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**MIKAEL NYBERG**

*The Green  
Capitalists*

**Friends of the Earth Sweden**

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## FOREWORDS

**M**any want to protect the environment and social security working for a society built on solidarity. But how can we do this and what interests are there against us?

Since its start in the early 1970s, Miljöförbundet Jordens Vänner (Friends of the Earth Sweden) and the local environmental groups in Sweden have been participating in the coordination of international action days against road traffic and later linking the protection of the global climate with planting trees, anti-car actions, solidarity and human rights issues. During this work we have come across more and more organised resistance. Different groups have been formed to pressure for what has been put forward as the interests of industry, but in reality has been the interests of large companies and often only the special interests of a few large, transnational companies. Old and new clubs for the directors of large companies and chambers of commerce are increasingly setting the agenda both for domestic and international politics.

In our co-operation with A SEED (Action for Solidarity, Equality, Environment and Development), ANPED (The Alliance of Northern People for Environment and Development), Friends of the Earth International, and many others interested in environment and solidarity, the need to scrutinise the actions of large corporations has

been confirmed. The recent experience with the Multilateral Agreement on Investments (MAI) have opened the eyes of many people. The MAI negotiations shows both how far politics today is formed according to the interests of global corporate investors and the discrepancy between the officially declared environmental and, when they exist, also social policies of corporations and the demands made by the representatives of the same corporations when putting pressure on international negotiations.

Friends of the Earth Sweden believes it is important to spread information on this corporate hypocrisy and contribute to a discussion on corporations and democracy. We have already highlighted in a special report on MAI the contradictions between transnational companies and the organisations representing them. The official environmental policies of Swedish transnational companies ask for high standards when simultaneously there is a blunt rejection of all environmental and labour standards put forward by the interest organisations of the same corporations to pressure the MAI negotiators. This report takes a broader look and examines decades of corporate management of opinions and the ecological and social crisis. The corporate strategy on international environment and development started with the first United Nations conference on environment which took place in Stockholm 1972. The Swedish environmental movement had then some unique experience which is now exchanged with those who are dealing with more recent developments.

By examining the growth of the corporate activities over a longer period it is possible to find patterns making it possible to question and oppose the way opinion is influenced by the use of money and other instruments of

unequal power. This influence is taking place in an increasingly more and more organised fashion. The very large resources that corporations are putting towards these activities present a hazard to democracy, as there are hardly any limits for the amount and the direct and indirect ways in which the politicians, mass media and general opinion are influenced. An advantage, however, of this influence taking place in a more and more organised way, is that some of the work is made more public, even if the director's meetings are still usually closed. It can even be the case that the more concentrated organising of director's clubs for large corporations makes it easier than before, when lobbying took place more informally, to separate out their special interests. Industry is not a single monolithic unit with a collective leadership. The vast majority of companies are not at all aware of, or have asked about the large corporate politics which are dealt with here. Many small and medium sized companies can have more in common with the interests of the environmental movement than the interests of the most powerful transnational companies.

This book is published as part of our work on climate issues presented in a broad social and environmental context, partly financed by the Swedish International Development Authority (SIDA). Journalist Mikael Nyberg was commissioned by Friends of the Earth Sweden to write this report emphasising the international level and environmental issues in their full social context. He was asked to give an overview of the strategy of large corporations and their influence. The contents and conclusions in the book are those of the author alone. The report primarily examines the ideological content, the way in which large

corporations organise, and the growth in their influence, through what is increasingly more and more becoming known by the term “lobbying”. Population issues, lifestyle movements, and positions on the limits to growth are touched as well as EU, climate and social issues.

Corporations tries to coopt the public interest for environment and development issues and make an ideology of it compatible with their short term profit interests. There is a common vision for politics of large corporations, where environmental issues are put in a more broader, neo-liberal strategy for global change. The role of the welfare state should shrink. Market forces be more unregulated and free to play their game across borders, sometimes combined with charity projects for limited parts of the population organised by non-governmental organisations. We hope that there will be increasing growth in a more environmentally conscious solidarity strategy, resulting from co-operation between unions, the environmental movement and other public forces, so that industry, sooner or later, must adjust. In this way hopefully everyone in the future, also when it is not in the interest of the large corporations, can live a good life without threats against their freedom, social security and environment.

*Tord Björk*

Friends of the Earth Sweden

THE ARGUMENTS and opinions presented in this book are by no means shared by all members of Friends of the Earth Europe. However the issues discussed herein, such as globalisation versus environmental and social rights, the role of ECOs (Environmental Citizens' Organisations)

and of enterprises are all part of an important, exciting and controversial debate in which our network is involved while campaigning for sustainable societies. Friends of the Earth Europe is therefore happy to be among the presenters of this work, which indeed provides food for thought.

*Laura Radiconcini*

Vice Chair of Friends of the Earth Europe

TRANSNATIONAL CORPORATIONS (TNCs) are becoming ubiquitous in our daily lives. They provide the food we eat, the transport infrastructure we use and the office equipment we work on. They are even setting our national and international political agendas. The Northern Alliance for Sustainability, ANPED (formerly known as the Alliance of Northern People for Environment and Development) strives to change unsustainable consumption and production (CAP) patterns in the North. In doing so, TNCs cannot be ignored. They are involved in every stage of consumption and production.

In today's climate of deregulation and ever freer trade, one of the few ways in which society can safeguard existing standards and demand stricter ones, is through consumer pressure. Driven by consumer concerns, corporate retailers in Western Europe were much faster than governments in reacting to the arrival of genetically engineered products on supermarket shelves. In some ways, globalisation can effect a faster change towards more sustainable CAP patterns, given that a handful of TNCs are easier to target than millions of small and medium sized companies.

But, do we want production in the hands of a few TNCs? For corporate retailers in countries, such as the

UK, the rush to embrace organic food is not altruistic. It is market driven. Indeed, these are the same retailers who are stocking genetically engineered food and resisting its labelling. If supermarkets end up controlling organic food production and retailing, they are likely to compromise on standards. Their whole operation is minutely controlled, authoritarian and built on financial efficiency, homogeneity and assembly-line principles. Unfortunately, nature specialises in diversity and not “just in time delivery”. Replacing large-scale industrial farming with large-scale organic farming will achieve little.

ANPED is one of the founding organisations of the NGO Task Force on Business and Industry (ToBI), created to address the lack of corporate accountability in this era of free trade. This issue is especially relevant given the unique position of TNCs, which in many cases, are legally accountable to no one. ToBI’s specific task is to put this issue on the agenda of the CSD (Commission for Sustainable Development).

ToBI’s focus on corporate accountability is a response to the limits to self-regulation. At CSD 6, in April 1998, ToBI succeeded in starting a multi-stakeholder process to review the role and effectiveness of voluntary initiatives. The Review is particularly important in the light of high-budget public relations exercises, or “greenwashing”, which are used to cover up or distract attention away from bad company decisions, immoral conduct and the heart-breaking tragedies which plague communities around the planet.

By providing an insight into the corporate histories of individuals behind prestigious institutions, such as The Club of Rome or the International Institute for Environ-

mental and Development, *The Green Capitalists* will help activists differentiate between the true “greening” of industry and their “greenwash”.

Politicians, in adopting the TNC agenda for ever freer trade and putting decisions on trade into the hands of unelected bodies, such as the World Trade Organisation, are finding their hands tied. The TNC agenda is incompatible with our vision of sustainability. There is instead, a need for bottom-up processes to change consumption and production patterns which include all sectors of a community. Sustainability can only be built from below. People increasingly want to maximise local production and consumption, to keep money generated by local economy in the local economy – and not see it escape. In this way, they can increase accountability and their own self-sufficiency.

*Iza Kruszevska*

International Co-ordinator

ANPED, Northern Alliance for Sustainability

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## CHAPTER 1

# *Strong but Weak*

*Transnational Capital Dominates Public Life,  
but Is Basically Weak*

**O**ne of the richest men in the US is Richard Mellon Scaife. His personal wealth is over 150 million dollars and he controls organisations with even greater assets. With the power of his capital, he directed a large part of the public debate and the political life in the US, during the 1980s. His influence also extended to other countries.

Richard Mellon Scaife owns several medium-sized newspapers, but that was not his most important instrument of influence. He succeeded in multiplying the political effect of his monetary power by investing in a series of well-known and more obscure research institutes, discussion clubs, and political campaigning organisations. The annual donations of over 10 million dollars made by Richard Mellon Scaife and his organisations contributed to the breakthrough of the new Right into US politics, in the 1980s. The most important of Scaife's think-tanks is The Heritage Foundation. When Ronald Reagan became president, eleven of his closest advisors came from this Foundation.<sup>1</sup> The head of The Heritage Foundation, Edwin Feulner, explained in 1995 how they operate. Milton Friedman and other intellectuals could argue for private

investments, tax reductions, and deregulation. But then, the ideas had to be marketed. Thus, it was not enough to try to win the support of voters at political elections. Large corporations needed to finance the continuous cultivation of the public opinion, both at the top and the “grass roots”. This work was Feulner’s specialty.<sup>2</sup> Environmental issues provide many examples of how his principles have been applied by those representing the largest capital interests.

Today, the world economy is controlled by several hundred transnational corporations based in the US, Europe, and Japan. Each of these corporations is at the top of a pyramid of layer upon layer of suppliers, reaching down to small companies located on the edges of cities in the third world.

At the top of the pyramid we have patents and trademarks, marketing, finance management, and strategic parts of manufacturing. From there, all the smaller vassal companies are supervised. It is at the



top of the pyramid that most of the riches extracted in the global production process are collected. At the bottom of the pyramid, the hardest work is done for the lowest salaries. That is where the dirtiest industry is placed, where forests are devastated and waste accumulates.

This production system delivers more material goods than ever before, but it cannot do this without, at the same time, squandering the sources of wealth: both the human and natural resources. In the transnational world economy, goods are not the only things that are produced. Unemployment, poverty, and environmental crises are also created. In India, hundreds of thousands of people demonstrated against the new GATT free trade agreement. They thought cheaper medicine was more important than patent rights for corporations like Merck, Glaxo, and Astra. They believed that agriculture in India must be protected against the grain giant Cargill. Despite their protests, the government in New Delhi signed the agreement.

In Sweden, most people consider the situation, where several hundreds of thousands of people are unemployed, while at the same time, the medical system collapses and industrial workers put in unprecedented amounts of overtime, madness. They vote for those who promise employment, welfare, and a better environment. However, once elected, politicians make decisions that have the opposite effect. What causes these discrepancies between the will of the people and political decisions?

In school we learn that our democracy works as follows: first, equal citizens test different views and arguments in a public debate. Then, they choose representatives who carry out the policies most people consider just and right.

In practice, that is not the way it works. Citizens do not have equal weight in the debate, and their power over their elected representatives is very unevenly distributed. Those who own and control the transnational companies represent a very small part of the total population, but their influence over the public debate and the political decision making process in the rich countries is disproportionately large. Since the rich countries control many global instruments of power – everything from economic warfare to bombers and intervention forces – a tiny percentage of the total population is able to maintain a world order which is damaging for several billion people.

Moving through the corridors of decision making organisations in Washington, Brussels, and Tokyo, are thousands of men on the payrolls of corporations and interest groups to influence politicians and government representatives to make certain decisions. This lobbying activity is dominated completely by large corporations, since they have the most money with which to buy influence. For example, of the 10,000 lobbyists in Brussels, over 90% come from industry.<sup>3</sup> But more important than hob-nobbing in the corridors of power, is the control that large corporations have over the infrastructure of public debate and political life. The small minority at the top of the transnational corporate pyramids own newspapers, book publishing companies and radio and TV channels. In many countries, they finance the leading political parties, and control and influence research organisations and discussion clubs. Thus, political decisions are what they are because they are filtered through a censored choice process.

This is particularly blatant in the US. Leading politicians are taken directly from investment banks on Wall

Street and from large corporations and think tanks. When their period in office is over, the Ministers, government secretaries and officials return to their old posts. Whoever wants to be president does not anchor himself in public opinion, but in the top echelons of capital. President Jimmy Carter and at least 25 of his highest ranked collaborators were recruited from the Trilateral Commission, an exclusive international discussion club founded by David Rockefeller in 1973.<sup>4</sup>

The same mechanism for selecting political leaders is used in Great Britain. When the new Labour leader Tony Blair tried to secure himself a victory in the parliamentary elections, he rushed down to Australia to give a speech at a conference of 200 CEO's in Rupert Murdoch's media empire. He assured them that the new Labour Party would continue to attune British society to the market, and that the media market would be deregulated and the anti-union laws left intact.<sup>5</sup> Blair visited Murdoch because Murdoch owns the most popular newspapers in England and controls satellite TV. In previous election campaign, the Murdoch press strongly opposed the Labour candidature.

It is not a question of conspiracies. The power of the transnational giants is both more refined and more widespread. Plots do play a role, but for the most part they are not necessary. Closed operations like the Trilateral Commission, European Round Table of Industrialists, and World Business Council for Sustainable Development provide forums where the leaders of the biggest corporations gather to clarify their interests and develop political strategies to further these common interests. The chosen few of the inner circle reason and argue in order to arrive

at the ideas that best serve their interests.

These debates are no stranger than the political debates in the coffee rooms of factories or at union and environmental movement meetings. The difference is that because of their control over the infrastructure for public debates, it is much easier for the company leaders to market their ideas. Via the media their concepts reach all the way down to discussions in coffee rooms, but the thoughts that come out of popular discussions are for the most part filtered out of public discussions.

It is a question of probability. Before the 1994 referendum on Swedish membership in the European Union, there was no decree that stated that the daily newspapers should lobby for the pro side, but the probability that they would do so was overwhelmingly large. Nine of ten newspapers were for EU membership, since almost all the owners of the newspapers were also pro-EU, and because these owners had chosen editors they could trust.

Different constellations of capital can have changing and often completely contradictory interests. They can also choose separate political approaches to reach the same goal. In Sweden, which is a small country, the large companies manage for the most part to compromise and present a united front. Also, through the Swedish Employers Association (SAF – Svenska arbetsgivareföreningen) and its affiliates, they have had great success in getting small and medium-sized companies to join many of their campaigns. In the US, rivalry and opposition is more common.

In the 1980s, large corporations were involved in both sides of the debate about President Reagan's armament programme. Parts of the weapons industry benefited gre-

ately from the major rearmament, but the financial interests on Wall Street were worried about the budget deficit and inflation. Real estate owners in the large cities suffered from cutbacks in roads and infrastructure, and companies with interests in Western Europe, and hope for new markets in the Soviet Union and Eastern Europe, saw their plans upset by political tensions and economic sanctions. Therefore, from 1982, real estate magnates, finance houses, and private foundations started to direct money towards peace researchers and organisations that criticised Reagan's armament programme.<sup>6</sup>

This criticism was not directed towards US superpower politics per se. It focused almost exclusively on the new nuclear weapons and was connected to old divisions within the US establishment. The liberal, so-called east-coast, establishment is usually in favour of an expansive foreign policy since it has large capital investments in Europe and other parts of the world. Opposing this group, is a coalition of conservative, so-called isolationists. They are in favour of directing capital towards the domestic market and neighbouring countries. In general, they are against expensive, foreign military involvement and in favour of a defence directed towards keeping enemy powers out of the western hemisphere.

In the European debate, it is usually taken for granted that the liberal expansionists are better than the conservative isolationists, but for people in the Third World it is rather the opposite. They have had the greatest problem with the liberals, since the east-coast establishment has been the most enthusiastic concerning military intervention and the placement of soldiers in foreign countries.

The liberal critics of Reagan's armament programme

saw the fixation with new missiles and anti-missile systems as an isolationist tendency. They feared that the ability of the US to intervene in local conflicts around the world would suffer. They wanted a preliminary agreement with the Soviet Union on nuclear weapons to enable resources to be directed towards conventional military forces which could be used in the Middle East and other parts of the Third World.

The same conflict exists between the liberal expansionists and the conservative isolationists in the debate about environmental and North-South issues. Isolationists refuse to negotiate “the American way of life”, deny threats to the environment, and want to cut back development aid. On the other hand, those in the expansionist wing present themselves as green capitalists. They discuss the problem, defend development aid and sponsor leading environmental organisations. This report deals primarily with these green capitalists and their counterparts in Europe. The question is, what position should popular movements take with regard to the interest for environment and development issues being shown by leading representatives of transnational corporations?

This report shows how the green capitalists got their colour and what they are striving for. The perspective is from the top down. A description is given of the plans and strategies being developed by leaders of large corporations whose purpose is to control environmental politics and North-South issues. This is not to say that development is decided at the top. It is just a reflection of the social position of the green capitalists.

In reality, it is the movements at the bottom of the pyramid that direct development. The men at the top know

that. That is why they spend so much time trying to manipulate public consciousness. Basically, the men at the top have a weak position. They can only try to influence what happens at the grass roots from a distance.

Some environmentalists think that it is possible to climb to the top and then change development. I believe that is wrong. Organised mass movements cannot imitate their adversaries and take over their instruments of power. With statistical certainty, such attempts end with the activists acting just like the people they were opposed to at the beginning. The strength of popular movements lies precisely in their underdog position. They live and work among those who decide the course of history.

1 Columbia Journalism Review. July-August 1981.

2 Briarpatch. May 1990.

3 Metallarbetaren, April 1993; and Dagens Nyheter, 14 July 1995.

4 Holly Sklar (ed), *Trilateralism* (Montreal 1980), p. 2.

5 Financial Times, 17 July 1995.

6 Thomas Ferguson, Joel Rogers, *Right Turn – The Decline of the Democrats and the Future of American Politics* (New York 1986), p. 150.

## THE PRIVATE ORGANISATIONS

The following are some of the directors' clubs and lobby organisations named in this report.

*Aspen Institute*: founded in 1949; a discussion forum for company leaders, politicians, and academics from the US, Europe and other parts of the world; Swede Pehr G. Gyllehammar was vice-president in the 1980s; other leaders include Robert O. Anderson, Henry Kissinger, Robert McNamara and Maurice Strong; the main financial backer is Atlantic Richfield Company, one of the biggest oil companies in the US.

*Business Association of the World Social Summit (BUSCO)*: an official advisory group of company leaders formed for the UN World Social Summit in 1995; the chairman is Olivier Giscard d'Estaing, brother to the late former President of France, Valiry Giscard d'Estaing.

