co-optation efforts will reach unprecedented levels.

The Earth Summit

The 1992 UN Earth Summit in Rio de Janeiro, nearly ten years ago, was a milestone in the global environmental debate. On the positive side, important linkages were made between destructive processes such as climate change, deforestation, loss of biodiversity, global trade, unregulated corporate investment, consumption, production, debt accumulation and structural adjustment. What was sorely lacking, however, was satisfactory concrete outcome. This lack of progress on what most view as urgent and life-threatening global issues can largely be attributed to the full-force and strategic participation of transnational corporations in the Earth Summit process from start to finish.

Industry learned a lot from the Earth Summit, and the meeting marked a critical turning point for the involvement of corporations in the global debate about environment and sustainable development. Until the early 1990s, corporate lobbying took place mainly on the national level, and the public in many countries viewed industry as "dirty" and largely to blame for environmental pollution. Corporate lobby groups saw the Earth Summit as a prominent platform from which to redefine their role, and more importantly, from which to shape the emerging debate on environment and development. At the time, idealistic NGOs imagined the Earth Summit as a vehicle for far-reaching curbs on corporations, but the reality was that business emerged with no binding rules or regulations to hinder their environmentally and socially damaging activities. The only reference to transnational corporations in Agenda 21, one of the main outcomes from the Summit, was an acknowledgement of the role of industry in sustainable development.

Business Council for Sustainable Development and the ICC

How did this astonishing transformation of the image and role of industry in the quest for sustainable development come about? In 1990, Swiss industrialist Stephan Schmidheiny created the Business Council for Sustainable Development (BCSD) under the influence of his friend Maurice Strong, Secretary-General of the Earth Summit (which was just then beginning its preparatory work). Schmidheiny, whose riches were derived mainly from his Swatch company specializing in watches and asbestos investments, in turn convinced 48 business leaders from major corporations all over the world to come together to form the BCSD.¹

These companies, working together with the International Chamber of Commerce (which also latched onto Earth Summit preparations at an early stage), successfully promoted their agenda of "free markets", new technology and economic growth as essential to promoting sustainable development. The BCSD was an important financier of the Earth Summit, and individual companies were involved in various projects including "Earth Summit kits" created by Coca-Cola for every elementary school in the English-speaking world, and Volkswagen cars contributed for use by Summit staff and delegates.

Ten Years Down the Road

The official task of the WSSD is to assess progress since the 1992 Earth Summit and to make recommendations for new ways to tackle the ongoing global crises in environment and economic development. Organisers are frank about the lack of progress since Rio. The preparatory body for Rio+10, the Commission for Sustainable Development (CSD), recently stated "many of the global indicators of sustainable development show little improvement or a continuing decline over the past 10 years. ... Poverty has grown, fresh water and secure food supplies are not available to all, and the gap between rich and poor has widened."²

A series of national, subregional and regional "grassroots" meetings has already begun to discuss strategies for turning "general concepts" of development and environmental protection into "concrete plans for action," according to the chairman of the Summit preparatory body.³ Stakeholder dialogues are also being held around the world in another attempt to make the WSSD process inclusive, and consultations will be held with sectors including youth, indigenous people, women and business. Over 50,000 delegates are expected to participate in the Johannesburg conference.

Business is happy with the "multi-stakeholder model" that will be used in the preparatory process for Rio+10. This not only ensures business a seat at the table and provides it with a basic legitimacy, but also offers it "a more positive space to interface with stakeholders including governments".³

The decentralised process and the prominent role of stakeholders "leaves the process for agenda-setting at WSSD 2002 in the hands of those [...] that have the highest commitment and capacity to get involved", as a business lobbyist points out.⁴

