

# *The Global Compact with multinational corporations as the UN's "final solution" Globalization": the UN's "safe haven" for the world's marginalized*

by Anthony Judge\*

## Introduction

The Secretary-General of the United Nations announced the launch of a Global Compact with a group of multinational corporations during the northern summer of 2000 - a period traditionally reserved for the release of controversial information which would otherwise attract unwelcome attention. Former senior diplomatic officials associated with the United Nations were taken by surprise. But, given the parties to the Compact, the surprise was perhaps greatest amongst international nongovernmental organizations.

This paper explores aspects of this arrangement in the light of the reactions it has aroused and what it implies as a strategic shift on the part of the United Nations.

It is important to stress that this paper does not focus on the many aspects of multinational corporations that are widely criticized. Modern society is now too complex to sustain simplistic arguments labeling them as "evil" and implying that most people are not in some way implicated in their continued existence (whether as customers, employees, shareholders or suppliers). Nor is the focus on the need for the UN to establish some kind of relationship with such corporations as actors on the world scene - a point made by the author decades ago (Judge, 1969). Nor is it on the possibility of fruitful partnership between the UN and multinationals on specific projects.

The focus here is on the totally non-transparent manner in which this Global Compact has emerged - a process that justifies every manner of suspicion as to its merits and future implications for the UN as a trustworthy institution. In particular it is concerned with the ways in which this initiative is experienced as betrayal by the United Nations of its own long-promulgated values - whether in the eyes of individuals or of the many nongovernmental organizations that have actively or passively supported the UN over many decades. It is concerned with the surreptitious manner in which partnership arrangements with multinationals are being agreed or foreseen, possibly to the detriment of other possible partnership arrangements with the UN.

## Launch of the Global Compact

The Secretary-General of the United Nations has over the past years been a frequent speaker at business gatherings, notably the annual World Economic Forum (<http://www.weforum.org/>), earlier known as the Davos Symposium. He spoke there of his hopes for a "creative partnership" between the UN and the "private sector". It was on the third such visit on 31 January 1999 that he purportedly challenged the CEOs of multinational corporations to join in a "global compact of shared values and principles, which will give a human face to the global market". However it was only in July 2000 that the Global Compact was formally launched in partnership with the International Chamber of Commerce (ICC).

It is far from clear what consultations, and with what parties, led up to the Davos challenge and what subsequent consultations preceded the formal launch. The regrettable non-transparency bodes ill for a supposedly transparent initiative. At Davos, the Secretary-General called upon business "to embrace, support and enact a set of core values in the areas of human rights, labour standards, and environmental practices". He continues: "Why those three... I chose those three areas because they are the ones where I fear that, if we do not act, there may be a threat to the open global market, and especially to the multilateral trade regime." (<http://www.un.org/partners/business/davos.htm>)

In exchange for the support of business leaders he stressed: "More important, perhaps, is what we can do for you in the political arena, to help make the case for, and maintain, an environment which favours trade and open markets".

It is however clear that the process involved considerable interaction with the ICC as the self-acclaimed representative of world business — it is now subtitled itself the "World Business Organization". However its critics point out that it only represents the larger corporations and in no way can claim to represent the interests of the myriad of smaller businesses around the world. But it is quite unclear in what way this initiative has received the approval of UN Member States - normally hypersensitive to their prerogatives in such circumstances. Or is this silence part of a secret deal negotiated with the government dele-

gates so evidently present at Davos? From whom could reliable clarification be obtained?

Ironically the ICC has long been accredited as a nongovernmental organization (an NGO) to the UN ECOSOC - like many other NGOs. The World Economic Forum is also an accredited NGO to ECOSOC. But it is strange to find a partnership between the Secretary-General and an individual NGO, in this case ICC, used as a front for multinational corporations.

## Status of the Global Compact

What is most curious is the apparent lack of information on the exact status of the Compact in reality rather than in public relations terms - or rather the ways in which what is said is open to a variety of interpretations. It has been made absolutely clear that it is in no way a binding agreement. Corporations of any size ("large or small") can adhere to it — although the target is 1,000 major companies within 3 years (Ruggie, 13 October 2000). Whether this means that a mom-and-pop restaurant in a developing country can do so is unclear - nor are the effects of thousands of such businesses doing so, especially in the reaction of multinationals to the dilution in their newfound "international" status within the Compact.