*Business Council for Sustainable Development (BCSD)*: founded in 1990 by Stephan Schmidheiny to assist Maurice Strong, General Secretary of the UN Conference on Environment and Development in Rio de Janeiro in 1992; gathered together leaders from companies, such as ABB, Chevron, Ciba-Geigy, Dow Chemical, Du Pont, Mitsubishi, Shell and Volkswagen, and from Sweden, Percy Barnevik and Antonia Ax:son Johnson; the new head of the World Bank, James Wolfensohn, has been a member.

*European Round Table of Industrialists (ERT)*: founded on the initiative of Pehr G. Gyllehammar in 1983; organises about 40 of Europe's most powerful company leaders, including Lars Ramqvist, head of the Swedish transnational company Ericsson; Stephan Schmidheiny was a member for a long time; many of its member companies have strong interests in the automotive industry.

*Global Climate Coalition (GCC)*: founded in 1989 by 46 large corporations in the US, including Atlantic Richfield, Dow Chemical and Du Pont; tries to prevent measures

which limit emission of greenhouse gases.

*Heritage Foundation*: the most important think tank of the new right in the US; founded in 1973 and financed by a number of large companies including Chevron, Dow Chemical, Exxon and Shell.

*The Club of Rome*: a discussion club for about 50 businessmen, politicians and researchers founded in 1968 by Aurelio Peccei, an Italian industrialist tied to Fiat and Olivetti; its financial backers include Volkswagen and the Ford Foundation.

*The Trilateral Commission*: a creation of David Rockefeller and Zbigniew Brzezinski (later security advisor to Jimmy Carter); since 1973, it organises annual gatherings of a few hundred of the Western World's leading politicians, academics and company leaders for discussions on strategically important political issues; members have included Jimmy Carter, Bosnian negotiator Richard Holbrooke, Henry Kissinger and Maurice Strong.

*World Business Council for Sustainable Development (WBCSD)*: founded in 1995 after amalgamation of the BCSD with the World Industry Council for the Environment (WIRE); the chairman is Rodney Chase, British Petroleum, and vice-chair is Stephan Schmidheiny; Percy Barnevik, chairman of ABB, is also a member of the board; a few of the member companies are ABB, Akzo Nobel, Ciba, Dow Chemical, Du Pont, Fiat, Glaxo, Mitsubishi, Mitsui, Mobil Oil, Nestle, Norsk Hydro, RTZ, Renault, Sandoz, Shell, Statoil, Stora, Tetra Laval, Texaco, Toyota, Unilever, Volkswagen, Weyerhaeuser, and Volvo.

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## CHAPTER 2

# *The Green Capitalists*

*An Interview with Björn Stigson, World Business Council for Sustainable Development*

**T**he green capitalists, calling themselves the World Business Council for Sustainable Development (WBCSD), have their headquarters in a villa outside Geneva. The executive director is Björn Stigson from Sweden. He is smiling at me right now out of a newspaper photograph. He is dressed as directors usually are: glasses, dark suit, shirt and tie. His tie clip is made of gold and his watch is an exclusive brand. His telephone number is to a residence on Öland, a Swedish island.

“Our organisation is a spearhead,” he says. “We are going to show that seeking profits and industrial progress can be combined with protection of the environment.”

That is the formula of the day. PR-conscious corporations create an image of themselves, in newspapers and TV advertising, as protectors of nature; the market for ecological goods is growing, and environmental experts are invited into board rooms as consultants and discussion partners.

The World Business Council for Sustainable Development is the transnational corporations' own environmen-

tal organisation. Of the roughly 120 members, half are on the list of the 500 largest corporations in the world. The others all belong to the top layer in their countries.

Shell, the world's largest oil company is a member, as is the world's largest automobile company Toyota, and the chemical giants Du Pont, Dow Chemical and Ciba-Geigy. These companies are associated with air pollution, climate change and ozone holes. However, Björn Stigson assures me that now they are going to save the environment.

"We are on our way into a new phase, where we have to find concrete solutions to environmental problems. Industry has to be included."

Björn Stigson is used to presenting business ideas. He was head of ABB Fläkt and vice-president of ABB when Percy Barnevik restructured the company and had to find him another post.

WBCSD grew out of the corporate council that Stephan Schmidheiny, owner of the Swiss part of ABB, founded for the UN Conference on Environment and Development in Rio de Janeiro in 1992. The leaders of the conference wanted to include the largest corporations and therefore invited Schmidheiny and his colleagues to join.



Today, the WBCSD cooperates with international organisations including the UN, the World Bank, and the European Commission. There, people listen when the green capitalists speak, Björn Stigson explains. Even among professional environmentalists, there is a growing conviction that the environment and the market go hand in hand.

He speaks with the self-confidence of a corporate establishment which has advanced its frontlines following the demands in the 1960s and 1970s for a new world economic order.

At the Rio conference, governments formally declared that the greatest source of environmental destruction is “the industrial countries’ unsustainable pattern of consumption and production.” The rich countries should, amongst other things, be first to limit their emissions of carbon dioxide, irrespective of outstanding scientific uncertainties concerning the greenhouse effect. This approach is called the “precautionary principle.”

Björn Stigson and the WBCSD attempt to redefine the issue from demands on corporations, to corrective measures that open new possibilities for business.



At the climate conference in Berlin, in the spring of 1995, the WBCSD stressed that free trade, foreign investments and respect for the technical monopolies of transnational companies were effective methods for improving the global envi-

ronment. The precautionary principle needs to be rephrased as a “no regrets” principle, meaning that the world community should not do anything that it would regret, if fears about the greenhouse effect prove to be unjustified.

This, of course, means the direct opposite of the precautionary principle. “Well, it may be opposite poles,” admits Björn Stigson, “but you’ll always have to strike balances.”

How green is green capitalism? How far does its interest in the environment go? I asked a very concrete question, “What is your opinion about the Dennis Package, the highly contested plan to build a ring of new motorways around Stockholm?”

“I don’t actually have any informed opinion about it,” he explained. “I haven’t taken a close look at it, and besides, I now live in Geneva.”

It is a strange answer. For 10 years Björn Stigson was head of ABB Fläkt, one of the main partners in a consortium which lobbied successfully to tie Stockholm politicians to a multi-billion Swedish crown investment in new car traffic in the region. ABB Fläkt would provide the ventilation in the tunnels.

“Yes, we had an interest in the eastern route,” he admitted. “We had our main office in Nacka (on the edge of Stockholm), and that is why we wanted that freeway and we, of course, also had a clear interest as a supplier.”

*“Did you consider the environmental effects of the project?”*

“When we were involved, that debate was hardly taking place, and today, as I said, I don’t have an informed opinion. As politicians usually say, I don’t actually remember.”

*“But you must have an opinion on private car transport .*

*How does the World Business Council for Sustainable Development look at the private car culture?"*

"We haven't started working with the transport system yet. I haven't experienced any pressure from any direction on that issue."

*"There's huge pressure from the environmental movement on that issue."*

"Yes, there, but none of our members have asked that we deal with it."

*"That can be interpreted as lack of interest to deal with perhaps the largest environmental problem in our part of the world."*

"We are interested in creating a society that can achieve sustainable growth, but we don't have resources to work on all issues and the issue of private car transport is not, in our experience, something that we, in industry, can do anything about. Naturally, we can contribute to development of more efficient cars and transportation systems, but it cannot be our business to determine how much the average person should drive his car. This is a political question that we cannot influence to any great degree. When it comes down to it, every individual has to take his responsibility."

Is this a naive belief in the market? It is not that simple. Industry is more active than Björn Stigson would care to acknowledge. About 40 of Western Europe's largest industrial corporations are organised in the influential director's club, The European Round Table of Industrialists (ERT). The ERT is behind many of the projects in the transportation sector which have been given priority by the European Union, including the bridge over Öresund (between Sweden and Denmark), now under const-

ruction, and the large trans-European network which comprises 12,000 km of new motorways.

“Naturally, industry has a big interest in efficient transportation systems,” says Björn Stigson. “I don’t see anything wrong with that. We in the World Business Council cannot answer for everything that industry in general or the European Round Table decides to do. Everyone has to take his own responsibility. We work with our issues, and they work with theirs.”

In reality, the bonds between the two organisations are very strong. The ERT is well represented on the WBCSD board, and oil companies, car companies and suppliers to the car industry are heavily represented in both organisations. The green capitalists that would rather not discuss private car transport are the same businesses that are lobbying for new motorways in Brussels.

For the green capitalists, this presents no inconsistencies. Instead of expensive adjustment of the rich countries’ consumption and production patterns, the WBCSD recommends the encouragement of technology transfer to the poor countries.

This is called “joint implementation,” where the developed countries carry out their solemn promises of reducing pollution, made at the Rio conference, by lending money to the Third World and Eastern Europe for investment in sewage treatment works and other equipment from corporations in developed countries. For corporations like ABB, such a solution has obvious benefits, but at the Berlin conference the developing countries were against the proposal.

Björn Stigson finds this difficult to understand. “It must be better for the rich, industrial countries to invest in

greater energy efficiency in, say, India, where the global effect would be much larger. The amount of capital that has been transferred via official aid has gone down dramatically in recent years. I see joint implementation as a way of getting money to upgrade the energy systems in developing countries.”

*“This would be a new form of tied aid, where the money must be used for orders from companies in the donor countries.”*

“Yes, but if you don’t have money, isn’t it better to upgrade this way? They can, of course, say that they want the money and the technology anyway, but that’s not the way life is.”

He is confident about that.

At the frequent conferences on environment and development, representatives of the Third World have maintained that the world’s non-renewable resources and sinks for carbon dioxide emissions and other forms of pollution, ought to be evenly divided among all the nations of the world. The green capitalists are not buying that. “It would be like going back to a socialist way of thinking where everyone should be equal,” says Björn Stigson. “This is a naive position. You have to start out from the world as it is today. I know that the idea is discussed in some quarters in the environmental movement, but it is completely unrealistic. It didn’t work in the socialist economy, so why should it work with water and air? You can’t work against the market.”

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## CHAPTER 3

# *A Green Spearhead*

*Tomorrow Magazine Gives ABB  
and Other Transnational Corporations  
an Environmental Profile*

**W**e have reached the end of the road as far as laws and regulations are concerned. Now, the environment is to be saved with the help of market mechanisms. This thinking has become strongly established, not only in the board rooms of large corporations, but also within some established environmental organisations. *Tomorrow Magazine* is a leading forum for this idea.

Claes Sjöberg, Editor-in-Chief, explains:

“We’ve had two revolutions in human history: the agricultural and industrial revolutions. Now we have to go through a third, which is an environmental adjustment of the first two.”

He thinks that the arguments between the environmental movement and corporations will be replaced by close co-operation. The first companies to enter the new epoch will do better than the ones that lag behind, and environmental organisations are going to do best when they work as pragmatic lobbyists for green capitalism.

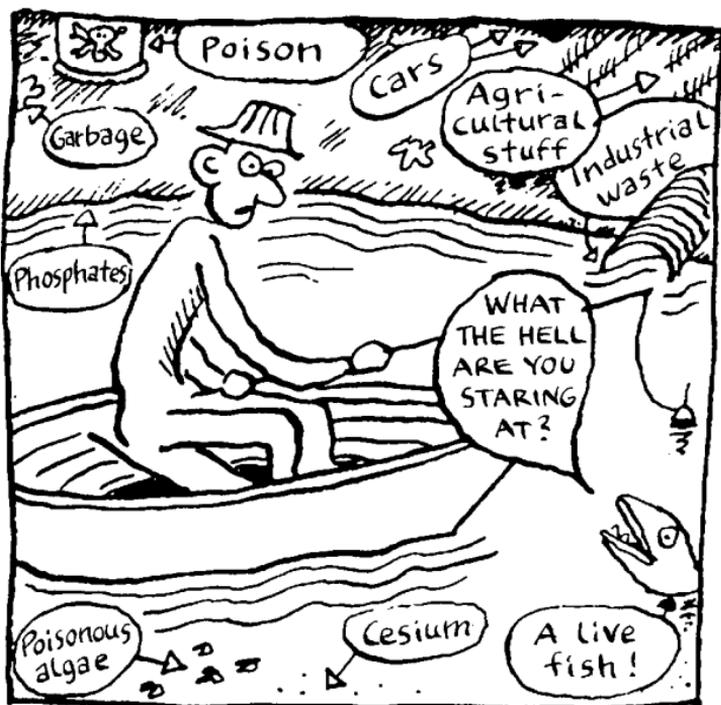
Sjöberg is of the opinion that a certain amount of government regulations are needed, but the move towards

sustainable development will be taken by individuals when they use their freedom of choice in the market.

Lars Bern, who was part of ABB's leadership and is now chairman of the board of *Tomorrow Magazine*, counts on commercial forces to kill nuclear power.

"Corporations no longer want to be associated with that technology. The combined pressure of consumers and progressive corporations leads to an accelerated development, whereby non-environment-friendly products are step by step forced out of the market."

*Tomorrow Magazine* looks like *Business Week* or *Fortune*: elegant and four-colour printed on glossy, environment-friendly paper. "*Tomorrow* is a magazine for green capitalists," Lars Bern explains. "Corporate leaders and



financiers should feel at home and, at the same time, learn more about environmental issues. That's the business idea."

Like so many others during the 1970's Claes Sjöberg was influenced by the world view of the alternative movement. "As far as I could see the environmental movement was right, and I've not actually changed my belief since then. The only difference is that at that time I was much more influenced by the Left."

He regularly contributed reports to the Syndicalist newspaper *Arbetaren* on everything from the shipbuilding crisis to alternative production and new lifestyles. However, in the early 1980s, when he became the environmental reporter for the daily national Swedish radio news, his alternative ideas started to take a new track. He took a leave of absence and worked for a short time with neo-liberal Patrik Engellau's consulting company AB Samhällsrådet.

They wrote a brochure together for Volvo-president Pehr G. Gyllenhammar and the Aspen Institute. It dealt with unemployment. More and more people would lose their jobs and welfare payments would be too expensive, predicted Claes Sjöberg and Patrik Engellau. Therefore, the unemployed should be encouraged to seek work in the grey zone of alternative employment outside of the public sector and established companies.

To satisfy the outcasts, with their low salaries and general insecurity in this informal sector, the authors suggested that politicians and corporate leaders ought to make use of help from the alternative movement:

"To the extent that ideological compensations are available, people who are forced out of the formal sector may be expected to put up less resistance to adopting a new

life-style in the informal sector... The ecological ideology, which is often frowned on by representatives of the formal sector, should in fact be supported.”<sup>1</sup>

“That sounds cynical,” says Claes Sjöberg today, “but what is the alternative when we are moving towards unemployment of 15–20% and the public sector has started to degenerate?”

In 1991, he started *Tomorrow Magazine* with money from ABB Fläkt. The magazine today relies on advertising and subscriptions from ABB, AGA, Dow Chemical and other multinational concerns.

*Tomorrow* is not uncritical of corporations, but the criticism is always based on a belief in strong self-healing forces in the environmental area.

In an overview of development in Great Britain and the US, the British business newspaper, *Financial Times*, recently showed how corporate leaders’ interest in the environment quickly cools down, if authorities do not impose legislation and the threat of fines.<sup>2</sup> “There’ll be a pause of a few years in the US,” comments Claes Sjöberg, “but in 10–15 years these issues will be very strong.”

That’s the hopeful answer. He also has a less hopeful answer:

“I work with corporations and the environment almost 100% of my time, and I’m relatively optimistic, but at the same time I have to admit that I’ve only come across a few people that really understand what’s going on. They appoint an environmental manager, change a little and then they think everything is OK.”

Asked to name some of the pioneers, he has to give it some thought. “Yes, they are of course some of the ones we work with at *Tomorrow*. I think that Percy Barnevik at

least understands the threats we face, and we gave an environmental prize last year to Dow Europe, a subsidiary of Dow Chemical. Their environmental manager knows what it is all about, and so does Björn Stigson, our first contact at ABB Fläkt.”

Björn Stigson is today head of the World Business Council for Sustainable Development in Geneva, the transnational corporations’ own environmental organisation. Claes Sjöberg calls the organisation “damn radical”.

Dow Chemical made themselves notorious in the 1970s, as the producer of the napalm, the incendiary chemical the US spread over rural areas in Vietnam. In recent years, the company has presented itself as an environment-friendly chemical concern. However, at the UN conference in Rio, Dow Chemical took part in the Global Climate Coalition which worked energetically behind the scenes to stop all binding decisions on the reduction of carbon dioxide emissions. “It’s of course a shame if that’s so,” says Claes Sjöberg. “I haven’t heard about it, but our line is to encourage the positive steps that are taken, and not point fingers if a corporation takes a wrong position now and then.”

*Tomorrow’s* chairman of the board, Lars Bern, has personal experience with Percy Barnevik. Bern was head of Incentive, a core corporation in the powerful Wallenberg industrial empire, when he got cancer and was forced to slow down.

“At that time, Percy Barnevik offered me a job at ABB as some sort of environmental expert. I was made president of Fläkt without any operative responsibility, but Barnevik and I fell out quite quickly. He thought we were some kind of auxiliary to the marketing department. It

was taken for granted that nuclear power and everything that ABB did was very environmentally friendly.”

“I made some attempts to introduce another way of thinking about the environment and to look at alternative energy sources. There was a big discussion about the position ABB should take concerning the carbon dioxide issue, where Björn Stigson, on my advice pushed a quite progressive line – and ended up with practically the whole ABB leadership against him.”

Thus, is the environment more a question of marketing for Barnevik? Lars Bern would not go that far.

“He certainly understands that these are important problems, but he doesn’t look at them in a long enough perspective. He thinks that nuclear power and coal are good solutions, and he doesn’t understand how necessary it is to switch to solar energy. The day that he realises that, he will have to change ABB’s policy completely.”

*“Will he be able to stay where he is then?”*

“Well, who knows?”

1 Patrik Engellau & Claes Sjöberg, *The Informal Sector and the MeMO Movement - Ideology Hand in Hand with Necessity* (Stockholm 1984), p. 16 and 34.

2 *Financial Times*, 21 June 1995.

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## CHAPTER 4

# *The Limits to Growth*

1970–72. *Environment on the Agenda*

**J**ohn D. Rockefeller III, grandson of the founder of Standard Oil, was standing on a street in Dacca one day in the late 1950s. Asia was in an uproar. The people in China had revolted and closed off the flow of foreign capital. The same thing was happening in Vietnam. His companion later wrote:

“It was crowded, dirty, squalid, smelly, poor, and absolutely swarming with people. They were lying in the streets; it seemed as though they were practically coiled around our ankles. I’ll always remember Rockefeller standing there, very tall and gaunt, sweating in his crumpled drip-dry suit and hugging his briefcase. He was shaking his head slightly, but his face was immobile. Looking down at this swarm of people, he said more or less to himself and in that quiet way of his, ‘Well that’s the problem isn’t it?’”<sup>1</sup> John D. Rockefeller returned from his trips to Asia convinced that “political stability” and “economic progress” in that part of the world depended on putting a stop to unrestrained reproduction.