Business in Action Again

The victors at the last Earth Summit, the ICC and the BCSD (which was reorganised and renamed the World Business Council for Sustainable Development or WBCSD in 1995), had already begun to prepare for Rio+10 in the Autumn of 1999, long before many environmental NGOs.⁵ The WBCSD leadership established a special task force to prepare "a bold, forward-looking and practical business plan" for Rio+10.⁶ Among the "products" that will be used in the WBCSD's strategy towards Rio+10 are a series of high-profile reports, of which the first - "Sustainability Through the Market" - was released in April. Throughout the spring and summer, the WBCSD is publishing a series of sponsored sections in the prestigious International Herald Tribune, two full pages each time, titled "The Business Case for Sustainable Development".⁷ The ten ads, preaching the WBCSD gospel of achieving "sustainable development" through new technology and other voluntary business initiatives, are sponsored by ABB, Shell, Aventis, Tokyo Electric Power Company and a dozen other major transnational corporations. In the run-up to Rio+10, the WBCSD has also launched five new projects, including "Mining, Metal and Sustainable Development" and "Sustainable Mobility". The projects, which involve many corporations with a record of seriously unsustainable activities, are centered around a series of "stakeholder dialogues" with NGOs and international institutions.⁸ The US-based Project Underground and many other organizations have already registered their concern. In a statement entitled "Sustainability means less mining, not more", the groups describe the WBCSD's initiative to create a definition of "sustainable mining" as "a major greenwashing offensive in the effort for [the mining industry] to be part of the sustainable development plans at next year's Rio+10 conference".⁹ According to Danny Kennedy of Project Underground, these activities "aim to co-opt the very notion of sustainability".

The ICC is a very active participant in the UN Commission on Sustainable Development (CSD), the body which monitors the implementation of the Rio commitments and which is preparing Rio+10. The lobby group sent no less than 80 delegates to the latest CSD's session in April 2001, which included a multi-stakeholder dialogue on energy and transport.¹⁰ The ICC's PR machine, using its website and newspaper advertisements, is stepping up its (ab)use of the Global Compact between the UN and international business.¹¹ The Global Compact, first launched by Kofi Annan in January 2000, is based on an entirely non-binding set of environmental, social and human rights principles. The total absence of monitoring and enforcement mechanisms makes the Compact an ideal greenwash instrument in the run-up to Rio+10. Seriously concerned about the credibility of the UN, the "Alliance for a Corporate Free UN", a growing coalition of NGOs, calls for a halt to the flawed partnership with corporations and business lobby groups.¹²

Enter Business Action for Sustainable Development

To combine their efforts, the ICC and the WBCSD have recently established a new joint vehicle: Business Action for Sustainable Development (BASD). Launched at a press conference at the UN in New York in April, the BASD is "aimed at rallying the collective forces of world business in the lead up to next year's Earth summit".¹³ The new body will be lead by Sir Mark Moody-Stuart, the freshly retired chairman of Royal Dutch/Shell, a company that has pushed the frontiers of greenwash further than any other in recent years.¹⁴ Moody-Stuart is enthusiastic about the new initiative, saying that "the aim is... to ensure that the world business community is assigned its proper place at the Summit and its preparations, and that we are seen to be playing a progressive and constructive role, with a business-like emphasis on action and an openness to partnership."¹⁵

"Put simply, our message going into the Earth Summit in 2002 is that business is part of the solution", Moody-Stuart explains.¹⁶ The first major meeting of the new body will be held in Paris in October.¹⁷ Many NGOs and citizen's groups around the world are justifiably sceptical about the prominent role that industry is taking in the preparations for Rio+10. Regarding the initiators of Business Action for Sustainable Development (BASD), Kenny Bruno of the US-based CorpWatch said, "These are the same discredited companies that attempted to greenwash themselves at the first Earth Summit in Rio, and have been slowing down environmental progress ever since."¹⁸

What Industry Wants from Rio+10

The mantra continuously repeated by industry is that it has fundamentally changed during the last few decades and is in the process of solving the world's environmental problems. The WBCSD's executive

director, Bjorn Stigson, insists that it is not corporations but the consumers who are the problem today. "We believe that business knows how to tackle the production issues in the future via concepts like EcoEfficiency", says Stigson. "The consumption side is much more difficult."¹⁹ The European employers' federation UNICE even asserts that industry has achieved the "dematerialisation of the economy".²⁰ Claiming that industry has already done what it should in reducing its environmental impacts, UNICE argues that business has "therefore earned the right to take a greater share of responsibility for the environment - far beyond command and control".²¹

"Command and control" is the standard phrase used by lobby groups like ICC, WBCSD and UNICE to describe "authoritarian instruments" like binding targets and enforceable social or environmental regulations. Based on their claims of commitment to 'sustainable development', corporations argue that voluntary action and self-regulation by industry is all that is required to safeguard environmental and social progress. Disturbingly, TNCs and their lobby groups are increasingly successful in lobbying for business-friendly "solutions" rather than binding rules through international environmental negotiations. Take for example the UN climate negotiations, where corporate lobbying has pushed business-friendly pseudo-solutions (voluntary action, global emissions trading, etc.) to the centre stage, corrupting and seriously undermining the potential effectiveness of the Kyoto Protocol.²² One of the key reasons why corporate lobby groups are investing so heavily in the Rio+10 process is precisely to consolidate government support for "free- market environmentalism". As the WBCSD's Bjorn Stigson asks in a recent speech on Rio+10: "Will the trend towards the market economy continue and can we make markets function in a more sustainable way or will we see a return to more command and control and big government to handle the sustainable development issues?".²³