Does the "partnership" involve a signature by both parties? Who signs for the UN? Or have such "formalities" been circumvented to avoid legal difficulties for the UN? Does the partnership effectively extend international legal recognition to corporations, whether multinational or otherwise?

To allay fears that it was yet another attempt at providing a "code of conduct for transnational corporations", the Secretary-General has stated that: "The Global Compact is not a code of conduct. Neither is it a disguised effort to raise minimum standards, nor a vehicle for special interest groups. It is a Compact to help markets deliver what they are best at - while at the same time contributing to a more humane world." (UN Press Release SG/SM/7004, 25 May 1999). It is unclear how contributing to a more humane world is to be achieved without raising minimum standards. This is a major departure for the UN.

Another UN report states: "The Global Compact is not a code of conduct; monitoring and verification of corporate practices do not fall within the mandate or the institutional capacity of the UN. But neither is the Compact to be used as a corporate shield from criticism. To the contrary, it highlights the global citizenship qualities of corporations, and opens up opportunities for focussed, mediated, directed and constructive dialogue." Unfortunately these qualifiers to the nature of the dialogue leave every interpretation as to the manner in which participants and comments will be "focussed" and "directed" (by whom?) in order to meet the criteria of being "constructive". How is this intention to be distinguished in practice from cynical "consultative" exercises purely for public relations purposes?

Most curious is that available information implies that it is an initiative of the Secretary-General's Office in direct collaboration with ICC. It is unclear what other organs of the UN system are involved and in what way it has required the approval of ECOSOC, as has hitherto been the case with respect to any UN interaction with non-UN bodies. He has declared that the "International Labour Organisation, the Office of the High Commissioner for Human Rights and the UN Environment Programme are currently joining forces under the guidance of my Office to create the capacity to encourage global corporate citizenship and to foster the translation of these principles into corporate practice." (UN Press Release SG/SM/7004, 25 May 1999) The Compact's website is a joint effort by these bodies and is its most tangible feature.

There is obviously a lot of "flexibility" envisaged in the relationship. Thus one tobacco company, that has caused considerable embarrassment for influencing WHO health committee appointments, has become a partner — despite assurances from the Secretary-General that such partnerships would not be permitted. It might well be asked whether the UN has any real say in the matter and is not being completely "taken for a ride".

The Secretary-General affirms that the UN and ICC are "good, close partners". Also the "United Nations is the global institution. ICC is

the global business association." Those adhering to the Global Compact should however be aware that UN officials have been mouthing analogous phrases of mutual appreciation in relation to "NGOs" for decades - with little consequence. The ICC would notably be aware of that.

A major difficulty in assessing the Global Compact is not what is visible on the various websites but what deals have been struck under the table and can readily be denied. The history of UNDP's GSDP provides an obvious example (<http://cscf.colorado.edu/pen-1/mar99/0317.html>)

### **Rationale of the Global Compact: the "only hope"**

A new economic elite of banks and corporations is emerging — composed of a network of bodies including especially the: World Economic Forum (composed primarily of chief executives and government leaders), International Chamber of Commerce, World Trade Organization, Business and Industry Advisory Committee (to the OECD), the banking community's proposed Private Sector Advisory Council (of the Institute for International Finance) and its Steering Committee on Emerging Markets Finance, the European Round Table, Transatlantic Business Dialogue and the United States Council for International Business. The UN is endeavouring to develop a partnership with these groups, which (other than the WTO) are, curiously, what the UN would normally define as "NGOs". For some, these new actors have partially usurped the role of an older "shadow government", composed of bodies such as the Trilateral Commission, the Bilderberg Group, the Club of Rome, and the Council on Foreign Relations - also "NGOs". Unfortunately the Global Compact provides every reinforcement for anti-UN conspiracy theorists.

In clarifying the nature of the Compact to the NGO community, John Ruggie states the view of the UN as articulated by the Secretary-General with respect to the process of globalization: "The world needs open markets. They are required to sustain prosperity in the industrial-

ized world. And they provide the only hope of pulling billions of poor people in the developing countries out of abject poverty." (13 October 2000) [emphasis in original].