A few years later, the “population explosion” was a well known concept throughout the rich part of the world.

John D. Rockefeller financed the first academic conference on the subject. He started the American Population Council and contributed to making population control a goal for US politics in the Third World.<sup>2</sup> The financial aristocrat disguised his urge to restrain the Asian masses in campaigns for birth control and family planning.

School books showed rapidly rising population curves. Exhibitions travelled around with lights that blinked every few seconds, once for each new birth! It was a threat. It was Rockefeller's view of the street in Dacca transmitted to every corner of the rich world.

“... they were practically coiled around our ankles.”

This vision of terror facilitated the dispatch of soldiers from the working class in the rich world to Asia to put down the rebellious peoples with napalm, splinter bombs and poisonous gas.



However, in the beginning of the 1960s, another view of the world began to take form in the rich countries. Protest against the Vietnam war increased, not only in Europe and Japan, but also in the US. More and more of the cold war truths that had circulated through the public consciousness were questioned. Factory workers resisted time studies and foreman tyranny, black people in the ghettos of the large cities in the US revolted, and subversive ideas found their way into the elite universities, where upper class youth studied. David Rockefeller, like many other well-established fathers, had to sit at his kitchen table and argue with his daughter about whether or not capitalism had a future.

This development filled the men in the guarded mansions with uneasiness and depression. They felt surrounded by hostile forces, and they were split amongst themselves and incapable of acting together.

David Rockefeller founded the Trilateral Commission, a discussion club for a few hundred leading businessmen, politicians and academics from North America, Western Europe and Japan, to break the paralysis, overcome differences between the rich countries and organise a counter-offensive. In one of the first reports from the Trilateral Commission, three researchers argued that the Western countries suffered from an excess of democracy.<sup>3</sup>

To restore the authority of those in power it was necessary to recapture the ideological advantage. Two methods were used:

1. Soft, where as much of the radicalism circulating through society as possible was absorbed and steered in new, harmless directions.
2. Hard, where a long-term perspective was taken to

restore belief in the merits of the free market, that is to say, in the transnational corporations.

Since the beginning of the 1960s, Laurance Rockefeller, another of the brothers in the finance dynasty, had been involved in the conservation of nature. He assured his business colleagues that the growing, general concern about pollution and poisons in watersheds presented no threat to industry. On the contrary, it should be possible to do good business capitalising on the public concern for the environment.<sup>4</sup> Together with President Lyndon Johnson's wife, Lady Bird Johnson, he travelled around in a bus on a campaign to beautify America. He established national parks and raked in profits from land speculations, hotels, and luxury recreational facilities.<sup>5</sup>

But towards the end of the 1960s, the environmental movement had slid out of this secure grip and become a problem for the interests that Laurance Rockefeller represented. Even liberals criticised the large corporations for their polluting factories and encouragement of wasteful consumption patterns.

The defenders of the present production system found it necessary to divert the criticism. They strived to de-politicise popular movements while obtaining for themselves centralised, global control over environment and development issues.

The transnational corporations embraced the idea that the problem lay not in the economic system that they controlled, but in a certain lifestyle. The political issue of how global production and consumption should best be organised was transformed into an issue of individual preferences and morals. If everyone just changed their attitudes, picked up litter off the streets, and quit continually

chasing after new gadgets, the market would automatically transform itself into a gigantic nature conservation machine. The transnational giants were not the villain but something much bigger: the human weaknesses of greed and a fixation on growth.

In April 1970, Earth Day was celebrated all over the US to draw attention to the vulnerability of nature. Environmental activists and millions of citizens went out on the streets. President Nixon participated, large corporations sponsored events, and The Conservation Foundation (which is supported by leading finance families) organised them. The organisers tried to associate themselves with the least politically conscious parts of the 1960s radicalism. Flower power was supposed to pacify the revolts and the political demonstrations demanding power to the people. Poet Wendell Berry stated in Kentucky:

“For most of the history of this country our motto, implied or spoken, has been Think Big. I have come to believe that a better motto, and an essential one now, is Think Little... Thinking Big has led us to the two biggest and cheapest political dodges of our time: plan-making and law-making.”<sup>6</sup>

Demands should of course be made on politicians, explained Berry, but preferably by two competent men rather than 2,000 vague, unsatisfied people. What was important was a change in personal lifestyle.

“A couple who make a good marriage, and raise healthy, morally competent children are serving the world’s future more directly and surely than any political leader...”

“Odd as I am sure it will appear to some, I can think of no better form of personal involvement in the cure of the environment than that of gardening.”<sup>6</sup>

Change in one's personal lifestyle was offered as a replacement for political mass movements. Citizens should leave the big issues to those who better understood them.

Earth Day was a mass-media breakthrough for environmental issues in the US. Two years later, environmental issues made their way into the international arena. In 1972, the Club of Rome (an informal association of corporate leaders, researchers and government officials) published *The Limits to Growth*. Two and a half million copies of the book were printed, with financial support from Volkswagen and the Ford Foundation. It was translated into about 20 languages and distributed free of charge to about 15,000 opinion makers throughout the world.<sup>7</sup>

The authors argued, with the help of computer simulations, that the number of human beings would reach an absolute limit within 100 years, as a result of population growth and continued industrial development. Then, through famine and catastrophes, nature would say "stop".

The assumptions that were the basis for the report were doubtful, but the computer simulations were not the most important point made. The Club of Rome's agenda was political. Hidden in the warnings of impending destruction was John D. Rockefeller's picture of the street in Dacca. War and revolt were shaking the southern continents, many governments were nationalising mines, industries and plantations, and Libya and other oil producing nations were getting better prices for their oil. Members of the inner circles then turned pessimistic about development. In their minds the crisis in the current world economic order were transformed into a threatening breakdown in humanity itself. They did not ask how the global economy should be re-organised to give everyone a reason-

nable existence – a task which was possible to solve. They asked what would happen if poor people lived like us – a thought that with mathematical precision pointed towards catastrophe. The Club of Rome called for control – control over the population explosion and control over non-renewable resources. The implication as to who should carry out the monitoring was clear:

“In general the larger the area and the longer the time associated with a problem, the smaller the number of people who are actually concerned with its solution.”<sup>8</sup>

Arriving in Stockholm in 1972, for the first UN conference on environment and development, the small minority was prepared to meet the threatening catastrophe.

1 Lewis Lapham (Journalist). In: Peter Collier and David Horowitz, *The Rockefellers, An American Dynasty* (New York 1977), p. 289.

2 Ibid., p. 284.

3 Michel Crozier, Samuel P Huntington, and Joji Watanuki, *The Crisis of Democracy. Report on the Governability of Democracies to the Trilateral Commission*, (New York 1975).

4 Peter Collier & David Horowitz, *The Rockefellers, An American Dynasty*, p. 383.

5 Ibid., p. 394.

6 *The (updated) Last Whole Earth Catalog*, p. 24. 1975.

7 Kristian Kristiansen, *Var der grenser for vekst?* (Copenhagen 1989), p. 15.

8 Donella Meadows, Daniel Meadows, Jørgen Randers, and William B. Berens III, *The Limits to Growth, A Report for the Club of Rome's Project on the Predicament of Mankind* (New York 1973), p. 18.

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## CHAPTER 5

# *The Stockholm Conference*

1972. *The Green Capitalists*  
*Find Kindred Spirits*

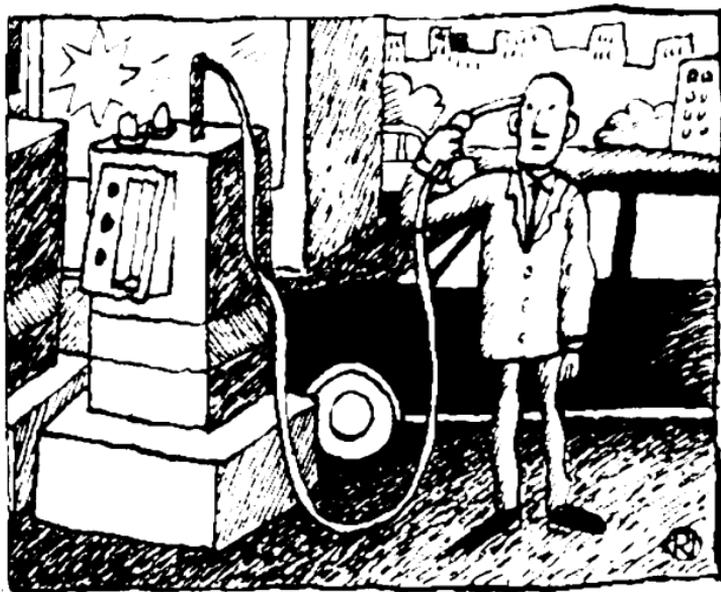
**H**ippies from the US sat naked in the sun at Sergel Square, in the centre of Stockholm. It was the summer of 1972. The United Nations was holding a conference on the environment in Stockholm, and the delegates had decided to stop whaling. The Americans in the square believed that human beings too should be placed under protection. Stop the killing of human beings for 10 years! Escorted by the police, they made their way through the city. They called themselves the Hog Farm.

The General Secretary of the conference, Richard Nixon's friend, Maurice Strong, left the conference to speak to them. He agreed with them, he said. We should love each other, and not kill each other. He promised to present that message to all the UN delegates.

A member of the public grabbed the microphone. Why was the genocide and the war against the environment in Vietnam not on the conference agenda? "Human love sounds good, but now the US has got to get out of Indochina!" The mood among the Hog Farm turned sour

and they tried to silence the speaker. Let's not go on about politics here, when life is at stake.<sup>1</sup>

Among the protesting American hippies was the US chief negotiator Russel E. Train. He had instructions to



manoeuvre the conference away from all subjects that concerned the war in Vietnam. His placard read, "Save the whales!" The newspapers reported that this was a new type of demonstration, "no violence at all, no chanting of socialist slogans in unison."<sup>2</sup>

The Hog Farm camped at Skarpnäck Field, 10 km from the conference. Fifty hippies from the US were assigned by the authorities to control the young people. The social services supplied them with a soup kitchen and military tents. People sleeping on the street and people

with drug problems were gathered up and put in the care of the Americans, and hash was sold at half-price. The local police wanted to intervene, but were ordered to keep out.

Maurice Strong came out to them one evening, protected by the Hog Farm leader, Stewart Brand, who was dressed in traditional Indian clothes and a top hat. The microphone rested against the conference General Secretary's tie, and flood lights shone in his eyes. He smiled. It was a "wonderful evening".

"I'd rather stay here with you!"

The audience was overjoyed. Maurice Strong was a cool guy.<sup>3</sup>

The Hog Farm was allowed to camp at the Skarpnäck Field because of their previous experience at the Woodstock music festival. They were regarded as experts in crowd control. The newspapers wrote that Woodstock was a turning point, a retreat from politics. Now lifestyle was the important thing.

The Hog Farm people tried to monopolise the alternative activities around the environment conference in Stockholm. The left had united in an organisation called The People's Forum. About two months before the conference, Stewart Brand turned up at a planning meeting. He was with David Padwa and a woman, both middle-aged hippies like himself. They represented an American organisation called Life Forum and offered The People's Forum 200,000 Swedish crowns to finance the activities, which were to take place in the alternative conference building. Life Forum would then make a central office on the main floor, keep a record of all the participants and take care of all the in coming and out-going mail. The

Swedish environmental activists declined the offer.

David Padwa worked for the J.M. Kaplan Fund, an organisation that had earlier acted as an intermediary in transferring money from the CIA to student organisations and anti-communist activity. According to Dagens Nyheter (the largest Swedish daily newspaper), Life Forum received money from the Kaplan Fund for its activities in Stockholm.<sup>4</sup>

Stewart Brand, a former army lieutenant, was one of the prominent figures in the hippie movement. He moved to California at the end of the 1960s and got involved with the cultural radicals who tried to expand their consciousness with drugs and new music. Many of his friends moved to rural collectives to live in symbiosis with nature.

**Robert O. Anderson** made a killing in the oil industry and became the largest owner of Atlantic Richfield Company, a company that the Rockefeller family also had large interests in. For many years chairman of the board of the Aspen Institute, Anderson was among the leaders of several institutes and think tanks that have looked after the interests of transnational companies in the US and internationally. These include the International Institute for Environment and Development (IIED), International Environment Bureau (IEB), World Resources Institute (WRI), and The Year 2000 Committee.

Stewart Brand captured the essence of this new American dream in *The Whole Earth Catalogue*, a publication that sold millions of copies, primarily to youth, searching for a new lifestyle. The almost 400 pages of the catalogue were full of advertising for mail-order items and

tips on tools, wind generators and organic farming methods. It also included recipes and instructions for drug addicts, notices on new publications and comments on social development.

In *The Whole Earth Catalogue*, the hippie ideal converged with the new ideological themes embraced by the top levels of society. Stewart Brand glorified technology and the post-industrial paradise, in the same breath as he warned about extinction of the human race from environmental catastrophes and the population explosion. He praised neo-liberal Milton Friedman and management philosophers, as well as mystics. Brand's response to the slogan, "Power to the people," was, "All power to individuals!"<sup>5</sup>

Maurice Strong was honest in his delight about the activities of the Hog Farm. He realised that he and Brand were trying to channel people's thoughts in a similar direction, namely, the myth of impending catastrophe and the promise of salvation within the framework of the current world order.

The ideology of the Stockholm conference was prepared by the Aspen Institute for Humanistic Studies, an exclusive discussion club based in the mountains of Colorado and financially sponsored by the oil concern, Atlantic Richfield. The director of the Institute, Joseph Slater, and its chairman, oil magnate Robert O. Anderson, had discussed conservation organisations in the US a few years earlier, and concluded that they had many shortcomings.

Slater asked Thomas W. Wilson Jr. at the State Department to inventory the national interest in the environment. Wilson found activities budding everywhere. He wrote that the environment was not primarily a question of better sewage treatment or reduced exhaust emissions.

These issues could be left to the experts. Political and economic harmony was at stake, and the Aspen Institute should therefore organise to defend that harmony on a global scale.<sup>6</sup>

In 1968, Sweden's ambassador to the UN, Sverker Åström, had proposed that a conference on the protection of the environment be held in Stockholm. Joseph Slater was involved in the early stages of preparation. Maurice Strong, an acquaintance of both Slater and Åström, was persuaded to become the General Secretary of the conference. Thomas W. Wilson Jr. from the Aspen Institute became his personal advisor.<sup>7</sup>

Strong felt that the situation called for unconventional methods. UN officials did not have a wide enough perspective. He explained that he had been convinced of that for several years, and that governments and international agencies "must break down the old frontiers between 'public' and 'private' agencies and reach out to engage the leading talents of the non-governmental world..."<sup>8</sup> He turned to the Aspen Institute.

Strong, Wilson and Slater discussed among themselves how the Stockholm conference should be prepared. Slater formed an international institute for environmental issues, The International Institute for Environmental Affairs (IIEA), now the IIED, which was established with money from Robert O. Anderson and Atlantic Richfield. Legally, the new organisation was independent from the Aspen Institute, but "a link on the policy level"<sup>9</sup> was arranged through an interlocking directorate. The new organisation started to lobby governments and international agencies. A major theme was that national independence was contrary to the needs of the environment. Wilson compared

the Earth with a spaceship steered by a dozen astronauts with different destinations. The crew needed a united leadership. Amongst other things, it was a question of “access to resources in critically short supply.”<sup>10</sup> It was tacitly understood where these resources were located and for whom they should be secured.

Maurice Strong stressed that the planned Stockholm conference needed an ideological framework. With money from the World Bank and Ford Foundation, Barbara

**Maurice Strong** is the leading representative of the green capitalists. He made a career as a corporate leader in Canada, but is best known for a number of international assignments. He was General Secretary at the UN Conference on the Human Environment in Stockholm in 1972 and was accorded the same position 20 years later at the UN Conference on Environment and Development, in Rio. He has been head of the UN Environment Programme (UNEP) and occupied leadership positions in environmental organisations, such as the International Institute for Environment and Development (IIED) and the World Resources Institute (WRI). Together with his business colleague Warren Lindner, Strong founded the Centre for Our Common Future, which is responsible for organising alternative activities at UN conferences on environmental and social issues. He was a member of both the Brundtland and Carlsson Commissions.

Strong is regarded as having great influence within the UN, particularly with respect to recruitments. He has been chairman of the World Federation of United Nations Associations, a member of the Trilateral Commission, and one of the leaders of the Aspen Institute and Rockefeller Fund.

Ward from the UK and René Dubos from France were hired to draft a book. It was sent out to 152 chosen “corresponding consultants”, including well known conservationists and politicians, as well as leaders of large corporations such as SAS, Bayer, Shell, Merck and Nippon Steel.

The result was the book *Only One Earth*, which was translated into 15 languages and distributed to 19 countries before the UN conference. Maurice Strong wrote the foreword. He was satisfied. This was the ideological basis for the Stockholm conference.<sup>11</sup>

In the book Barbara Ward and René Dubos warned about environmental destruction in the rich countries. The alternative to the use of fossil fuels they proposed was nuclear power (internationally regulated as the government in Washington demanded), but otherwise they agreed with many of the demands made by environmental organisations. They criticised investments in private cars and insisted on bans and regulations for industrial discharges and state control of urban growth. They were also concerned about the gap between the rich and poor in the world. But their concern did not stem from any solidarity with oppressed people. It was Rockefeller’s picture of the street in Dacca. It was a fear of the people “down there”.

“But suppose 7 billion try to live like Europeans or Japanese?”<sup>12</sup>

Hidden in this warning about a hypothetical breakdown in global over-consumption was an urge to mobilize Western opinion against a real political spectre. People in the Third World were struggling to escape from poverty. They no longer wanted to be part of a world order where Western European and North American corporations gobbled up their natural resources and exploited their la-

bour. That was the threat. The challenge from the oppressed nations was transformed into a myth of destruction.

