

# Investing in What, For Whom?

## Corporate Accountability and the MAI

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### Don't look now, but...

Because of the secrecy maintained by a tiny circle of trade and finance officials within the US and other industrialized governments, we are now seeing public interest, labor and environmental organizations suddenly racing to comprehend the full consequences of the Multilateral Agreement on Investment (MAI) being quietly negotiated out of the public eye. This careful avoidance of public scrutiny is precisely because many of the local and state laws now protecting local communities and environments from harm will soon be rendered impotent, as transnational corporations are given bill of rights is designed to empower large companies to sue any nation interfering with its new rights to expand its business operations wherever it chooses.

With citizen organizations only learning about the actual details of the MAI when it was leaked to the public sometime last year, it is not surprising that these officials chose to keep the negotiations out of the limelight, and then attempt to torpedo the agreement through their congresses and parliaments before the voters have a chance to grasp the implications of this corporate/government power play. President Clinton's push for "fast track" powers to approve trade agreements is just one manifestation of this broader transnational corporate strategy.

It should come as no surprise that local and state governments, nongovernmental and community-based organizations, consumer groups and labor unions are now scrambling to understand and develop appropriate strategies and campaigns to stop the MAI from burying so many hard-won community rights and protections. As we increasingly see and communicate the implications of the MAI, the necessity of finding the right strategy, educating our colleagues and constituencies, and mobilizing resistance becomes more a priority. Yet, with the intention to reach an agreement by spring, little time remains to mobilize resistance.

### Strategies

The first priorities for public interest organizations are to familiarize ourselves with the MAI document and its implications and to help acquaint others. Then

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we must work through the differences between those groups focused entirely on trying to kill the agreement and those groups trying to amend it. While these two objectives may generate different strategies, it is important that this division is not *divisive* – that the strategies are complementary and not competitive. The MAI campaign should allow for and become strengthened, not undermined, by these two levels of work.

The campaign to prevent approval requires immediate outreach to community leaders in each country and an effective effort to educate and inform workers, consumers and voters on the direct impacts to themselves, their families and friends, and communities, and to the environment. Different audiences will require different emphases and outreach methods. The most effective immediate strategy is to concentrate on building alliances with other organizations and networks that will be affected by MAI, getting the appropriate individuals within those groups to quickly mobilize their members and constituencies. The next step is maintaining these alliances with the communications and information necessary to coordinate actions to influence each country’s legislators. We can expect that our success in getting attention will be matched by increasingly aggressive public relations and lobbying efforts by business and industry. Since they will have the financial resources for this last stage before the vote, we will have to effectively mobilize our *social* resources.

If the campaign to mobilize enough public support against approving the agreement is not successful, as in the campaign against the creation of the WTO, we will then need whatever is successfully amended regarding mechanisms for public reporting and oversight and language asserting environmental, labor, health and human rights protections. We need more than non-binding acknowledgments of the importance of socially responsible business practices. Accountability requires mechanisms by which any harm or potential produced by a company can be determined and made known to the public (e.g., Right to Know laws need to be expanded), as well as mechanisms through which claims by harmed communities or individuals can be raised (as was heard last June in New York at the People’s Tribunal on Human Rights and the Environment). There needs to be acknowledgment, as done last summer in the UN General Assembly’s Programme for Further Implementation of Agenda 21, of the importance of promoting corporate responsibility and accountability.

The distinction between these two terms is crucial, but often confused by governments and NGOs alike. “Responsibility” refers to companies’ voluntary efforts to act in the best interest of society, while “accountability” refers to their legal obligation to do so. The MAI systematically strips away corporate accountability, although it may offer language encouraging corporate responsibility. However, government’s legitimacy depends on its own responsibility and accountability to the public; if government signs away its power and obligation to protect the public, it is also signing away its legitimacy to govern in the public’s interest. This fact must remain in the forefront of both strategies.

This careful avoidance of public scrutiny is precisely because many of the laws now protecting local communities and environment from harm will be rendered impotent.

## Alliances

Even if the MAI is rejected, its spirit will quickly find new incarnations. The effort to empower transnational corporations over communities will not stop at the MAI or WTO or NAFTA or any other agreement. On the other hand, if the MAI is approved, we will later need those amendments to further our struggle. That is, the struggle should not simply be against the MAI but to empower communities and workers and to protect human health, human rights and the environment.

Keeping our eyes on these common goals provides the basis for building alliances among a diversity of groups – environmental, human rights, trade unions, consumer, women, health, social development and others. Such alliances are often easier to rhetorically aspire to than to establish and maintain.

As the October NGO consultation in Paris approaches, it is important to develop the MAI strategy in relation to the other campaigns and strategies being conducted addressing the various aspects of corporate globalization. These include the focus on the WTO, structural adjustment and the World Bank/IMF, the struggles taking place at the Commission on Sustainable Development (CSD) and the follow-up to other UN Summit agreements, the focus on corporate welfare, as well as the many campaigns focusing on individual corporations and their impacts on specific communities (e.g., Royal Dutch Shell and the Ogoni in Nigeria or Freeport-MacMoran in Irian Jaya) and struggles by trade unions. Furthermore, there are the many efforts to promote socially responsible business practices and investment, which range from public relations maneuvers to truly innovative reforms. There is a broader movement addressing corporate abuses and the unaccountability of business and industry to society, a movement ultimately working towards the larger goal of changing the economic system. To gain the public support needed to go up against the MAI, we need to draw upon this movement, upon the many organizations and their constituencies making up this movement. Such a task requires looking at the problem from many different perspectives.

For the MAI campaign to be truly successful, we need to go beyond a defensive strategy to counter this particular corporate power play, to simply kill or amend the agreement. We need our efforts to contribute to as well as draw upon this broader movement of campaigns and strategies to change the global patterns of investment, production and consumption, and distribution of goods and services.

In the long run, we must do more than simply reverse the trend of empowering corporations rather than communities. We must also redefine and reinvent the corporation's role in society to that of socially responsible and accountable producer. In turn, we must redefine and reinvent our role as responsible and accountable consumers, workers and citizens.

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