Mainstream economics has sustained the UN and the Washington Consensus (IMF, World Bank, etc) through many decades of development whose achievements are questioned in their own studies, notably with respect to Africa. In the light of the above claim, "we the peoples" are owed a careful clarification on the distinction between the UN's current argument and that of the promoter of any *Ponzi Scheme*. There is the suspicion that western economic logic only "works" (for the west) when the pool of disadvantaged is constantly replenished. It is difficult for many to distinguish between this logic and *Pyramid Selling* or *Ponzi Schemes* (see <http://www.moneypages.com/syndicate/stocks/wcc/ponzi.html>), except in terms of scale - and especially when rather similar selling techniques are employed, and the same kinds of people seem to benefit. Africa is the ideal sucker for such a process. As has been argued, the "projects" that it has had to receive have more often than not been as damaging to local cultures as "projectiles".

Assuming that such "globalization" is a good thing for the UN to promote, the case for the Global Compact has been summarized on behalf of the UN by Georg Kell and John Ruggie: "Globalization may be a fact of life, but it remains highly fragile. Embedding global market forces in shared values and institutionalized practices, and bridging the gaps in global governance structures are among the most important challenges faced by policymakers and corporate leaders alike. The future of globalization may hang in the balance. This challenge has to be met at the micro-level, where we believe the move toward articulating and acting upon universal values offers a viable approach. And it has to be solved at the level of global rule-making, where we believe strengthening the role of the United Nations has a productive role to play. The Global Compact is intended as a contribution to both though by its very nature and scope, it can only make a modest contribution." (Toronto, November 1999)

To the business community the Secretary-General asserted in 1999 that "whether in peace-

keeping, setting technical standards, protecting intellectual property or providing much-needed assistance to developing countries" the UN "helps to expand opportunities for business around the world".

In remarks to the NGO community, John Ruggie stated: "If you want to make globalization work for everyone, as we do, then it is worthwhile. But if you reject globalization, global corporations or even the system of capitalism itself, then you won't like what we're doing at all, any more than your predecessors liked social Keynesianism or social democracy because such pragmatic innovations inevitably reduce the social rationale and political support for more polarized rejectionist postures." (13 October 2000).

This extraordinary statement declares what it is necessary to believe in, if one is sensible. It denigrates all who do not as "rejectionists", and then ends by condemning postures of polarization — which many would see as characteristic of the structure of Ruggie's argument. Just because the Secretary-General and his advisers and their backers (whoever they may be) believe an argument to be correct, does not necessarily imply that everyone should believe that it is correct (seemingly a forgotten principle of the Universal Declaration of Human Rights, omitted from the Secretary-General's "core values"). Who exactly are the "acceptionists"?

As argued by the *Corporate Europe Observer* (October 1999, #5), the Secretary-General "has made it no secret that the Global Compact is a chance for corporations to improve their public image and counter the backlash against trade and investment liberalization. Disturbingly, it is certain that through the Global Compact the UN will contribute to the largely incorrect impression that corporations are on the way to becoming socially and environmentally responsible actors."

On the occasion of the formal launch of the Global Compact, the Secretary-General justified the UN's cooperation with multinationals in the following terms: "We are cooperating with them for the reasons I have said, for the influence they have, the reach they have, the impact their activities have on the lives of the people that you are talking about...some believe that we should not

engage the companies. The companies are part of our reality. They are going to be operating in your country, my country and all over the world. I think it is important that we engage them and work with them in improving worker conditions and getting them to respect the environment in which they create their fortunes, and also respect their workers. I don't see any contradiction there at all." (UN Press Release SG/SM/7496, 26 July 2000).

The logic of this statement is coherent but it is unclear why, as stated, it does not apply equally to international criminal organizations — whose impact is acknowledged to be as great as multinational corporations and, given the financial resources they control, must necessarily be the major investors in such corporations. It would be interesting to discover in what ways their values could be said to be different from those of multinational corporations with respect to the Global Compact. Despite the optimism of the UN with respect to globalization, the US National Security Council released a report on 15 December 2000 arguing that globalization had created a new kind of threat to national security - and threatening the daily life of citizens everywhere.