Ward and Dubos explained, that the populations of Third World nations had developed a taste for the comfortable life complete with home appliances, cars and wasteful consumption. These ideals, which are damaging to the biosphere, had been spread to developing countries via radio and TV. People's unfulfilled expectations evoked a "deepening and spreading trend towards violence and anarchy."<sup>13</sup>

Just as the people in Indochina were fighting for their national independence against half a million foreign soldiers, armadas of B52s, napalm, defoliants and splinter-bombs, Ward and Dubos found it unfortunate that poor people looked for dignity and identity in the State, expressing the judgment that, "many developing nations are too small for effective sovereignty."<sup>14</sup> Above all, humanity, which at that time was "dominated as never before by separate nationalist aspirations and pretensions and by the promise of indefinitely rising material standards" should seek "the new moderation."<sup>15</sup>

They saw the growth of an environmental philosophy, "a new and unexpected vision of the total unity, continuity and interdependence of the entire cosmos".<sup>16</sup> Prophets had dreamed for centuries about overcoming the divisions and quarrels in society and taming the evil urges of mankind. Now it was going to happen with help of the "ecological imperative".<sup>17</sup>

With the help of ecology, governments in developing countries should be taught the new moderation. They should realise that a policy that stopped population growth was just as great a "symbol of enlightened mo-

ernity” as investments in power stations, railways, and irrigation systems.<sup>18</sup> Such a policy was also more profitable, since in contrast to workers in the rich part of the world, the marginalised people in the slums of the poor part of the world were not a resource:

“The untrained worker is not a net addition to a productive labour force or to a lively consumer market. He produces so little that even his minimal consumption represents an economic loss. He makes no contribution to his country’s growth or strength.”<sup>19</sup>

That is how the world market and its managers measure human value.

Certainly, wrote Ward and Dubos, every new Westerner was infinitely more damaging to the global environment, but this assertion did not lead them to propose any campaigns to inform the affected governments about the “net loss to the world” that a Western stockbroker or PR person might be calculated to be.

Ward and Dubos conceded that “efficient development” of agriculture, industry and infrastructure was the “most successful form of population policy” for the poor countries.<sup>20</sup> They supported a “radical transformation” of the whole traditional social system, but added: “The only problem is the cost and scale of the whole programme.”<sup>21</sup> With that, they came back to their original calculation: still, the most profitable policy was to stop new marginal people from being born.

*Only One Earth* was published at a time when the world order of the transnational corporations was being shaken by popular protests. The book was an attempt to find a stable, defence for Western capital. Ward and Dubos wrote about, “... the tragedy of increasing dispari-

ties between the wealthy 'North' and the poverty-stricken 'South'.<sup>22</sup> They saw "increasing disturbances" taking place if a compromise could not be secured at an international level. They thought that people in the Third World would adopt the new moderation and reduce their national demands, in return for promises of policies for global redistribution of wealth. But, they didn't have anything more to offer than "the first faint sign," a goal of 1% of GNP allocated to development aid.<sup>23</sup>

The 1972 Stockholm conference did not take place without disruption. Olof Palme condemned the US environmental havoc in Vietnam, and representatives from the Third World criticised the demand for population control. However, the guiding principles for environmental management within the UN framework drawn up by the Aspen Institute and IEEA, found their way into the action plan adopted at the conference.<sup>24</sup>

Maurice Strong became the head of UNEP, Barbara Ward took over the newly established environmental organisation IEEA, and the Aspen Institute proceeded with seminars on energy supply. Environmental issues were thought to be under satisfactory control, and the "ecological imperative" promised to quell social unrest.

Now that the popular uprisings have foiled, Ward and Dubos' vision of global unity is once again being brought to the fore. Western governments propose that the natural environment in the Third World be put under international, meaning transnational, supervision. In return, vague promises are made that a fraction of the riches extracted from the Southern continents will be returned as charity.

1 Dagens Nyheter, 15 June 1972.

- 2 Norra Västerbotten, 9 June 1972.
- 3 Dagens Nyheter, 8 June 1972.
- 4 Dagens Nyheter, 23 July 1972; New York Times, 27 April 1966; and The Nation, 11 September 1967.
- 5 *The (updated) Last Whole Earth Catalog* (1975), p. 3, 17, 22, 344, and 412; and *Veckans affärer*, 17 June 1985.
- 6 Hyman, Sidney, *The Aspen Idea* (Oklahoma 1975), p. 252 and 267.
- 7 Ibid., p. 270. In an article in Dagens Nyheter, 23 June 1993, Åström denies that he knew Slater at the time of the UN initiative. Hyman, however, writes in his official chronicle of the Aspen Institute that, "The picture within the General Assembly remained a model of congealed inertia until 1968, when Sverker Åström, the Swedish ambassador to the United Nations – with whom Slater had quietly worked - introduced a proposal for a UN conference on the human environment..." Was Slater so discrete that Åström did not notice him? In February 1989, I interviewed Åström over the phone. He did not deny the claims about earlier contacts with Slater, and he confirmed that Slater was involved in the preparatory discussion.
- 8 Ibid., p. 271.
- 9 Ibid., p. 272, 277.
- 10 Ibid., p. 275.
- 11 Barbara Ward & Reni Dubos, *Only One Earth. The Care and Maintenance of a Small Planet*, Suffolk 1972.
- 12 Ibid., p. 47.
- 13 Ibid., p. 288.
- 14 Ibid., p. 260.
- 15 Ibid., p. 85.
- 16 Ibid., p. 69.
- 17 Ibid., p. 296.
- 18 Ibid., p. 219.
- 19 Ibid., p. 218–219.
- 20 Ibid., p. 220.
- 21 Ibid., p. 220.
- 22 Ibid., p. 295.
- 23 Ibid., p. 298.
- 24 Hyman, p. 289.



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## CHAPTER 6

# *Sustainable Development*

*The 1980s: The Transnational Corporations  
Gather for a Counter-offensive*

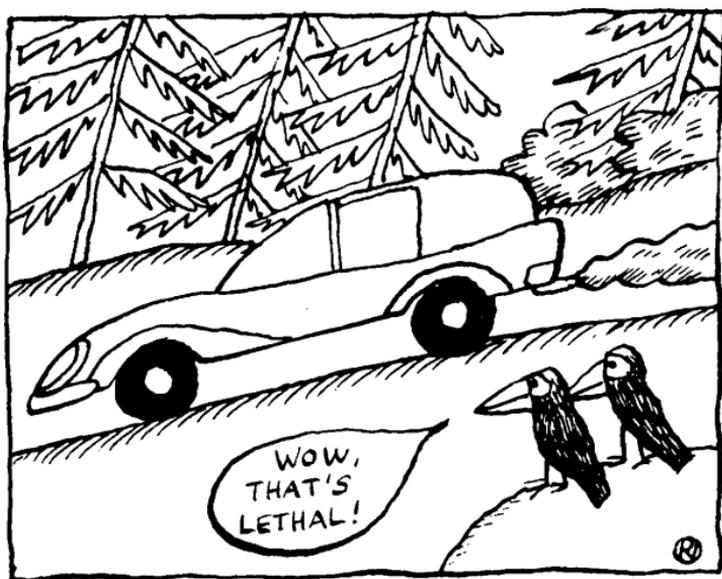
**I**f you don't deal with the issues, the issues will deal with you." With these words of wisdom taken from the arsenal of management consultants, in the 1970s the large corporations confronted the social conflicts that threatened to limit their freedom of manoeuvre. The number of think tanks and lobby groups increased dramatically in the US. In 1981, in Washington alone, 80,000 experts and officials were employed at private research institutes.

Leaders of the transnational corporations worked to find political ways out of the current difficulties, to recapture ideological leadership, and pacify popular movements. Direct opposition did not work. On the contrary, the large corporations needed to take the lead and determine direction. "Government cannot solve our problems," explained Jimmy Carter<sup>1</sup>, whose presidential campaign had been sponsored by Rockefeller's international discussion group, The Trilateral Commission.

In 1980, the Global 2000 Report, commissioned by President Carter, in the spirit of The Club of Rome war-

ned of over-population, the destruction of forests, increased desertification, and the extermination of many animal and plant species. Objections were heard from the circles surrounding The Heritage Foundation that the threat was exaggerated and that US taxpayers would not support costly population control measures in poor countries. Other representatives of large corporations, however, called for real efforts to be made. "It is ridiculous... to be arguing that individuals in poverty-stricken areas should be allowed to reproduce at will," wrote The Washington Post.<sup>2</sup> The private World Resources Institute declared that US transnational concerns could ill afford to leave the southern continents to their destiny:

"Multinational corporations have a profound interest in the productivity of the global resource base and, thus, in developing countries' environmental and resource policies."<sup>3</sup>



The board of the institute included Maurice Strong, who had led the 1972 UN Conference; Robert O. Anderson, chairman of the board and owner of Atlantic Richfield Company; and Robert McNamara, former head of Ford, former Secretary of Defense, and former head of the World Bank. All were members of Rockefeller's Trilateral Commission held leadership positions in the Aspen Institute. They were active in several of the environmental organisations that now turned their eyes towards the South. IIED wrote in a brochure: "Creative solutions require custom-made collaboration among national governments, multinational business interests, and local people."

Robert O. Anderson and Russel E. Train, the chief negotiator for the US at the Stockholm conference 1972, took the initiative in the US branch of the World Wildlife Fund to start The Year 2000 Committee, a project whose purpose was tackling the political and economic instability in developing countries. Their point of departure was that population growth was the cause of environmental destruction and resource scarcity. Robert McNamara, who was also involved in the project, used El Salvador as an example:

"As forests were razed to meet the agricultural and fuelwood needs of a rapidly growing population, soil erosion undermined the productivity of Salvadoran land. As the nation's agricultural base diminished, economic hardship set in. Extreme political instability followed – and precipitated costly US involvement."<sup>4</sup>

During this time, the US-supported government in El Salvador allowed the murder up to 10,000 protesters per year, while Procter & Gamble continued to import coffee from the country's mountain plantations.

Forests in Central America were destroyed, for reasons that included clearing land for cattle ranches that sold hamburger meat to the fast-food industry in the North. In the eyes of the white-shirt-and-tie environmentalists of the inner circles, however, the threat was the poor farmer and his unrestrained instinct to reproduce. In Italy in 1987, The World Resources Institute, Rockefeller Foundation, FAO, UNDP, and the World Bank sponsored an international conference on rainforests. The participants believed that the forests could only be saved if their market value increased.

Southern countries caught in the debt trap were encouraged to reduce their debts by swapping their natural resources. For a cheap price, environmental entrepreneurs from the North took over forests and land, confiscated everything of value and allocated the remainder of the land for nature parks for wealthy eco-tourists. Maurice Strong built a hotel on indigenous Indian land in Costa Rica. In Bolivia, in a deal with the government, the organisation Conservation International opened a 1.2 million hectare jungle for “sustainable forestry”. Six-thou-

**Robert McNamara** had a career at Ford before he was appointed Secretary of Defense by President Johnson and started the full-scale US military attack on Vietnam. He later became head of the World Bank. He has long held a leadership position in the Aspen Institute, Ford Foundation and well-healed environmental organisations, such as the International Institute for Environment and Development, World Resources Institute, and The Year 2000 Committee.

sand indigenous people travelled to La Paz to protest. They had lost the right to their land.<sup>5</sup>

In the 1980s, health care expenditures in Africa were halved to service the interest on bank loans taken out by governments. Government officials lost their jobs or saw the value of their salaries drop by 50 to 80%.<sup>6</sup> Under these conditions, it was impossible to build functioning social institutions. Government education disintegrated and mass starvation occurred in one country after another. Spending a tiny fraction of the capital squeezed out of the African continent, members of the inner circles organised international aid campaigns.

With money from the Japanese war criminal, and billionaire gambling king, Ryoichi Sasakawa, former US President Carter headed a Global 2000 program that was supposed to teach African farmers small-scale use of chemical insecticides and pesticides. In North America and Europe, trusting young people went out on the streets to collect money for something called The Hunger Project. The idea was that world hunger would be eradicated before the year 2000. The driving force behind the project was Werner Erhard, a former door to door salesman who had founded a New Age sect in California. With his disciples' money, he had bought himself two luxury homes, a private aeroplane and an oriental art collection. Wanted by the tax authorities, he left the organisation in 1990, but the project continues. According to those responsible, the money collected (about US \$8.5 million in 1989 alone) is not intended for aid projects. It is used to influence public opinion about hunger and starvation, and to finance the organisation's administration. Every year, a prize is given to a deserving African leader. Robert McNamara has

chaired the jury, and the ceremony has been broadcast live on several TV channels. Maurice Strong has also figured in the scheme. Among the sponsors are the Chase Manhattan Bank, Coca-Cola, Monsanto, and The World Bank.<sup>7</sup>

In 1984, the International Chamber of Commerce and UNEP brought together over 500 representatives of industry for a World Industry Conference on Environmental Management. One of the main themes was that legislators should involve corporate leaders in their environmental work at the earliest possible stage. Robert O. Anderson explained that a free market was necessary to develop the new technologies needed to solve environmental problems.<sup>8</sup>

After the conference, the International Chamber of Commerce founded a special environmental bureau, IEB. In 1987, one of its directors, Albert Fry, wrote about a pleasant change in the climate of debate. Two decades earlier, The Club of Rome's gloomy prophecies about the limits to growth had dominated the discussions, and industry had often been singled out as the environmental villain.

"Now, 20 years later, mainstream environmental thought regards industry as a partner in solving environmental problems."<sup>9</sup>

Fry especially gave prominence to the Brundtland Report from 1987. A UN commission, led by Gro Harlem Brundtland, had concluded that the economic world order in which the transnational giants dominate is completely compatible with environmental protection and the development of the poorest countries. There was no longer any talk of the "limits to growth". Now there was the

good news of “sustainable development”.

This took place three years after the toxic catastrophe caused by Union Carbide, in Bhopal, India. Environmental crises occurred more frequently than ever before, and whole regions in the South were being thrust into starvation and poverty. In the world’s ever thinner upper echelons of power, however, the despondency of the 1960s and 1970s had disappeared. Once again, the world could be controlled by the powers in the rich countries. Popular opposition movements had been suppressed and demands by developing countries for a new world economic order silenced.

This new-found confidence was manifested at the Aspen Institute, at the World Resources Institute, and at new conferences for world industrial leaders. President Ronald Reagan praised the emphasis which the Brundtland Report had put on economic growth and private enterprise, as a means of preventing environmental destruction.<sup>10</sup> The members of the Brundtland Commission included Maurice Strong and Saburo Okita, one of the leaders of The Club of Rome and member of The Trilateral Commission. Strong’s old business partner, Warren Lindner, was the secretary of the Commission.

In 1988, Strong and Lindner founded the Centre for

**Saburo Okita** was one of the leaders of the Club of Rome. He later became a member of the Trilateral Commission and the Foreign Minister of Japan. He has also been a member of the Brundtland Commission, chairman of the World Wildlife Fund in Japan and occupied leadership positions in the Aspen Institute and International Institute for Environment and Development (IIED).

Our Common Future to spread the message of the Brundtland Commission all around the world. In 1989, Brundtland hosted a five-hour long TV show to promote “our common future”. It was broadcast in over 50 countries. The names of the sponsors were projected onto the stage – Honda, Sony, Mazda, and General Foods. In between rock and symphony concerts, world leaders broadcast encouraging messages. The Centre for Our Common Future made the program and the USIA, the US government propaganda service, helped beam the show to poor countries.<sup>11</sup>

In the same year, the UN decided to organise another conference on environment and development. Maurice Strong was appointed the general secretary. He felt it was important to involve non-governmental organisations (NGOs) in all levels of preparation. He was not only interested in the large, established conservation organisations. Environmental groups, popular movements, scientific associations and industrial agencies should also be involved. The whole event was sold as a democratisation of the decision-making process, but the real intentions were less noble.

The first objective was to gain control of the independent environmental movements and lead them onto appropriate paths. Secondly, Strong’s intention was to give large corporations direct influence over the conference.

Strong appointed Lindner’s Centre for Our Common Future, a private organisation with no roots in either popular environmental movements or established conservation organisations, to be the central focal point for NGO activities before the Rio conference. Conference activities

were sponsored by private foundations from the US and by governments in Sweden, Norway, and other European countries.

“It’s important to involve the independent environmental organisations,” explained Kåre Bryn of the Norwegian Foreign Ministry. “We want to them to get used to taking responsibility.”<sup>12</sup>

The interest in environmental movements by the conference managers was presumably not just defensive. Properly used, the independent organisations could be a tool in the difficult negotiations to come. Financial circles with markets and investments in the Third World stood to gain if Western governments increased their development aid budgets. For Maurice Strong, environmental opinion-makers were potential allies in convincing stubborn finance ministers. In a similar way, the concern about rainforests and endangered species could be turned against governments in the South that refused to put their natural resources under international control, meaning transnational corporate control.

Representatives of the Third World protested against the status Strong gave to NGOs. They pointed out that most of the NGOs are based in the rich world.

The large corporations also hid behind the NGO concept, but their influence cannot be compared to that of environmental movements. The large corporations had the privileged position. The UN had an agency for monitoring transnational corporations, but proposals to regulate the activity of the largest concerns did not interest Strong. The UN Centre On Transnational Corporations was abolished. A new group of business leaders arrived on the scene, The Business Council for Sustainable Develop-

ment.

- 1 Financial Times, 22 June 1993.
- 2 International Herald Tribune, 9 December 1981.
- 3 Quoted from: Marc Pallemmaerts, *De multinationale ondernemingen en de ecologische crisis* (Vrije Universiteit, Bryssel, 1988-89), p. 102.
- 4 WWF-US: Focus, Summer 1982.
- 5 Financial Times, 2 August 1990.
- 6 South, March 1990; and Financial Times, 21 December 1988.
- 7 African Farmer, no 1 & 2; Expressen, 19 July 1991, 20 July 1991; Current Biography, April 1977, p. 9.
- 8 UNEP, *Industry and environment*, 1984/5.
- 9 EPA Journal, September 1987.
- 10 The Centre for Our Common Future, *What they said about 'Our Common Future'*.
- 11 Brundtland Bulletin, July 1989.
- 12 Telephone interview, 1990.

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## CHAPTER 7

# *The 1992 Rio Conference*

*The Proposal by Green Capitalists  
to Privatise Nature*

In June 1992, well-known corporate leaders appeared in the mass media as saviours of the environment. Pehr G. Gyllenhammar, head of Volvo at the time, allowed himself to be photographed sitting on a bicycle. He urged people to pick up litter on the streets. Antonia Ax:son Johnson, owner of one of Sweden's leading retailing chains, was shown holding her hands protectively over a globe of the world and telling us she always asks for environment-friendly dish-washing machine detergent in the shop. No reporters asked the department store and wholesale owner to explain why she was selling environmentally unfriendly detergents in her shops.<sup>1</sup>

It was time for another UN conference on the environment. The transnational corporations had hired the public-relations company Burson-Marsteller to give them an environmental image before the meeting in Rio de Janeiro.