The Johannesburg summit will evaluate the implementation of the commitments made at the Earth Summit ten years ago, but it will also assess major new trends impacting the environment and development, including economic globalisation and new technologies like IT and biotechnology. A serious assessment would clearly reveal how the unjust and unsustainable global economic system that has emerged is a fundamental obstacle to solving the global environmental and social crisis. So the nightmare scenario for business is that the ever-growing critique of corporate-led globalisation will set the tone for Rio+10. The backlash, which has given rise to protests against the WTO, the IMF and the World Bank, challenges the logic of leaving crucial issues like environment and social progress to the global market and its corporate players. Business is very well aware that, as Stigson puts it, "an international questioning is beginning about the role and function of the free markets".²⁴

"Multi-Stakeholder Dialogues"

It is clear that Rio+10 will be the scene of a clash between the business world and numerous progressive groups from around the world who argue that TNCs and their political agenda are accelerating the global ecological and social crisis. Some NGOs, however, may not be so quick to highlight the problematic role played by industry in the Rio+10 preparations. In fact, some NGOs are de facto assisting corporate attempts to greenwash neoliberal globalisation. They do this not only by failing to maintain a healthy critical distance to business, but also engaging in models of cooperation that help TNCs convey the much desired image of responsible "global corporate citizens".

"Dialogue with civil society" - or rather with parts of it - is central to corporate strategies for Rio+10. The WBCSD, for instance, has in the last five years stepped up its use of "stakeholder dialogues". The lobby group has organised a series of international meetings with selected NGOs, events that resulted in recommendations suspiciously close to those of the WBCSD. An example is last year's "Global Dialogue on Markets", which concluded that what is needed to pursue sustainable development is "ways to create markets, where no markets currently exist, or to make existing markets operate more effectively".²⁵ The WBCSD website does not clarify which NGOs attended these events - and let themselves be used to legitimise the WBCSD discourse - but they are obviously not the kind of groups involved in challenging the WTO and neoliberal globalisation in general. A good guess is IUCN, WWF and WRI, major environmental NGOs with which the WBCSD has built up good relations over the years.²⁶ Dialogue between NGOs and business is also promoted by structures like the UK-based UNED Forum, a "multi- stakeholder NGO ... which has promoted outcomes from the first Earth Summit in 1992 and is now working on preparations for Earth Summit 2002". Both the WBCSD and the ICC are actively involved as UNED partners.²⁷ It is therefore hardly surprising that UNED receives funding from Novartis and British Petroleum. Another example of how some NGOs are embracing business in the preparations for Rio+10 is the "European Rio+10 coalition".²⁸ In this "tripartite strategic process", the WBCSD is a member, alongside with groups like the International Coalition for Development Action

(ICDA), WWF, the European Movement and European Partners for the Environment.

Reality Checks

The partnership model assumes that lobby groups like the WBCSD and the ICC are genuinely committed to the environment and social justice, but this is basically a misconception. Their "free-market environmentalism" tends to be limited to technological fixes, which include harmful technologies like nuclear energy and genetic engineering. Despite their carefully nurtured green image, in UN negotiations on climate change, toxic waste and numerous other pressing global ecological problems, the WBCSD and the ICC are systematically lobbying against effective rules to ensure environmental progress. Their real priorities are to defend the expansion of the business-friendly global trade and investment rules currently in place and to avoid moves towards effective social and ecological regulation of corporations and the global economy. The promotion of voluntary action and self-regulation as alternatives, wrapped in an increasingly sophisticated use of "sustainable development" discourse, is in fact wholly irresponsible. Almost a decade after the Rio Earth Summit, it is patently clear that voluntary industry initiatives fall far short of what is required to alleviate problems, not to speak of the flaws of corporate self-regulation. One of the most recent examples of this is the complicity of European oil companies, including self-proclaimed environmental and social front-runner BP, in serious human rights violations in Sudan.²⁹ Continued violations of environmental, labour and human rights by transnational corporations, including numerous members of the WBCSD and ICC, underline the fact that business is very much part of the problem. Enforceable international rules to control corporations and empower local communities are a much needed part of the solution.