In one of his first interviews the ICC president, Helmut Maucher warned: "We have to be careful that they [environment and human rights activists] do not get too much influence." (*Financial Times*, 6 December 1997). This was plaintively echoed more recently on the occasion of the UN Climate Conference (The Hague) by the ICC secretary-general Maria Livanos Cattani: "Business is on the sidelines in The Hague, along with a multitude of non-government organizations, many of which will deploy colorful and highly televisual happenings that will capture the attention of television cameras and make the nightly newscasts. The business organizations can hardly compete, and that is a pity." (*International Herald Tribune*, 8 November 2000).

## Support for the Global Compact

The UN is apparently pleased with the response from corporations and some corporations are pleased with this opening as a means of

associating with the wider, non-economic challenges of society. Clearly some will also be very pleased at the new business opportunities that are being facilitated for them. As Kell and Ruggie put it, "Individual corporations have lent their support and have assisted in the construction of the [Global Compact] website, as have leading NGOs in the areas covered by the Compact" (Kell and Ruggie, 1999).

However in November 2000, on examining the official website of the United Nations Global Compact Network (<http://www.unglobalcompact.org/gc/unweb.nsf/>), it offered no information on which corporations had become involved in the Compact. The site was however organized to cluster "Business + Labour + Civil society" on its front page. But under "partners and initiatives" it indicated that "A variety of associations and social actors are working with business to develop programmes in the areas of human rights, labour and environment" (<http://www.unglobalcompact.org/gc/unweb.nsf/content/partnersandinitiatives.htm>).

These were split, in the following order, into:

(a) Business associations:

- Business for Social Responsibility (BSR) (<http://www.bsr.org/resourcecenter/UNGlobalCompact>)
- Conference Board;
- European Business Network for Social Cohesion (EBNSC) (<http://195.74.198.21/ebnsc/welcomeglobalcomp.htm>)
- International Chamber of Commerce (ICC) ([http://www.iccwbo.org/home/menu\\_global\\_compact.asp](http://www.iccwbo.org/home/menu_global_compact.asp))
- International Organisation of Employers (IOE);
- Prince of Wales Business Leaders Forum (PWBLF) (<http://www.pwblf.org/index2.htm>)
- World Business Council on Sustainable Development (WBCSD) (<http://www.wbcscd.ch/globalcompact/index.htm>)
- International Federation of Consulting Engineers (FIDIC) (<http://www.fidic.org/globalcompact>)
- International Fertilizer Industry Association (IFA) (<http://www.fertilizer.org/ifaun.htm>)
- International Petroleum Industry Environmental Conservation Agency (IPIECA) (<http://www.ipieca.org/globalcompact/index.html>)

- International Road Transportation Union (IRU) (<http://www.iru.org/host/global/iruglobalcompact.htm>)

(b) Workers' organizations:

- International Confederation of Free Trade Unions (ICFTU) (<http://www.icftu.org/displaydocument.asp?Index=991209234&Laneuage=EN>)

(c) NGOs:

- Amnesty International (<http://www.amnesty.org/campaign/globalcompact/>)
- Human Rights Watch (<http://www.hrw.org/advocacy/corporations/index.htm>)
- Lawyers Committee for Human Rights (<http://www.lchr.org/sweatshop/unbusiness.htm>)
- The World Conservation Union (IUCN) ([http://iucn.org/info\\_and\\_news/press/globalcompact.html](http://iucn.org/info_and_news/press/globalcompact.html))
- World Resources Institute (<http://www.wri.org/wri/globalcompact.html>)
- World Wide Fund for Nature (WWF) (<http://www.panda.org/resources/publications/sustainability/un-news/>)

(d) Other initiatives and national governments

As discussed below, it is interesting how "business" associations and "labour" unions are not considered part of "civil society" — presumably taken to mean "NGOs". The UN is clearly demonstrating its skills in presenting statistical information in being able to avoid use of "some" when referring to support by "leading NGOs" — thus avoiding indication of what a very small percentage of all NGOs (even in association with the UN) the "some" would otherwise represent.