Burson-Marsteller is a corporation with offices in 27 countries. Its clients include governments as well as transnational corporations. The company was responsible

for an extensive neo-liberal campaign by the Swedish Employers' Association (SAF) in the 1980s. It was hired by Union Carbide after the deadly gas release in Bhopal, and improved Exxon's image after the Valdez accident. Burson-Marsteller point out in their prospectus that their experts have many years of experience in managing difficult conflicts:

"They have gained insight into the key activist groups (religious, consumer, ethnic, and environmental) and the tactics and strategies of those who tend to generate and sustain issues."<sup>2</sup>

The task before the Rio conference was to transform the large corporations from environmental villains to environmentalists and to convince activists about the sense in co-operating with them. That is why Gyllenhammar sat on a bicycle and why Antonia Ax:son Johnson "always buys" environment-friendly detergent.

The same gimmick was used in Stockholm 20 years earlier. The conference participants sat on bicycles to be photographed. Several had a hard time keeping their balance, being unaccustomed to this type of vehicle.

Maurice Strong directed the conference in Rio in the same way he had the conference in Stockholm. Large corporations had direct informal influence, in addition to access to formal diplomatic channels, while the environmental movement was expected to lend credibility to the event, without interfering with the predetermined programme.

Strong recruited Swiss businessman Stephan Schmidheiny as his closest advisor on issues involving business and industry. Schmidheiny brought together about 50 colleagues in the Business Council for Sustainable Deve-

lopment (BCSD). In the book, *Changing Course, A Global Business Perspective on Development and Environment*, these representatives of transnational business voted themselves as the most reliable managers of the environment. They explained that trade and investments must not be hampered by environmental regulations and import restrictions. The best the poor countries could do to develop and protect their environment was to:

1. produce staple commodities for the world market; which would ensure that natural resources were priced properly; and
2. co-operate with transnational corporations in the development of such a national economy.

Forests are best preserved by measures that “allow developers to exercise management control over the long term”.<sup>3</sup> Developing countries would be given access to new, environment-friendlier technology only provided they respected “intellectual property rights”. In other words, the copyrights, patents etc. associated with the technical monopolies of transnational companies.<sup>4</sup>

Most important is the encouragement of foreign investment:

“The main elements of an attractive investment climate are known and proven: macro-economic stability; free, open markets; clear property rights; and political stability. Unless these four conditions are largely satisfied, sustainable development is simply not possible. This is why the structural adjustment programs of the World Bank and IMF are to be welcomed... they increase the pressure on states to make the right changes.”<sup>5</sup>

Nature must be privatised for the sake of sustainable development. That was the rationale. Forests and agricul-

tural land are to be managed by the transnational corporations, and air and water, along with the right to pollute them and patent their life forms, will be transformed into trade commodities.

Stephan Schmidheiny is one of the main owners of ABB. He is also a member of the board of Nestlé, which is known for its marketing of breast milk substitutes in the Third World. He is the largest share holder in one of Chile's most powerful corporations with holdings in mining, steel works and forests.

The Huasco Valley in northern Chile has long had the country's greatest olive production, with a total annual harvest of 6,000 tonnes. Now, the valley produces no more than 1,000 tonnes per year. In 1978, Schmidheiny's corporation built an iron smelter in the region. Since then, the olive groves have been blackened by smog and dust. If a magnet is held close to the leaves, they are drawn to it like file filings. The farmers saw up the trees for firewood one after another.

An investigation has revealed that the smelter emits over 37 tonnes of particles to the atmosphere per day, more than 50 times the allowable level in the US.

**Stephan Schmidheiny** is one of the principal owners of ABB. He is a member of the board of Nestlé and other Swiss companies, and has large business interests in Latin America.

He was assigned by Maurice Strong to form the Business Council for Sustainable Development before the Rio conference in 1992. He has also been a leader of the Environmental Bureau of the International Chamber of Commerce (IEB), and been involved in the European Round Table of Industrialists (ERT).

However, the management of the corporation believes that the farmers should accept technical solutions, rather than calling for a ban and compensation for damages.<sup>6</sup>

Among the members of the Business Council for Sustainable Development were leaders of several of the most environmentally destructive corporations in the world. Two Swedes were members: Antonia Ax:son Johnson and Percy Barnevik, the head of ABB. Maurice Strong cut through all the formalities so that Schmidheiny and his friends could secure themselves a central position in the preparations for the UN conference.<sup>7</sup>

Large corporations had no difficulty defending themselves against criticism and demands for control and regulation. The corporations were a kind of unofficial joint organiser of the conference and sponsored the event. Strong formed a private foundation, Ecofund '92, for the transfer of contributions to the project. Through it transnational companies such as Coca-Cola, ICI and Atlantic Richfield Company contributed towards the salaries of the UN staff.<sup>8</sup>

Warren Lindner saw to it that the environmental activists who made it to Rio were placed in an environmental fair, 40 km from the conference site. The site was shared with new age prophets, Hare Krishna followers, and public relations men from mining companies and chemical concerns. Maurice Strong marched through the streets with Pelé and Olivia Newton-John for the survival of the world, and Shirley MacLaine and Al Gore were there to testify before the world's press to their love of nature. The representatives of environmental organisations who had gained accreditation to the conference were expected to trail around after the delegates and compete with the

well positioned transnational lobbyists. If they stepped outside of the framework and disrupted the programme with their own actions, they were hounded by guards.<sup>9</sup>

Maurice Strong's task was to balance the demands of the poor countries and the need for binding agreements to protect the environment with the growing demands of transnational corporations. He spoke seriously about the unsustainable lifestyle of the rich countries, and he was disappointed with the opposition of some governments. But, the conference resulted in nothing more than promises, without any commitments.

Parallel to the activities of the Business Council for Sustainable Development, the large corporations carried out traditional lobbying of their governments. A grouping, called the Global Climate Coalition, acting through the US government, obstructed every attempt at reaching a binding decision on carbon dioxide emissions. The organisation included Dow Chemical and DuPont, both members of the BCSD, and Atlantic Richfield, which is found among the sponsors of almost every established environmental institute. Acting through the director's club, The European Round Table of Industrialists (see Chapter 10), the large European corporations influenced the negotiation positions of European Union Members. Schmidheiny and three of his colleagues in the BCSD were also members of ERT.

Promises of an environment-friendly, favourable development for the Third World were soon filed and forgotten. Only the words of a secret World Bank memo of December 1991, written by Chief Economist Lawrence H. Summers remained:

“...Just between you and me, shouldn't the World Bank

be encouraging more migration of the dirty industries to the LDCs [least developed countries]? I can think of three reasons:

1. The measurement of the costs of health impairing pollution depends on the foregone earnings from increased morbidity and mortality. From this point of view a given amount of health impairing pollution should be done in the country with the lowest cost, which will be the country with the lowest wages. I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable and we should face up to that.

2. The costs of pollution are likely to be non-linear as the initial increments of pollution probably have very low cost. I've always thought that under-populated countries in Africa are vastly under-polluted...

3. The demand for a clean environment for aesthetic and health reasons is likely to have very high income elasticity. The concern over an agent that causes a one in a million change in the odds of prostate cancer is obviously going to be much higher in a country where people survive to get prostate cancer than in a country where under 5 mortality is 200 per thousand..."<sup>10</sup>

The mathematics used were similar to those which Barbara Ward and René Dubos had applied at the UN conference in Stockholm, in 1972: marginalised people in the southern continents fetch a negligible price on the world market. If somebody's going to die, it might as well be them.

Lawrence Summers apologised for the heartless tone of his text, but everyone knew that he only spelled out what was implied in the environmental politics of the rich countries. Summers later became Under-Secretary for In-

ternational Economic Affairs in Bill Clinton's government. The calculations he made were to guide the approach of the rich countries at following conferences on the deepening environmental crisis. Free trade with emission rights and continued export of hazardous waste are recurrent interests. Pushed by the inner circles and their lobbyists and PR firms, national leaders try to find a sustainable development that is acceptable to opinion at home, but does not stop the destruction of the environment that the transnationals' empire entails.

- 1 Aftonbladet, 2 June 1992, and 12 June 1992.
- 2 *The Greenpeace Book of Greenwash* (1992), p. 7; and No Sweat News, Fall 1993.
- 3 Stephan Schmidheiny with the Business Council for Sustainable Development (Cambridge, Mass. 1992), *Changing Course - A Global Perspective on Environment and Development*, p. 157.
- 4 Ibid., p. 125.
- 5 Ibid., p. 172.
- 6 Financial Times, 12 August 1992.
- 7 Financial Times, 7 May 1992, and 28 May 1992.
- 8 SEEDlinks, 2/92.
- 9 Dagens Nyheter, 5 June 1992, and 13 June 1992; and Tord Björk, Jan Wiklund (ed), *Den globala konflikten om miljön och framtiden* (Stockholm 1993), p. 164.
- 10 Financial Times, 10 February 1992; and SEEDlinks, 6/92.

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## CHAPTER 8

# *Offensive Against the South*

*Free Trade Agreements and  
United Nation's Reforms*

**T**hey are eating their way into the whole UN system.”<sup>1</sup> Jan Lönn, General Secretary of the UN International Youth and Student Movement in Geneva, is talking about the transnational corporations and their professional lobbyists.

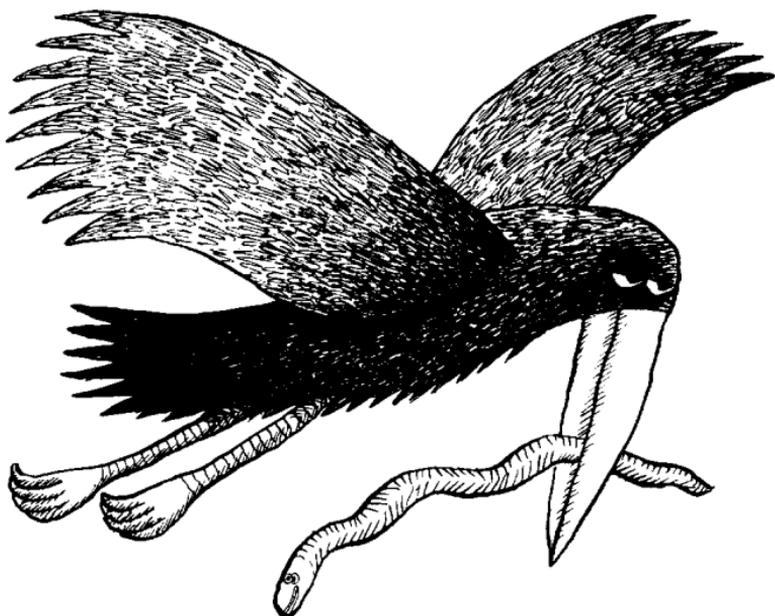
“The UN used to undertake research and monitoring of transnational corporations. There was an attempt to help developing countries with regulations and codes of conduct, but now the approach is to make it as cosy as possible for the large corporations.”

The UN had a special unit, called the UN Centre On Transnational Corporations, that monitored the transnationals. The Centre had prepared a report for the Rio conference, but its distribution at the preparatory meetings was stopped by Maurice Strong. The unit was later abolished altogether.

“The codes of conduct for transnational corporations that were being discussed were no more far-reaching than the regulations in many industrial countries,” says Jan

Lönn. “However, international control and monitoring were to be prevented at any price.”

The International Chamber of Commerce has long



had advisory status with the UN, as a so-called NGO. However, the large corporations are not satisfied with that. It is not enough for them to be just one among many NGOs.

“They demand special status,” says Jan Lönn. “At every meeting, industry wants a privileged role, but this is out of the question for unions and similar organisations. They’re going too far. If we don’t stop them, they could jeopardise the whole UN system.”

The UN is only moderately popular among US politicians and corporate leaders. The US debt to the UN is over one billion dollars, and Congress continues to reduce US pledges, but still a different tone prevails today than did twenty years ago. The neo-liberal Heritage Foundation maintains that the block in the General Assembly that criticised the Western World and the free market is now without a leader:

“The UN thus may be used increasingly to legitimate free trade and pro-investment policies.”<sup>2</sup>

The influence of the General Assembly has diminished, power having been concentrated in the Security Council and its five permanent members. More and more decisions are made through informal discussions between the superpowers.

In the name of efficiency, cutbacks are being made in those UN agencies where the Third World has influence, while institutions controlled by the rich countries assume more responsibilities. The World Bank, International Monetary Fund, and the trade organisations GATT and WTO have taken over just about the whole range of global economic and social issues.

The so-called Carlsson Commission for reforming the UN system proposed new steps in this direction. It recommended that the UN agencies ECOSOC, UNCTAD and UNIDO, which are controlled by the General Assembly, be closed down and replaced with an Economic Security Council, where the rich countries would carry more weight.

The Commission also wanted to restrict the right to national self-determination. National sovereignty was to be of secondary importance, when there is a serious threat

to human rights and environmental threats of global proportion, as they put it. Therefore, the UN would have the right to intervene militarily in the internal affairs of member countries, and certain natural resources could be placed under international management.

These are demands that the rich countries have long pushed for. The sovereignty of small states has always been considered old-fashioned by the great powers. At the Rio conference, the industrialised countries maintained that the biological diversity in the southern continents should be regarded as a common resource of the global community.

The Commission was headed by Ingvar Carlsson, former Prime Minister of Sweden, and Shridath Ramphal, General Secretary of the British Commonwealth. Among those involved were Maurice Strong and Jacques Delors, then Chairman of the EU Commission. The final report was made public in 1995, at the annual Davos meeting in Switzerland, a conference for 2,000 of the world's leading businessmen and politicians, organised by the private foundation, World Economic Forum. Jan Lönn comments:

“It is typical that the Commission submitted its proposal to the UN General Secretary at the Davos meeting and not when Ghali visited the UN in Geneva a few days earlier. One chapter proposes that large corporations be given a stronger role, but there is no mention of supervising them. The report proposed everything on the wish-list of the large corporations.”

The new role of the UN reflects the changed power structure in the world. In the 1970s, the Third World countries united behind the demand for a new world eco-

conomic order. They nationalised mines, industries, oil supplies, and organised themselves to get higher prices for their raw materials. This has all been discarded after a long reversal process. The change in direction occurred when the debt trap snapped shut in the early 1980s. Using the structural adjustment programs of the World Bank and International Monetary Fund, combined with economic sanctions and military threats, the US and its allies have forced government after government to open up their markets and resources to transnational corporations.

These victories were formalized in the new international GATT agreement, completed in 1993. The agreement is a mutual understanding on free trade in name only. Today, transnational corporations are estimated to control about two thirds of the international trade in commodities.<sup>3</sup> The negotiations on free trade meant strengthening their grip on these two-thirds and taking control over the last third.

The remaining obstacles used by Southern countries to protect their national economies are gradually being phased out. The poor countries are forbidden to support their farmers, even though the US and EU can retain their national agricultural subsidy regimes and continue dumping their surpluses on the market. India and other countries which have tried to develop domestic pharmaceutical industries are forced to respect the patents of Glaxo, Merck and Astra. The media market and retail trade are controlled with copyrights and trademarks according to the strategies of Matsushita, McDonalds and Unilever, and the rich world's agribusiness invades the South with patents on genetically manipulated seeds, fruits and vegetables. Millions of peasants become contract growers for

foreign giants; others are forced up into the mountains to eke the last nutrients out of the earth in devastated forests, and even more end up in the slums of large cities.

During the negotiations of the GATT agreement, governments were lobbied from all sides by different business sectors. Every move in the negotiations had been prepared by government officials in cooperation with experts from the large corporations. In the US, 14,000 corporations organised themselves into a Multilateral Trade Negotiation Coalition to push their agenda. On an international level, they formed an Eminent Persons' Group for the same purpose. This brought together leading politicians and corporate leaders, some of whom were connected to the Trilateral Commission.<sup>4</sup>

The GATT agreement and the newly formed world trade organisation, WTO, put transnational free trade before environmental protection. A country wanting to improve its environmental legislation cannot do so, if this results in corporations from other countries being barred entry to its market. The minimum thresholds for environmental protection negotiated by international agencies were thereby transformed into ceilings.

A UN agency, Codex alimentarius, is responsible for certain minimum regulations for food quality. In the past, every country could freely impose its own, stricter regulations for the level of herbicide residues and heavy metals allowed in food, but since the GATT agreement, in most cases this is now prohibited. The US has notified the EU that its ban on hormones in meat is a technical trade barrier and must be abolished, since Codex has approved several of the hormones that US meat exporters give to animals.

This can have long term effects. The Codex rules are generally less stringent than those in force in many countries. Residues from certain insecticides and pesticides that are suspected of being carcinogenic now have to be allowed, and food additives that are forbidden in many places have been approved. The reason for this is the strong presence of representatives of industry from rich countries on Codex committees. In the beginning of the 1990s, there were more corporations than countries represented at the negotiations. The corporations had 660 participants, but consumers and the public had only 26, and there were no environmental organisations. Sixty-percent of the delegates came from Europe and the US.<sup>5</sup>

Practically and tangibly, transnational concerns move their positions forward, all the while one international conference after the other is held to put an end to hunger, poverty and environmental destruction. At these events, the professional lobbyists do their best to suppress documentation that contradicts the interests of the transnational corporations.

At the World Summit for Social Development in Copenhagen, March 1995, there was serious talk about unemployment, poverty, and Third World debt. There was general agreement that these are serious problems that must be corrected as soon as possible. Discussion revolved around the diminishing share of the resources being transferred from the South to the North that is returned to the South as development aid and other charities. In the final document, promises were made about minor debt reduction, and the industrialised countries again declared their 25 year old commitment to allocating at least 0.7% of GNP to development aid. The same thing

happened in Rio three years earlier, without any results, other than many countries reducing their aid for the first time in 20 years. However, now the use of the diminishing resources was to be more stringently regulated, albeit voluntarily. Donor countries promised, if they found it appropriate, to allocate at least 20% of aid to social purposes, on the condition that recipient countries committed themselves to allocating 20% of national expenditures to the same ends.