"Sustainability Through the Market" or How to Profit from the Poor?

The business lobby towards Rio+10 claims that trade and investment liberalisation will increase economic growth and benefit the world's poorest people. The reality is that the proposed policies of "integrating the poorest in the global market" in many cases lead to further social marginalisation. Explaining the "Sustainability through the Market" philosophy at an international business conference last year, Peter R. White of the WBCSD outlined how business can help by "providing appropriately priced products that meet basic needs".³⁰ Using a concrete example of how this could work for his own company, Proctor & Gamble, White explained that P&G would "provide individual use portions of products, since many may not be able to afford a large volume pack". Rather than reducing the price of the product, all P&G would do is to enable the poorest to try out the product in a small quantity which they could maybe afford occasionally. Clearly this has nothing to do with poverty alleviation, but reveals the superficiality and the cynical reality behind the WBCSD's use of the term sustainability.

Relevant Web Links

Official

- [Rio+10 Website](#)

Industry

- [World Business Council for Sustainable Development \(WBCSD\)](#)
- [International Chamber of Commerce \(ICC\)](#)
- [European Partners for the Environment](#)

Organisations

- [CorpWatch](#)
- [Friends of the Earth International](#)

Related Articles

- [ICC Step-Up Counter Campaign Against Critics of Corporate-Led Globalisation](#)
- [Campaign for a Corporate-Free UN](#)
- [UN-Business 'Partnerships'](#)
- [Toothless UN Website on Global Compact with TNCs](#)
- [The Global Compact: The UN's New Deal with 'Global Corporate Citizens'](#)

- [UNDP and TNCs: Integrating Two Billion People into the Global Economy?](#)
- [The Geneva Business Dialogue: Business, WTO and UN Joining Hands to Regulate the Global Economy?](#)
- [United Nations Under Siege](#)
- [Nestlé and the United Nations: Partnership or Penetration?](#)
- [World Business Council Sustainable Development](#)

Notes

1

For a detailed analysis, see for instance: 'The Earth Power, Politics and World Development', Pratap Chatterjee and Matthias Finger, London: Routledge, 1994. For background on the World Business Council for Sustainable Development (WBCSD), see 'Exploiting Sustainability', chapter 16 in 'Europe, Inc. - Regional & Global Restructuring and the Rise of Corporate Power', Corporate Europe Observatory (CEO), published by Pluto Press, January 2000.

2

International Environmental Reporter, Volume 24, Number 10, 9 May 2001.

3

Felix Dodds, "Rio+10 and Beyond", speech at Euro Environment 2000, Aalborg, October 18, 2000.

4

Claude Fussler of the World Business Council for Sustainable Development in 'What's at Stake at the Summit?', International Herald Tribune April 12 2001; the article was part one of "Business & the Rio Decade", a ten-part series of sponsored sections published in the International Herald Tribune.

5

'Felix Dodds, "Rio+10 and Beyond', speech at Euro Environment 2000, Aalborg, October 18, 2000.

6

'The Road from Rio to Johannesburg', International Herald Tribune April 12 2001.

7

'Business & the Rio Decade', a ten-part series of sponsored sections published in the International Herald Tribune. The first four sections appeared on April 12, April 26, May 10 and May 24th 2001.

8

'Mining, Metal and Sustainable Development' is a "two-year project of participatory analysis seeking to understand how the mining and minerals sector can contribute to the global transition to sustainable development." See also <http://www.iied.org/mmsd/index.html> "Sustainable Mobility" aims to "assess the global impacts of current transportation modes (land, sea and air) and to develop visions of future mobility." See also <http://www.wbcSDmobility.org/>

9

"Sustainability means less mining, not more", 'Statement to the UN Environment Program Regarding the Mining, Minerals and Sustainable Development Initiative', <http://www.moles.org/ProjectUnderground/campaigns/mmsdi0104.html>

10

Business will feed environmental expertise to UN", http://www.iccwbo.org/sdcharter/news_archives/2001/stakeholder.asp (accessed 24 March 2002).

11

On its website, the ICC presents numerous brief stories of isolated, non-verifiable initiatives, however insignificant and unrepresentative of the companies record, as proof of 'corporate citizenship': http://www.iccwbo.org/home/menu_global_compact.asp to Davos 2001, the ICC sponsored a special four-page section of the International Herald Tribune, on the Global Compact. "The Global Compact - Business and the UN", sponsored section in the International Herald Tribune, January 25 2001.