At a press conference during the Summit, Helmut Maucher, head of Nestlé, member of the board of the WBCSD, and vice-chairman of the International Chamber of Commerce and the European Round Table of Industrialists, advanced a simple solution to unemployment: It was just a question of deregulating the world economy and abolishing the minimum wage.<sup>6</sup>

Before the Summit, businessman Olivier Giscard d'Estaing, brother of the former President of France, and for 30 years active in the anti-communist organisation, Moral Rearmament, brought together colleagues from around the world to a Business Association for the World Social Summit (BUSCO). The organisation had official advisory status, just as the BCSD had at the Rio conference.<sup>7</sup>

In a policy document, d'Estaing stated that the market certainly could not automatically erase poverty and other social difficulties. Guided by their deeply held sense of personal responsibility, the corporations would nevertheless lead the world out of misery. D'Estaing claimed that politicians are usually hampered by their national boundaries and by the incessant need to contend for power in recurrent democratic elections:

“Consequently, fundamental and permanent issues, such as the careful husbandry of Nature, are only dealt with incompletely by respective governments and their international institutions. Business entities, which start out simply not wanting to damage the roses, increasingly find themselves donning the gardening gloves. And what is true concerning the husbanding of Nature becomes increasingly true in the area of directly caring for one’s neighbour.”<sup>8</sup>

BUSCO were very grateful to the UN for allowing corporate leaders to be involved in the conference and to give their personal opinions as responsible people, “rather than as mouthpieces for the institutional answers submitted by the different organisations questioned.”<sup>9</sup>

1 Telephone interview.

2 Just News, May 1993, p. 7.

3 UNCTAD, *Trends in Foreign Direct Investments* (1995).

4 Financial Times, 10 April 1990, 17 April 1990, 23 April 1990, and 3 July 1990.

5 Tim Lang & Colin Hines, *The New Protectionism* (1993), p. 100; and Financial Times, 7 September 1995.

6 SEEDlinks, April 1995.

7 Newsletter-ICP, Conscious Corporations. Business Association for the World Social Summit present their demands in Copenhagen (1995).

8 Olivier Giscard d’Estaing, *Social Progress in the Market Economy* (BUSCO 1995), p. 7.

9 Ibid., p. 7.

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## CHAPTER 9

# *The Climate Debate*

*Demands by the Green Capitalists:  
"No Regrets" and "Joint Implementation"*

**C**heap energy - and particularly cheap electricity - is an American birthright," declared Fredrick D. Palmer, general manager and CEO of Western Fuels Association, in a speech in 1994 for colleagues from the US power industry. He was pleased with how the organisation, by lobbying Congress and through TV, had succeeded in preventing taxes and regulations directed at the combustion of oil and coal. Thanks to the organisation's efforts, the public was now fully aware of the deep disagreement among researchers about the greenhouse effect.

Director Palmer attributed the warnings about the global rise in temperatures to flawed computer models. He also pointed out that the American public had begun to realise "that CO<sub>2</sub> is an elixir - that more of it in the atmosphere benefits plants, agriculture, and wildlife - and that if the world warms, it will be at night and in winter, again benefiting plants."<sup>1</sup> The audience presumably applauded heartily.

Director Palmer's speech is typical of the arguments used by the oil and coal industry in the debate about carbon dioxide and global climate: firstly, that the increasing

carbon dioxide emissions do not cause any global warming; and secondly, that global warming is all right.

The greenhouse effect has an impact on a number of different industries:

*Insurance companies* are worried. They point to an increase in major natural catastrophes in recent years and suspect that it may have to do with climate change. So, they work together with Greenpeace and other environmental organisations.

*The nuclear power industry* sees the greenhouse effect as an opportunity for survival. It markets nuclear power as the environmentally friendly alternative to the burning of fossil fuels.

*Oil and coal companies, energy intensive heavy industries, and the whole automobile industry complex* defend themselves against attempts to reduce carbon dioxide emissions.

The last group is the largest and chooses the direction taken by joint interest organisations. A few transnational concerns, such as ABB, have invested in both nuclear power and carbon dioxide-producing activities. Thus, on the one hand, they can profit from public fear of climate change, and on the other, downplay the problem.

The transnational corporations had prepared their line of defence before the Rio conference. About 40 representatives of oil companies, power industries and governments from the major industrial countries gathered in England, in 1991 for a conference on energy and the environment. It was organised by the private Ditchley Foundation, with ties to bodies like the Trilateral Commission and the Bilderberg group. The participants were agreed that warnings about global warming were probably wrong. Even if the warnings were valid, there was nothing to

worry about, since with the help of the market, humanity would quickly adjust to the warmer climate. If this last assumption should turn out to be false, under no circumstances should any commitments be made that might later be regretted. In other words, the activities of the transnational corporations should not be subject to any barriers and regulations. This was called the “no-regrets principle”.<sup>2</sup>

In the US, the large corporations have invested a lot of money in casting doubt on the scientists and environmentalists who warn about global warming. In Sweden, the power companies use their research and development corporation Elforsk to find researchers who attack the theory that global warming is caused by carbon dioxide emissions, during public debates.<sup>3</sup> However, at international conferences, the large corporations have generally retreated to a fallback position with respect to the greenhouse effect. They have accepted that global warming is a possible, albeit highly disputed threat, and directed their efforts towards preventing every attempt at effectively reducing emissions of carbon dioxide in the North.

Before the climate conference in Berlin in the spring of 1995, the European Round Table of Industrialists (ERT) published proposals of practical measures. The authors recalled that at the Rio conference, EU Member States had promised to reduce their emissions of carbon dioxide to the 1990 level by the year 2000:

”The dilemma the European Union faces is how to meet this commitment without seriously damaging its economic base, its industrial competitiveness, and its quality of life.”<sup>4</sup>

If the goals conflict with each other, the no-regrets

principle dictates that environmental protection give way. Under no circumstances should the competitive strength of the EU be weakened, because economic growth is a prerequisite for environmental investments. In the ERT's view, it is uncertain if climate change is a serious problem, and to the degree that it is a problem, it is not primarily a European problem:

“Today the non-OECD countries account for four-fifths of the world's population and 90% of its population growth. Most of the global increase in energy use and CO<sub>2</sub> emissions over the next 30 years will derive from their increased use of fossil fuels...”<sup>5</sup>

Therefore, these possible problems should be solved by “joint implementation,” i.e. by technology transfer, foreign investments and aid projects in the poor countries.

The report does not mention excessive emissions of carbon dioxide in the rich countries. The ERT claims that European industry has exhausted available energy efficiency options, and further measures must be based on voluntary or economic incentives, but not a carbon dioxide tax, because this would undermine competitiveness. The alternative, clean energy source of choice is nuclear power.

At the conference in Berlin the World Business Council for Sustainable Development called for “joint implementation”. Through a special working group and through their regional subsidiaries, members of the WBCSD worked to convince participating governments of the excellence of the idea. Power utilities in North America, Japan and Europe would be able to forestall the demand for reducing CO<sub>2</sub> emissions by investing in higher fuel efficiency of carbon combustion in developing

countries. In this way, not only would the environment benefit, but economic relations between North and South, as well.<sup>6</sup>

A number of the member corporations in the WBCSD, including Dow Chemical, DuPont and Texaco, worked through the lobby organisation, Global Climate Coalition (GCC), to influence the US position at the conference. Uncertainty about global warming makes “exaggerated, aggressive future goals and measures” unacceptable, the GCC claimed, but “joint implementation” opened “colossal possibilities for development of energy, the economy and the environment around the world”.<sup>7</sup> The conference should encourage every government to consult with business to take advantage of these possibilities. The goal was to eliminate any remaining controls on the activities of transnational corporations:

“Such consultation should not be limited to the domestic businesses and industries of the nation, but should reach out to other nations that can provide relevant input. The consultations should identify and facilitate deployment of technologies and processes best suited to each country and should involve discussion concerning non-climate laws and policies that affect business investment and trade.”<sup>8</sup>

The work should also use the expertise of corporate councils on the international level.<sup>9</sup>

Lobbyists from the GCC monitored every move made by the US representatives in Berlin. A climate expert in the official delegation complained:

“Every word we state publicly here appears on the desk of members of Congress the next day.”<sup>10</sup>

At the conference, the countries of the South were uni-

ted in their opposition to the idea of “joint implementation”. They saw the move as an attempt to restrict their national sovereignty, put their natural environment under foreign management, and force western technology on them, on disadvantageous terms. Instead, most of the Third World nations demanded binding decisions to cut carbon dioxide emissions in the rich countries by 20%, by the year 2005.

The conference reached no decision on the issue of limits on emissions. However, concrete attempts at “joint implementation” would begin. A couple of weeks later, the OECD reported that emissions of carbon dioxide in the atmosphere could be expected to increase 30 to 40% from the present level by the year 2010.

1 Fredrick D. Palmer, *The Emperor's New Clothes. Remarks to the Tri-State Generation and Transmission Association, Inc., Annual Meeting* (Cheyenne, Wyoming, 7 April 1994).

2 Financial Times, 22 October 1991.

3 Dagens Nyheter, 8 June 1993.

4 ERT, *The Climate Change Debate* (December 1994), p. 7.

5 Ibid., p. 8.

6 Tomorrow, April-June 1994.

7 Climate Watch, Jan/Feb 1995.

8 Ibid.

9 Ibid.

10 Climax, May 1995.

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## CHAPTER 10

# *The European Round Table of Industrialists*

*Agenda: Social Cutbacks, New  
Motorways and Military Armament*

**I**f we wait for our governments to do anything we will be waiting a long time,” explained Wisse Dekker, the director of Philips, in the spring of 1983. “You can’t get all tied up with politics. Industry has to take the initiative. There is no other way.”<sup>1</sup>

Together with 16 other powerful industrialists, he had just founded the European Round Table of Industrialists (ERT), an association that has silently and decisively influenced development in Western Europe, during the last decade.

The idea of founding the ERT dates back to a speech by Pehr G. Gyllenhammar, then president of Volvo, to 1,200 leading US businessmen at a 1982 dinner at the Waldorf Astoria in New York. Since the early 1970s, Gyllenhammar had ties with the Rockefeller sphere of power. He was a member of the international advisory committee

of the Chase Manhattan Bank, a member of the board of Henry Kissinger's newly opened consultancy, and deputy chairman of the Aspen Institute.

"There are more and more things that we need to get done in Europe that are already happening in the US and Japan," he said.<sup>2</sup>

A model for the new European club of businessmen was the Business Roundtable, which united 200 of the biggest companies in the US to combat the regulations and union influence that emerged from the popular movements of the 1960s and 1970s.

The European Round Table of Industrialists was no ordinary lobby organisation, the Volvo president pointed out. "Our strategy is action oriented, not just another plea for help."<sup>3</sup> The Round Table directors took it upon themselves to plan a new Europe. They made the strategic decisions, got support for them among government officials and politicians and, ideologically, prepared the public to accept them.

The ERT works in symbiosis with the bureaucracy in Brussels. One of the most influential members of the European Commission, Etienne Davignon, now president of Belgium's largest corporation, SGB, took part in the founding of the organisation. Today the Commission consults the ERT in all crucial matters.

One example: the European Union (EU) has targeted telecommunications as a strategic sector in world market competition. The course taken in this area will set the terms for cultural life and public discourse well into the next century.

In February 1994, the EU appointed a group headed by Commissioner Martin Bangemann to look into the



sector. The group was completely dominated by leaders of large companies with interests in telecommunications. No elected politicians, no small businessmen, no union representatives, and no consumer representatives were allowed into this group. Six ERT members were invited, however, including: Carlo de Benedetti of Olivetti, Etienne Davignon of SGB, Jan Timmer of Philips, Candido Velazquez of Telefonica, Heinrich von Pierer of Siemens, and Pehr G. Gyllenhammar, then of Volvo. The Bangemann group recommended that the EU trust market mechanisms to shape the new information society and facilitate the development of all European companies with interests in TV, newspapers and other mass media.

In the same way, the directors of the Round Table were instrumental in the decisions to establish the Internal Market in 1992, and to introduce a common currency for the EU countries, by no later than 1999.

In December 1993, then-president of the EU Com-

mission, Jacques Delors, presented a White Paper on employment and competitiveness. It claimed that unemployment now topped the EU agenda.

The White Paper was for the most part a slightly revised copy of proposals the Roundtable directors had prepared ten years earlier. Delors had regularly met with the ERT, and in the press conference where the group presented its program, *Beating the Crisis*, he himself pointed out the similarities between his White Paper and the “wish lists” of large corporations.

The key word in the ERT’s program for the labour market is “flexibility”: flexible salaries, flexible working hours, and flexible terms of employment. In the EU declarations, the neo-liberal demands are transformed into a campaign against an alleged “two-third’s society”. The idea is that the European economy is in the process of taking a giant leap forward in its development, in which a minority of citizens risk being left behind. One-third of the population is forced into unemployment and poverty since they cannot adjust to the new information society. Thus, those with jobs should show solidarity with those who have not. They should forgo increases in salaries, fixed working hours and job security. According to the White Paper, this is particularly important in the small and medium-sized companies, where the prospects for creating new jobs are the greatest.

The cuts in social security programmes, prerequisites to the planned monetary union (EMU), are also in line with the demands from big business. ABB chairman Percy Barnevik is a member of a consulting group for competitiveness which the EU established, following a recommendation from the ERT. Writing in the Stockholm dai-

ly, Dagens Nyheter, 10 July 1995, he declared:

“The greatest value of EMU for industry is perhaps the fact that external pressure is put on national governments to take necessary, though not always popular measures.”

In his White Paper Delors emphasises that the public sector has to be held in check. Resources from existing budgets need to be reallocated from operating expenses to measures which promote growth. Among these growth-stimulating measures he includes the multi-billion dollar program of investment in new motorways and other transport networks that the EU has designed, based on the ERT’s recommendations.

The officially announced campaign against a “two-third’s society” obscures a program for what is more like a “one-third society”. The public sector and the small and

**Pehr G. Gyllenhammar** ran Volvo for over 20 years. He has been active in a number of the private societies of transnational capital. At the beginning of his career, he was invited by David Rockefeller to join the International Advisory Committee of the Chase Manhattan Bank. He was vice-chairman of the Aspen Institute for several years and helped Henry Kissinger start the consultancy, Kissinger Associates. In 1983, he founded the influential European Round Table of Industrialists (ERT).

In Sweden, Gyllenhammar has pushed for the bridge over Öresund and for the building of motorways, both key components of the Scan Link project.

In recent years, Gyllenhammar has been an advisor to the EU Commission and has started a new European Bank, together with friends from the ERT.

medium-sized companies, which today employ two-thirds of the workers in the EU, are to be starved for the sake of the transnational giants.

The rationale can be read between the lines in ERT documents. The list of demands for the EU Summit in November 1994 states:

“Positive policies to improve the viability of small and medium sized businesses are supported by all large firms, which need to focus on their core business and to an ever increasing extent depend on a large number of subcontractors.”<sup>4</sup>

The position of European transnational corporations is based upon research and development, marketing, financing and a few strategic points of production. The control over these fields allows them to control the whole production process. An ever increasing part of production is outsourced to subcontractors, who in layer upon layer serve the corporation at the top of the pyramid.

In competition with other transnational giants, European concerns are dependent on extracting as much capital as possible from their subservient suppliers. They demand that their subcontractors deliver ever cheaper and better components “just-in-time”, but this demand conflicts with government and trade union regulations. The small and medium-sized companies find it difficult to serve the large corporations, unless they are allowed to lower salaries, extend working hours and fire people as they wish. From another perspective, the more flexible the regulations regarding salaries, working hours and general conditions of employment, and the lower the taxes and social welfare contributions, the further the large corporations can push their demands. Thus, using their suppliers as

“front men”, the giants demand “positive policies” to their own advantage.

The hype about the information society hides a type of production that depletes working people and the environment even more than before. Contrary to common belief, monotonous, production-line work in industry is on the increase. The conveyor belt is not on the way out. It is be-



ing introduced into stages of production where it has not been used before, and its principles are being extended to more and more areas of the economy. The stockpiles that were buffers during swings of supply and demand are being eliminated. With deliveries between companies being made “just-in-time”, the production process from subcontractors to assembling factories and market outlets functions like a huge conveyor belt.

This model is Japanese and is called “lean production” by business consultants. Trade unionists in the US have

given it another name. They call it “management by stress”.

In lean production, work is intensified while places of refuge are fewer since peripheral activities are transferred to other firms. Overtime and under-staffing are the rule. Thus, it is hard to find time for personnel enrichment. The ERT writes in a report about the growing conflict between the short-term demands of competition and the long-term needs of industry.<sup>5</sup> The physical wear-and-tear of the labour force is greater than before and corporations find it more difficult to make use of and develop the knowledge of their staff. They soon find themselves in a situation where they have employees who both physically and intellectually are unfit for their needs.

For these reasons, the Roundtable businessmen want to introduce the concept of “life-long learning”. This has nothing to do with a general increase in the knowledge requirements of working life. Of course, the large corporations need researchers, specialists and skilled workers, but the workers they are most interested in have other aptitudes. Schools should deliver “large numbers of very adaptable individuals able to tackle anything”, writes ERT. When these flexible, standard educated blue- and white-collar workers have been worn out, the corporations want to be able to exchange them for a fresh, updated batch.

”The new ways of structuring and managing business to ride through times of economic recession have... rendered obsolete the concept of life-long employment in large companies”, states ERT. “Life-long learning, on the other hand, opens the door to allow people to move easily to another job...”<sup>6</sup>

Lifelong learning is not a life of all-round, creative work. It is a few decades of rushing between temporary employment and re-training, ending in unemployment and premature retirement from working life. Well concealed in the vision of the information society, with its ever-higher requirements of knowledge and skills, unemployment is redefined as a matter of personal shortcomings, the failure of a less able one-third of the labour force to make the transition into the future.

Environmental destruction is treated in a similar way. Transnational corporations are now promoting themselves as environmentally conscious information enterprises. Their symbols are no longer smoking factory chimneys, but a female nuclear engineer sitting on a boulder in the forest, a handful of sea-lions who enthusiastically thank a chemical enterprise for its foresight, or a lorry of the latest energy-saving design in a natural setting.

Environmental destruction is depicted as something old, a remnant of the past that leading western enterprises have left behind. New environmentally safe products and systems for emission control and recycling seem to confirm the picture. However, while the multi-billion dollar market for green goods develops in the rich countries, the transnational corporations continue their destructive activities on a global scale.

European infrastructure is increasingly designed to meet the interests of the largest corporations. The members of the ERT are behind the bridge over Öresund (between Denmark and Sweden), as well as the Eurotunnel under the English Channel. These projects are part of a programme of so-called Trans-European networks (TEN), promoted by the association since the mid-1980s,

and together with the Commission in Brussels, guided all the way to the decision-makers in the Council of Ministers. A total of 55,000 km of new roads are to be built, 12,000 km of which are to be motorways.

The member companies of ERT have two immediate interests in this program.

First, new transport links, particularly motorways, are a precondition for lean production. In a production model dominated by a few large concerns, division of labour is more accentuated than ever before. The relocation of peripheral parts of production to specialised subcontractors results in shipping increasing amounts of components ever longer distances. Just-in-time deliveries to shops and factories with minimal stockpiles multiplies the number of shipments. Rail transport uses only a quarter of the energy required to transport the same amount of goods as lorry transport, but it is not flexible enough to service the production system promoted by transnational corporations.

In the early 1990s, the EU Commission predicted a doubling of freight within 20 years. The ERT maintained that additional space for lorry transport was of decisive importance, if European transnational concerns were to build the networks of subcontractors required to enable them to compete in the world market:

“The growing reliance on just-in-time logistics in manufacturing reflects the dispersion of the traditional firm into networks, or ‘virtual corporations’ of continental and even global spread. Thus, rather than seeing congestion merely as a threat to the particular fine-tuning of costs (savings of warehousing and idled capital) called just-in-time, it must more importantly be seen as a threat to

thesophisticated, specialised economy itself.”<sup>7</sup>

Another reason for the ERT’s demand for new motorways is the crisis in mass motorism. Traffic jams are commonplace in northern Germany, and in London and Paris, cars move no faster than horse-drawn carriages used to. The ERT is dominated by car companies and industries who, through their sale of metal, glass, electronics, concrete and fuel, are dependent on private car transport. Traffic congestion threatens their cash flow. Thus, they plan for continued adaptation of the human environment to the demands of private motoring.

New motorways and ring roads in big cities reduce congestion only temporarily, but they allow for more cars in the road network. Thus, they are profitable for the automotive-industrial complex.

The same thinking is behind the development of electronic control systems for traffic. The flow of cars should be optimised to make room for more. Several hundred researchers are working on this technology for industry and the EU Commission. The automobile industry’s Prometheus Project is sponsored by EU, and the EU’s Drive Project is supervised by a committee headed by Umberto Agnelli of Fiat, ERT and Prometheus. Instead of environment-friendly, mass transit by rail, the project leaders envisage convoys of private cars packed together with the help of satellites, computers and sensors.

In a 1989 report, the Roundtable managers noted political resistance to their projects in many countries. Thus, it was important “to prevent a similar development from occurring at the European level”.<sup>8</sup> Institutional inertia and opposition on the part of environmentalists and local, special interest groups could be overcome through the syste-

matic massaging of public opinion and particular target groups. Leading politicians should be encouraged to use top-down initiatives to push the construction of infrastructure, and the private sector should be involved in the decision-making processes as early as possible. Representatives from the public sector, industry, banks, services and private institutions could develop new ideas in joint working groups and overcome “political, economic and technical obstacles”.<sup>9</sup>

In the EU, with its thousands of professional lobbyists, bureaucracy and systematic secrecy, this method of working can be practised without interference from any democratic influences. In Sweden, Gyllenhammar and his colleagues used this approach when they forced through a motorway along Sweden’s west coast and the bridge over Öresund. In Stockholm, it was used by the construction industry and real estate interests behind the Dennis Package, a multi-billion dollar plan to build motorways under and around the capital.

The ERT tries to appease environmental opinion by proposing toll roads and fees. The plan has two thrusts:

Firstly, access to the road network should be rationed in ways other than queues, since queues make auto use less attractive for everyone. The ERT notes that the price mechanism reduces demand, “favouring high value over trivial use”.<sup>10</sup> In practice, this means that owners of more expensive and newer cars are left on the road. Car producers profit from that.

Secondly, taxation is privatised. Either private interests acquire the right to put tolls on roads and bridges, like medieval barons, or road tolls are earmarked for new investments in roads. Both situations favour the automoti-

ve-industrial complex. The environment is used as a pretext for introducing a price mechanism which supports motoring.

The programme of the Roundtable businessmen is a programme for growth, but growth in a special sense: the transnational corporations grow bigger and more powerful. Here lies a conflict. Lean production results in ever more goods being produced more quickly and more efficiently than ever before. However, at the same time, the public sector is being starved for the sake of the transnationals, salaries are slashed and the small and middle-sized companies impoverished. It is difficult, therefore, to find use for the new production capacity. There is not enough purchasing power in the market. A surplus of capital emerges that scours the planet looking for profitable outlets and causes swindles and crises.

ERT foresees two solutions to this problem. The first is multi-billion dollar investments in new motorways and other transportation networks, organised through EU. Even at the founding of the business club, Pehr G. Gyllenhammar was already talking about a new Marshall Plan for Europe. He explained that investment in infrastructure was a way of securing a market for the enormous liquidity accumulated by the large corporations.<sup>11</sup>

In the past, the State financed bridges and roads from taxes, but now, according to the ERT proposal, private enterprise would take over this function. With State guarantees against losses and the right to charge tolls and fees, the corporations would be ensured profitability on investments whose return would otherwise be too long-term and risky.<sup>12</sup>

European corporations see the construction of motor-

ways, bridges, fast trains and electronic traffic control systems as having the same potential for large profits as US industry has traditionally had in military orders and the space programme. The car industry is mimicking the military sector.

The second solution to the problem of a surplus of capital and insufficient domestic demand, is expansion outside Europe. The struggle for new markets in the South and East is a key element in the strategy for economic growth in the EU, formulated in Delors' 1993 White Paper. This is completely in line with the vision of the Roundtable businessmen.

In 1990, the ERT formed a Working Group for North-South issues, managed by Nestlé president, Helmut Maucher. Stephan Schmidheiny, who founded the Business Council for Sustainable Development that same year, was also involved.

The ERT has concluded that the total market in the developing countries is two-thirds the size of the EU one, and that it will grow much faster. In the next few years, it is estimated that two-thirds of the demand for all new cars will come from Asia.<sup>13</sup>

To ensure access to this market for capital and goods, the ERT worked energetically to push through the new GATT trade agreement. The European-based transnational corporations demand that Southern countries give them the same rights as they give their own domestic corporations. They also demand respect for their technical monopolies.

In one report, the ERT points out the importance of patents and trademarks. In India, Hindustan Lever, a subsidiary of Unilever, has been able to do business with "over

70,000 tonnes of unconventional and previously neglected indigenous oils".<sup>14</sup> One of the oils mentioned in the report comes from the neem tree, which is now commercialised and protected with international patents. For generations, Indian farmers have made use of the seeds of the neem tree. Now, the market price for the seeds is 20 to 30 times what it was.<sup>15</sup>

The ERT is worried that European businesses are lagging behind in their search for new markets. Over the past century, business has operated in protected niches, as it was put in one of the reports, but in the coming century US, Japanese and European capital will be standing eye to eye. The struggle for the growing markets in the South will be decisive.<sup>16</sup>

According to the ERT, an important instrument of competition will be for every industrial region to adapt the economies of developing countries to its own capitalist model. The US has an edge on the EU, with its bilateral arrangements, the NAFTA trade agreement and its control over institutions like the World Bank and the International Monetary Fund. Japan is working hard to promote its model, particularly in Asia, and is demanding more influence in international aid agencies. However, the Roundtable businessmen complain that little is heard from the EU. The EU's sphere of influence does not extend beyond its immediate surroundings.<sup>17</sup>

The weakness is not economic but political. The global economic interests of the EU-based transnational corporations will be vulnerable to the manoeuvres of competitors and hostile local forces, unless they are accompanied by a comparable political influence. For these reasons, the ERT calls for the EU to develop a capability to defend its

interests globally: "Industry and the people working in industry ... expect their [political] leaders to exercise a proper influence on the world and cannot accept that their Community should be relegated to the margins of international politics..."<sup>18</sup>

In the Middle East crisis of 1990, the economic giant behaved like a political dwarf.

"Europe had interests at stake in the Gulf, and views on what should be done.... But when the question of using force was raised, Europe had neither the decision-making processes nor the instruments to allow it to act".<sup>19</sup>

European-based transnational corporations see military rearmament and a common European military force as a means to secure their global interests. Their aspirations are hidden in the talk about the EU being a "great peace project".

1 Newsweek, 28 March 1983.

2 The Times, 13 September 1983.

3 Newsweek, 18 April 1983.

4 ERT, *European Competitiveness* (15 November 1995), p. 6.

5 ERT, *Lifelong Learning* (June 1992), p. 6.

6 ERT, *Education for Europeans* (November 1994), p. 9 and 13; and *Lifelong Learning*, p. 6.

7 ERT, *Growing together one infrastructure for Europe* (May 1992), p.11.

8 ERT, *Need for Renewing Transport Infrastructure in Europe* (March 1989), p. 12, 18, 35, 41.

9 Ibid., p. 12, 18, 35, 41.

10 ERT, *Growing together one infrastructure for Europe*, p.11.

11 Financial Times, 19 January 1983; and Times, 13 September 1983.

12 ERT, *Growing together one infrastructure for Europe*, p.31.

13 ERT, *European Industry a Partner for the Developing World* (August 1993), p. 3 and 7.

14 Ibid., p. 15.

- 15 Vandana Shiva, Radha Holla-Bhar, *The Ecologist* 6/93.
- 16 ERT, *European Industry a Partner for the Developing World*, p. 3 and 7.
- 17 ERT, *Survey on improvements of conditions of investment in the developing world* (May 1993), p. 10.
- 18 ERT, *Reshaping Europe* (September 1991), p. 58.
- 19 *Ibid.*, p 58.

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## CHAPTER 11

# *Ethics in Place of Politics*

*What BP Learned  
from the Brent Spar Incident*

**W**hen activists from Greenpeace managed to climb aboard the derelict oil platform, Brent Spar, in Spring 1995, the platform's owner, Royal Dutch/Shell, made just about every mistake in the book

Confronted with a *fait accompli* in the form of four Greenpeace activists hanging from the Brent Spar's towers, Royal Dutch/Shell went to war, deploying water cannons against the activists, all to defend the company's right to dump its platform in the North Sea. It didn't matter what assurances Shell made in their press releases. Anyone with a TV set could see young idealists risking their lives, defying the giant's cannonade. A few minutes' footage and not the Brent Spar, but years of carefully orchestrated work to give the company an environment-friendly image plunged to the bottom of the sea.

Today, Brent Spar has become a symbol of transnational companies' vulnerability to public sensitivities about the environment.

Two years later, in Summer 1997, Greenpeace tried the

same tactics that had worked so well on Shell and the Brent Spar. This time the target was oil exploration in the North Atlantic west of the Shetlands. "The world doesn't need more oil," Greenpeace declared. "Combating the greenhouse effect means cutting, not increasing the combustion of fossil fuels". The targeted foe: British Petroleum, BP.

On August 9, four Greenpeace activists, braving the sea in rubber rafts, mount BP's mobile platform, the Stena Dee. But this time no dramatic television news footage is forthcoming. The men on board the Stena Dee offer no resistance. On the contrary. Security personnel are on hand – but only to make sure that no one gets hurt. BP seemingly welcomes the activists with open arms, inviting them in for a hot meal, shower and other amenities.

When, after a couple of days, the journalists on board the Greenpeace vessel tire of waiting for something to happen, BP generously offers them helicopter transport back to Glasgow. Only a news crew from South Korea remains on the scene when the police, who have been waiting on the platform, expel the 'squatters', making few, if any waves in the media.

The incident at Stena Dee was managed according to a new strategy that BP and their colleagues in the petroleum industry, working in "close contact" with the British Government, had developed for meeting protests against North Atlantic oil exploration. The rationale behind this strategy, as laid out in a letter from John Battle, the responsible minister, to a Member of Parliament in August 1997, boils down to a common agreement to lie low and "avoid feeding the Greenpeace publicity machine".<sup>1</sup>

BP faced the crisis with professional help from Bur-

son-Marsteller, a leading public relations consultancy.

“They certainly are used by the company,” BP’s press officer, Keith Bryer affirms. “They do have input into the climate question.”

In Spring 1997, an internal memorandum from Burson-Marsteller found its way into the press. That particular document offered clients in the biotech industry advice on how to tackle consumer resistance to genetically manipulated (GM) products, mainly food, but the strategy could be applied just as well to the debate on the greenhouse effect. The primary objective is to disarm organized resistance – referred to as “adversarial opinion” in Burson-Marsteller’s terminology.



Addressed to EuropaBio, the branch organization for European biotech companies, the memo outlines a campaign strategy to be discussed at the organization's annual meeting in June 1997. For the tidy sum of USD 1.9 million, Burson-Marsteller offers to win consumer acceptance of GM products in fifteen European countries, four of which – Great Britain, France, Germany and Italy – are especially targeted as keys to the European market. Whether or not EuropaBio accepted the offer, or turned to some other consultancy, is unknown.

For public relations professionals the document is hardly sensational. It simply outlines basic rules of conduct for companies operating in a hostile environment. But for anyone outside the branch, it is full of revelations. Because the rules of conduct are typical, they explain how a growing number of corporations, BP among them, are going about acquiring “green”, environment-friendly images.

The PR pros point out something many professional environmentalists either have not realized or have forgotten: the course events take is not decided in the top echelons of society, but at its base. Lobbying in the corridors of power, while necessary, is not sufficient. EuropaBio and its predecessors may have “firmly established themselves ... within the political and regulatory structures of Europe”, but it is now essential, Burson-Marsteller asserts, for the branch to adopt a “sustained communications strategy ... able to generate favourable perceptions and opinions beyond the policy world”.<sup>2</sup>

To achieve this, the bioindustries “must stop trying to be their own advocates”. Whereas that tactic may work vis-à-vis policy makers, it definitely does not, and will not,

work on the general public.

Burson-Marsteller prescribe four “basic strategic disciplines”:

- “• Stay off the killing fields.
- Create positive perceptions.
- Fight fire with fire.
- Create service-based media relations.”

The industry should avoid getting involved in public discussions of the risks genetic engineering may or may not pose to the environment and human health. At all costs. Their all-too-apparent profit motive “fatally undermines” their credibility in the eyes of a critical public. When industry responds to criticism, it tends to increase public concern rather than allay it.

“Therefore,” Burston-Marsteller concludes, “a basic discipline of EuropaBio’s communications strategy must be to stay off these killing fields – no matter how provocative the invitation to enter them may be.”<sup>3</sup>

But this is not say the industry should withdraw entirely from the public arena, leaving a ‘walk-over’ to its critics. It simply means that industry should let others do the talking for them. Politicians and regulators are generally respected; it is far more effective to let them persuade the public of the safety and benefits of the new technology and its products.

“Media savvy” is another subject in the Burson-Marsteller curriculum. Stories, not arguments, are the proper response to warnings and widespread fear. ‘People stories’, especially – positive examples of how the technology has helped a specific individual or family. Issues are hard to explain, let alone sell, to the media, “good stories, on the other hand, go around the world in minutes”.

Furthermore, Burson-Marsteller advises the use of “symbols, not logic”. Symbols, they say, are “central to politics because they connect to emotions, not logic”.<sup>4</sup>

Applying these principles, the industry can develop a service-oriented relationship with the media. Journalists, Burson-Marsteller points out, seldom have a personal commitment regarding the issues they cover. They are just trying to do their job, to produce copy that sells, and they are generally working against the clock. Deadline pressures give the industry a vital foothold: EuropaBio should therefore turn itself into the journalist’s “first-stop help-desk”, a continuing and reliable source of “not industry propaganda but practical, editor-pleasing stories and personalities – even adversarial”.<sup>5</sup>

We see a lot of this advice put into practice in British Petroleum’s handling of Greenpeace on the Stena Dee. BP was extremely service-minded vis-à-vis the journalists covering the story, while they also saw to it that those same journalists left the scene empty-handed. They steered clear of “the killing fields”, making no attempt to defend their explorative drilling in the North Atlantic. Maintaining a gentlemanly composure in the face of Greenpeace’s provocation, BP had drained the issue of all its potential news value. No dramatic, David-and-Goliath-type images of the battle of committed youth to save us all from global warming filled the media. BP could rest easy.

Meanwhile, aided by Burson-Marsteller, BP is working hard to develop a “green” image for itself as a company and for its products. In 1996, BP left the USA-based Global Climate Coalition, the lobbying organization which has most stubbornly contested the research show-

ing the relationship between global warming and greenhouse gas-emissions.

“We wanted to join a constructive debate on climate change and felt unhappy with the organization’s apparently confrontational style,” press officer Keith Bryer explains. “It was an issue of style.”

In a number of public speeches BP’s CEO John Browne has conceded the apparent relationship between rising levels of carbon dioxide in the atmosphere and the phenomenon of global warming, i.e., a global rise in average temperatures. Some kind of “precautionary action” must be taken, Browne is clear about that.

But in a speech held at Stanford University in California Browne warned against trying drastically, “at a stroke” to reduce carbon emissions. Such dramatic measures would be “unsustainable”, he argued, because they would “crash into the realities of economic growth”.<sup>6</sup>

So, what does BP think of binding agreements to reduce carbon dioxide emissions? When I asked Keith Bryer, he referred me to Browne’s Stanford speech: “The words I would like you to use are the words Mr. Browne uses himself. Any reinterpretation is pointless.”

But the speech does not touch on the subject of binding agreements. What does BP think of the EU proposal to reduce carbon emissions by 15 per cent by the year 2010? Mr. Bryer asked to be allowed to return to that point later with an officially sanctioned statement.

In December 1997, on the eve of the UN conference on climate change in Kyoto, BP registered the following view: “Any targets for CO<sub>2</sub>- emissions are just the beginning, whether they are set by the EU or the United States. The next step would be to develop the means through

which any targets can be achieved. The important things are government incentives, without which there will be very little practical action, and the application by business of existing technology as a precautionary action.”

John Browne’s miscellaneous public statements offer some guidance as to how this statement is to be interpreted. In an interview in the *Financial Times*, for example, Browne welcomes taxation as a way to promote greater energy efficiency, but he is staunchly opposed to taxes on carbon dioxide emissions. Renewable energy sources must not be favored at the expense of fossil fuels; the playing field should be level, competition fair.<sup>7</sup>

Alternative energy supplies can be expected to take a greater share of the energy market as we move into the next century, Browne declared at Stanford, but added: “But let me be clear. That is not instead of oil and gas. It is additional.”<sup>8</sup>

Browne does not see the abandonment of fossil fuels in the foreseeable future. BP likes to talk about its involvement in research to develop solar and bio-energy technologies, but the sums are nowhere near what BP puts into developing new oil and gas fields.

Other favorite subjects are “joint implementation” and BP’s own energy efficiency programme. BP is involved in reforestation and forest-management schemes in Turkey and Bolivia. It is by contributing technology and know-how to environmental projects like these, that BP is doing its part in the ‘joint implementation’ set out in UN programmes for the global environment. That is the general idea.