12

See also <http://www.corpwatch.org/un/>

13

'Business gears up for Earth Summit with launch of new initiative', WBCSD website, <http://www.wbcSD.org/> (accessed May 25 2001). The BASD is not intended as a new organisation, but will be a vehicle used only in the run-up to and during the Earth Summit II. It is "simply an initiative which has the life span of the period leading up to the Second Earth Summit". 'Business gears up for Earth Summit with launch of new initiative', ICC website, http://www.iccwbo.org/home/news_archives/2001/basd.asp (accessed April 24th 2001).

14

'Business gears up for Earth Summit with launch of new initiative', ICC website, http://www.iccwbo.org/home/news_archives/2001/basd.asp (accessed April 24th 2001). On Shell's greenwash efforts, see for instance the nomination of Shell for the Corporate Watch Earth Day

15 2000 Greenwash Award <http://www.igc.org/trac/climate/gwshell.html>

16 Moody-Stuart quoted by Jack Whelan, International Chamber of Commerce, 'Statement by
business and industry to the 10th Session, UN Commission on Sustainable Development', April 30
2001.

17 BASD website, <http://www.iccwbo.org/sdcharter/basd/basd.asp>

18 The Business Strategy Meeting will take place in Paris October 9-10, attended by "business
leaders from all over the world". The meeting "will set the agenda for business and sustainable
development in the run-up to Johannesburg". "Business Action for Sustainable Development
(BASD)", International Chamber of Commerce website [http://www.iccwbo.org/sdcharter/basd/
basd.asp](http://www.iccwbo.org/sdcharter/basd/basd.asp) (accessed April 24th 2001).

19 "NGOs Vow to Scrutinize Business Plans for Earth Summit II", Alliance for a Corporate-Free UN
press release, April 19th 2001, <http://www.corpwatch.org/press/un/pr/2001/basd.html>

20 Bjorn Stigson, 'Visions, Strategies and Actions towards Sustainable Industries', speech at Euro
Environment 2000, Aalborg, October 18, 2000.

21 UNICE's Cynthia Wolsdorf asserts that corporations have "done their homework" and "learned to
set their own priorities and targets and to monitor their achievement". Cynthia Wolsdorf, "New
policy approach towards sustainable industries", speech at Euro Environment 2000, Aalborg,
October 18, 2000.

22 Ibid.

23 'Greenhouse Market Mania - UN climate talks corrupted by corporate pseudo-solutions', CEO
briefing, November 2000; <http://www.xs4all.nl/~ceo/greenhouse/>

24 "What we have witnessed lately in Seattle, Bangkok, Melbourne and Prague is underlining this
concern." Bjorn Stigson, "Visions, Strategies and Actions towards Sustainable Industries", speech
at Euro Environment 2000, Aalborg, October 18, 2000.

25 Ibid.

26 The 'Global Dialogue on Markets' took place during Expo2000, July 2000 in Hannover, Germany.
Peter R. White, "Sustainability Through the Market: Making Markets Work for Everyone", speech
at Euro Environment 2000, Aalborg, October 18, 2000.

27 'World Business Council for Sustainable Development: the Greening of Business or a
Greenwash?', Adil Najam, printed in 'Yearbook of International Co-operation on Environment and
Development 1999/2000', Earthscan, London.

28 See also: <http://www.earthsummit2002.org/es/partners/europe.htm>

29 The "European Rio+10 coalition" is initiated by the European Movement and European Partners for
the Environment. See also <http://www.epe.be/>

30 TotalFinaElf, OMV, Lundin and BP are among the TNCs are among the European-based TNCs
directly or indirectly involved in oil exploitation in Sudan, thereby fueling the government's
displacement campaign and civil war. BP's involvement is indirect, through its co-ownership of
PetroChina, one of the main oil extractors in Sudan. "The Regulatory Void - European company
involvement in human rights violation's in Sudan's oil fields", Christian Aid briefing, May 2001, [http://
www.christian-aid.org.uk/indepth/0105suda/sudan.htm](http://www.christian-aid.org.uk/indepth/0105suda/sudan.htm)

31 Peter R. White, 'Sustainability Through the Market: Making Markets Work for Everyone', speech at
Euro Environment 2000, Aalborg, October 18, 2000.