As for ‘energy efficiency’, the company is trimming its operations to reduce energy use in the extraction of oil

and natural gas. It is, in other words, learning to emit less carbon dioxide when producing the fuels that continue to saturate the atmosphere with carbon dioxide.

Like the World Business Council for Sustainable Development, of which BP is a member, John Browne puts a lot of emphasis on the responsibility of individual companies. He opposes government regulation, at least those that might hurt business, emphasizing instead the measures the company has taken of its own accord. When, for example, demands are raised that BP quit drilling for oil in the North Atlantic, the company responds with a colorful brochure extolling its own energy efficiency efforts and all that it has done to protect the flora and fauna of the region.

Here we see the contours of a principal strategy that major corporations use to parry environmental criticism: Against calls for public regulation, they hold up the virtues of private, individual responsibility. As alternatives to regulations and policies formulated by democratic bodies, they talk about consumer choice and industry's self-regulating potential.

The strategy is laid out even clearer in Burson-Marsteller's recipe for gaining acceptance for genetically manipulated products in the agri-food sector.

Monsanto, the American bio-chemical conglomerate which is scrambling to become the Microsoft of genetic engineering, has tried to overcome consumer resistance to GM foods by introducing the technology via a bulk commodity which is widely used at the bottom of the production chain. The vehicle Monsanto chose for this strategy is soybeans, derivatives of which are used throughout the food processing industry. Monsanto's rationale is simple:

force consumers to accept GM soy products, and they will be more accepting of other GM products – tomatoes, strawberries, and what-have-you.

Burson-Marsteller's consultants reject this "bottom-up" strategy out of hand. Their reasoning runs like this: If the food industry and retailers are perceived to have no freedom of choice, their credibility, if and when they claim that GM products are "safe", will be nil. The element of coercion only reinforces public fear and consumers' resistance to the new technology.

Freedom of choice, the Burston-Marsteller experts say, is the key to consumer confidence. Consequently, the genetic engineering industry has to be prepared to 'lie low': "Companies in the food sector must be perceived by the public to have their own independent view, voice and scope of action..."<sup>9</sup>

Food companies, furthermore, must be perceived to pass this independence and freedom of choice on to consumers. The key word is "transparency", i.e., providing appropriate product information: "This in itself can largely defuse the sense of powerlessness which in large measure feeds the current climate of resentment and rejection."<sup>10</sup>

When the consumer is standing over the freezer bin and is offered a choice between GM ice cream at a bargain price and the more expensive GM-free product, that is when concern about the possible consequences to health or the environment will topple off the political agenda. That is Burson-Marsteller's promise to Europa-Bio. They even hold out the prospect of being able to market GM products as the environment-friendly choice.

Freedom of choice on the open market in place of go-

vernment regulation. Corporate morality in place of politics. The corporate giants of the industrialized world have come a long way indeed in their efforts to neutralize the environmentalist movement.

The strategy has a flip-side: Asserting one's individual responsibility turns ethics into a potential liability. What happens if the company becomes involved in a PR catastrophe like Brent Spar? The greener one's image, the more vulnerable to being scandalized in the media, the greater the risk of losing the customers who sought to buy themselves a better environment. That is the price of removing the strivings for a better future from the public sphere over to a realm where purchasing power rules.

But then, again, if catastrophe should strike, there is always Burson-Marsteller to make things right.

1. Letter from John Battle to Richard Page, 31 August 1997.
2. *Communications Programmes for EuropaBio*, January 1997. Prepared by Burson Marsteller Government & Public Affairs, s 3.
3. *Ibid.*, p. 4.
4. *Ibid.*, p. 5.
5. *Ibid.*, p. 5.
6. John Browne: *Climate change: the new agenda. A presentation to Stanford University, California, 19 May 1997*, s 5.
7. Financial Times, 28 November 1997.
8. *Climate change: the new agenda*, s 12.
9. *Communications Programmes for EuropaBio*, s 8.
10. A a, s 8.

# *A Crossroads for the Environmental Movement*

*Will Popular Movements Become  
Charity Organisations for  
Transnational Companies?*

**L**obbyists hired by large corporations in the US work at two levels. As the head of the Heritage Foundation has pointed out, their efforts to influence the “tree tops” of society are accompanied by a systematic cultivation of the “grass roots”. The first is called lobbying, and the second is referred to under the broader term of public relations (PR).

In the US, about 170.000 people work in lobbying and PR. That is more than all the news reporters in the country.<sup>1</sup> The way professional PR consultants work is similar, in many ways, to the way government secret services operate.

The company Mongoven, Biscoe and Duchin monitors issues relating to the greenhouse effect and ozone hole for a number of the largest corporations in the US. Fourteen full-time staff with experience in environmental

and consumer groups, churches and other organisations study and systematically document every participant in the debate. Informants participate in conferences and meetings and contact activists and opposition politicians to gather data for secret reports prepared for their clients.

Mongoven, Biscoe and Duchin categorise environmental activists into four groups: realists, idealists, opportunists, and radicals. The radicals are difficult to handle. They work for social justice and for public control of industry, and their response to corporate overtures is impossible to predict. Opportunists work in the environmental movement mostly to be seen and to promote their career. They are often satisfied with some kind of partial concession. The idealists cannot be bought, but they can be backed into harmless positions with the help of realists, namely, those working towards pragmatic agreements with industry.

The strategy to undermine the environmental movement is, therefore, to negotiate with the realists, neutralise the idealists, and isolate the radicals. Then, the opportunists just follow along.<sup>2</sup>

Generally, forward-looking corporate representatives have applied this strategy ever since they had their eyes opened to environmental issues in the 1960s. Money and time were invested in established environmental organisations, and leading actors, like Maurice Strong and his colleague Warren Lindner, have worked hard to win the confidence of the more idealistic movements and lead them down the realistic road.

The alternative forum at the UN World Social Summit in Copenhagen was organised like the earlier conferences to promote this strategy. The Danish Ministry of Foreign

Affairs ensured that Lindner's Centre for Our Common Future had influence over the activities of non-governmental organisations at the NGO Forum. Some organisations were not even invited, even though they claimed that their names were on the address lists that Lindner used. Furthermore, in some cases, travel expenses for organisations in the Third World were distributed very selectively by local UN agencies.

For the most part, the NGO activities around the conferences have the effect of diluting popular radicalism. Genuine popular movements meet confused sects, professional lobbyists and representatives of large corporations in a chaotic atmosphere that only leaves room for ritual protest actions. The realists are lured further and further into the corridors of power, and flowery words and the promises of generous financial donations encourage the idealists and opportunists to follow.

The NGO Forum in Copenhagen was financed by the Danish Government and large corporations like BP and M&T, the Danish construction company that is built

**NGOs.** The concept of non-governmental organisations was adopted by the UN. It refers to organisations which are formally independent from the government and are not profit-oriented – they include everything from unions to Chambers of Commerce.

The NGO system in the UN is dominated by hierarchical volunteer organisations and by coalitions with a corporate-like, undemocratic structures. There are, however, some grassroots democratic organisations that have goals other than those of the professional charitable organisations.

ding parts of the bridge over Öresund. Environmental activists from around the world mingled with World Bank representatives and young, budding businessmen from the organisation AIESEC (Association Internationale des Étudiants en Sciences Économiques et Commerciales), who travelled there with funding from Nestlé. Established NGOs were careful to ensure that their attempts to influence government delegates by lobbying would not be thwarted by the actions and statements planned by participants at the NGO Forum.<sup>3</sup>

In the pacification of the popular movements, opinions are not the main thing. The purpose of the financial contributions and personal contacts is not so much to stop criticism, but rather to isolate the critics from the public. For the transnational giants, an environmental organisation is manageable as long as it concentrates on lobbying and the media theatre. These activities can never overturn the production system on which the transnationals survive. Attempts to change the attitudes of corporate representatives and government officials can work quite well, and on some issues, this approach has even had some significance. However, in the overall picture such efforts have no effect, since the individuals are replaceable. They have no personal power to change the direction of development. A director of Astra who suddenly decides to provide doctors in India with free access to the corporation's patented formulas will not remain director very long.

The situation is similar with dramatic media events. Radio and TV stations and newspapers all over the world are in the hands of those whose interest it is to maintain the status quo. While it is possible to use media events to

stop the dumping of an oil platform in the sea, no such spectacular actions can stop a war about oil in the Persian Gulf.

Negotiations and media contacts are necessary, but the movement that loses itself in meeting rooms and the media soon stops moving. The power to turn things around always comes from below. Professional lobbyists and their employers know this. That is why they try so hard to influence the "grass roots".

In the US, environmental protection has increasingly become a concern for lawyers, politicians and urban intellectuals. This fact has made it possible for large corporations demagogically to convince workers and small businessmen to oppose the protection of the environment. A number of local citizen groups has emerged, promoting themselves as "The Wise Use Movement". They organize lumberjacks to oppose nature protection authorities and harass environmental activists. Behind them are the new-right campaign organisations and PR companies such as Burson-Marsteller and Hill and Knowlton.

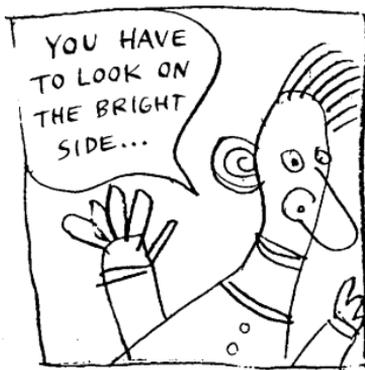
Professional lobbyists estimate that "grass roots lobbying" and the mobilisation of false mass movements annually turn over about US\$800 million in the US. Part of the money is raised by appeals through direct mailings, and some comes from oil, mining, and forestry companies. Just to be sure, companies, such as Atlantic Richfield Company and Dupont, invest in both established environmental organisations and Wise Use groups.<sup>4</sup>

A strategy similar to the Wise Use Movement was applied by the Social-Democratic Government in the Swedish national referendum on the future of nuclear energy in 1980. Faced with a likelihood that a majority

would vote to phase out Sweden's then six reactors, the Government introduced a third alternative, a sort of "phase out, yes, but not until prudent". The intent behind this alternative was to exploit a latent rift and isolate the environmental activists from the union movement. The strategy was successful. Sweden now has 12 reactors.

In the struggle against European Union membership, the opposition was more solid, but the basis for the "yes" victory in the referendum 1994 was, in principal, the same. The corporations

provided the money and put the organisation "Wage Earners for Europe" and other forces with a popular image up front. An important element in the strategy was to give the impression that some confused, young, vandals were typical representatives of the "no" side. The militancy of direct action on the front page of Expressen (one of the biggest tabloid newspapers in Sweden) worked well to alienate those who were still undecided about their position on EU membership.



A movement that leaves the people behind will not necessarily be less successful, but its success will change colour. The organisation can suddenly become very rich and prominent. In general, transnational giants have nothing against non-profit organisations that work on environmental and North-South issues. On the contrary, they have big plans for their NGOs.

In the beginning of the 1960s, there were a couple of

hundred NGOs active internationally. Now, there are almost 29,000.<sup>5</sup> This proliferation has taken place at the same time as State structures in the South have weakened and collapsed under the weight of crises, starvation and war.

These occurrences are not only parallel. They are closely connected. The suppression of the States on the periphery of the world economy are at the core of the strategy being played out by North America, Europe and Japan.



To secure the South for transnational corporations, every local obstacle must be removed. This is achieved through a variety of means: interest extortion, free trade agreements, and political and military interventions. So-called globalisation and internationalisation are, in reality, a re-colonisation of the continents in the South. In this process, the modern charity and aid organisations play a similar role to that of Western missionaries in the past.

NGOs are responsible for disbursing close to six billion US dollars in development aid per year. This is almost as much as is channeled through the multilateral agencies, and more and more governments in the North delegate

responsibility for disbursement of increasing amounts of aid to NGOs. At the World Social Summit in Copenhagen, Vice President Al Gore explained that in future, at least 40% of the US development assistance channelled through USAID, would be handled by non-profit organisations. The EU has delegated experts from 160 NGOs to manage all on-site aid work. In principle, local governments are not given any influence over this money.<sup>6</sup>

This development is mirrored in a renaissance of the colonial-era notion of the “white man’s burden”. The states on the periphery are regarded as malicious, impotent or otherwise defunct. Consequently, it is the task of the civilised world to give the peoples in the South human rights, peace, social services, and environmental protection. James Morgan, who monitors economic issues for the BBC, wrote in an article in the Financial Times:

”The state has broken down in much of Africa: Sierra Leone, Rwanda, Somalia and others have ceased to function. The UN Development Programme says this is a growing trend, to be seen also in Afghanistan, the Balkans and, one might add, perhaps Transcaucasia eventually. Yet, should many of these places be states in the first place? ... In the same way that many small companies cannot stay independent and be secure, so one can argue that sovereign independence has no future for many countries.

Indeed, if there were no government in, say, Rwanda... /t/here would have been nothing to have set one ethnic group against the other, no centre of total power for which anybody would have fought.”

The BBC correspondent points out that the World Bank and International Monetary Fund already manage a large part of the economic issues in many countries. Why

not let them take over taxation as well? In addition, international institutions could become responsible for basic social services, and overseas representation could be handed over to professionals.

What room does this leave for democracy? Well, writes James Morgan, in a world where the financial markets are in control “democracy is, in one sense, on its way out”. Africans should try to revive individual empowerment and responsibility on a local level instead.<sup>7</sup>

Decentralised, small-scale projects are a way for the World Bank and other Western aid agencies to prevent popular movements from being active in the central political arena. In many Latin American countries, as political opposition has been weakened in recent years, groups with access to foreign aid have become stronger. According to the Egyptian economist, Samir Amin, the same development is taking place in Africa. Hard currency is in control and, in many cases, it is disbursed by foreign NGOs.<sup>8</sup>

This paralysis of independent political life is painted in rosy colours in the 1995 report from the Commission on Global Governance. Ingvar Carlsson and Shridath Ramphal describe the growth of a “global civil society”:

“Traditionally, global governance has been viewed primarily as inter-governmental relationships. Today it must be understood as involving not only governments and inter-governmental institutions but also non-governmental organisations, citizens’ movements, multinational corporations, the global capital market and the global mass media.”

The Commission proposes that this global civil society take a central place in a reformed UN. Representatives of

the new institutions should be attached to the General Assembly and be given formal powers to monitor human rights and environmental resources across national borders:

“We propose that a ‘Right of Petition’ be made available to international civil society to bring to the UN’s attention situations that imperil people’s security. A Council for Petitions should be established within the UN, composed of five to seven eminent, independent persons, to entertain petitions by non-state actors.”

The Council would not have any powers of implementation, but by virtue of its moral authority, should be able to influence the actions of the Secretary General, the Security Council and the General Assembly. The Commission urges NGOs, businessmen, researchers and youth to get involved in the reformation of the international system in this direction:

“We are drifting, overwhelmed by a sense of powerlessness, in need of a mobilising principle that can capture the gains of peace. That principle could well be global governance, a genuine internationalism, a new world order that secures the ascendancy of global neighbourhood values over divisive nationalism.”<sup>9</sup>

This is the green capitalists talking. They want their NGOs – both the professional nature protection and human rights organisations and the idealistic environmental movements – to be involved in the creation of a world order in which transnational activities are not obstructed by obstinate nation states on the global periphery.

Goodwill can be used like a knife. Those who lend themselves to the transnationals’ project can expect the same thanks as the charity ladies on their mission of mer-

cy to the carpenter in August Strindberg's, *The Red Room*:

"I agree with you, ladies, it is unbearable", said the joiner. "And the day will come when things will be worse; on that day we shall come down from the White Mountains with a great noise, like a waterfall, and ask for the return of our beds. Ask? We shall take them! And you shall lie on wooden benches, as I've had to do, and eat potatoes until your stomachs are as tight as a drum and you feel as if you had undergone torture by water, as we..."

What is the alternative to transnational charity? To do something about the world order in solidarity with people in other countries.

1 No Sweat News, Winter 93/94.

2 The Ecologist, July-August 1995; No Sweat News, Winter 1993-94. The information is originally from the newsletter, PR Watch, October-December 1993.

3 Open letter from Kenneth Haar, *Den røde tråd*, 17 March 1995; and SEEDlinks, April 1995. According to their Web site (<http://www.aiesec.org/info/whatis.html>), AIESEC is: "composed of university students from all disciplines whose activities are primarily run in co-operation with the business sector".

4 The Ecologist, July-August 1995.

5 Financial Times, 13 February 1995..

6 Financial Times, 13 February 1995, 21 June 1995, and 5 October 1995; and *Den røde tråd* 17 March 1995.

7 Financial Times, 27 May 1995.

8 *Den Røde tråd*, 17 March 1995.

9 Ingvar Carlsson and Shridath Ramphal, *Our Global Neighbourhood, The Basic Vision* (Geneva 1995), p. 7, 24, 47.



# Miljöförbundet Jordens Vänner Friends of the Earth Sweden

FRIENDS OF THE EARTH SWEDEN – Miljöförbundet Jordens Vänner (MJV) is an organisation aiming to protect the environment and building solidarity between people. The goal is to build an ecologically and socially sustainable society and to take action in specific issues.

As well as individual members, many local groups belong to MJV all over Sweden. Some of the local groups formed already in the late 1960s and the national organisation in 1971. The members of MJV were active in international actions from the outset. Since then the organisation has maintained international contacts through Friends of the Earth International (FoEI) and other networks working on environmental, solidarity and development issues. FoEI is the largest world-wide democratic environmental organisation with sister organisations in over 50 countries.

MJV is a democratic popular movement without ties to any religious or party political organisation. However in specific issues MJV welcomes cooperation with other movements like trade unions, farmers' associations, consumer organisations, or churches and political parties.

MJV works with a broad range of issues, environmental playing the main role. Nuclear power, transport, agriculture, water protection, rainforest and a wide range of local questions, are of special importance. Broadening environmental concern with social justice and democratic commitment is also part of the work of MJV. The inter-

national FoEI campaign's fair share of environmental space, has been an important tool for MJV for bringing about global justice and specific targets into the environmental debate. Other ways of bringing social and environmental issues closer have been to promote green jobs, to use consumer power to support sustainability, and to defend the rights for ecologists to demonstrate. MJV also addresses social questions in their own right, like ending unemployment, abolishing third world debts and protecting democracy against the self-interest of professionals and corporations.

The methods used vary, from visiting the Minister to making actions on the street, to educating people about ecologically sustainable concepts together, with universities or popular education institutions. MJV, sees the necessity of cooperation and where there is a clear difference of interest, confront those responsible for environmental destruction and social injustice. Together, we learn how to change society.

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