## Variety of forms of globalization and global compact

This paper is not based on the assumption that globalization is "wrong" or that it should not be allowed to happen — or that it can be prevented. It questions the manner in which the Secretary-General is presenting a very particular form of globalization and a very particular Global Compact - excluding other possibilities - and then treating all that are opposed to it as opposed to globalization as may otherwise be envisaged.

In concluding his presentation of the Secretary-Generals particular insight into the

merits globalization, and the Global Compact's contribution to good governance, Ruggie states: "This is our agenda expressed, most recently in the United Nations Millennium Declaration, adopted by our heads of state and government at the Millennium Summit in September, and reflecting the priorities laid out by the Secretary-General in his Millennium Report: *We the Peoples*' (13 October 2000; emphasis in original). But, following a spate of failed development decades and an acknowledged democratic deficit in many countries, is there no slight recognition that "our" does not necessarily include major portions of the world population and may only include a rather small minority of people who have a good track record of ignoring those who disagree with them? The UN is clearly part of non-civil society and as such can scarcely claim to speak in the name of "we the peoples" — behind closed Millennium doors in secret debates. The UN can claim to speak for the world, but this is not necessarily the democratic reality on the ground.

There was considerable simplistic hype surrounding the process of globalization prior to the Asian financial crisis. The United Nations and its Washington associates were very much part of that hype. The irresponsible advocates of unfettered globalization were found to be quite inadequate in their thinking, and in their provisions for dealing with the situation that they had facilitated. Without actually having done anything to remedy the structural situations that created that crisis, they are now naively hoping that these annoyances have gone away and that they can move on with their original agenda. The only rectification is an appreciation by the Secretary-General that globalization, as originally conceived is "unsustainable". This is not necessarily the belief of his new multinational partners, whatever they may declare for the purposes of entering into such partnership.

Missing from any arguments put forward by the Secretary-General, or his conceptual minders, is a simulation of how his view of globalization and the Global Compact will address the instabilities that became evident in the Asian crisis. Such alternative arguments are clearly summarized by Hazel Henderson (1999) in work commissioned by the New Economics

Foundation in association with Focus on the Global South.

Both the UN (through programs at UNITAR) and the World Bank have a considerable background in global modelling by computer. And this is most certainly true of most of the university economics departments in the northern hemisphere on which they rely for their expertise with regard to globalization processes. It would appear that none of these models was capable of predicting the Asian financial debacle. However simpler catastrophic problems in relation to globalization are very susceptible to simulation. These have to do with removal of buffers in any dynamic system - flooding is a readily understandable consequence. It might be helpful to think of developing countries as inhabiting vulnerable flood plains to which the instabilities of the world financial system expose them.

### **Core "universal values" — excluding honesty?**

The Global Compact is built on a set of nine "universal values" selected by the Secretary-General from a large array of multilateral declarations and agreements as being "core values". It is unclear how this selection was made and on what basis other values were excluded. This is quite remarkable, given the difficulty that inter-faith dialogue has in achieving any lasting consensus on a global ethical framework - to mitigate against the many regional religious wars in which the UN is frequently called upon to take a peacekeeping role. In one fell swoop the Secretary-General has come up with a definitive set of values and principles to be woven into global corporate behaviour.

As Special Adviser to the Secretary-General, John Ruggie stated: "Governments have defined universal principles and the Secretary-General has convened the relevant partners...necessary to translate those principles into everyday practice." (UN Press Briefing, 20 July 2000).

The ICC states that "The Global Compact is a joint commitment to shared values, not a qualification to be met. It must not become a vehicle for governments to burden business with prescriptive regulations" (ICC, 25 July 2000). It is not clear how profit-focused corporations

could share any "values" articulated by the UN in the Compact that are incompatible with profit-making — other than as exercises in public relations and image building.

The *Corporate Europe Observer* (October 1999, #5) questions the nature of the values held in common. "A look at the social and environmental records of the companies that have been most actively involved in the Global Compact is cause for concern...The reality of corporate behaviour leaves no doubt that, rather than 'human security in the broadest sense', the corporations with which Arman has engaged in the Global Compact are primarily interested in the pursuit of profit and returns for shareholders. Indeed the discourse of 'global corporate citizenship' is deeply flawed as it implies that the social and ecological problems caused by corporate-led globalization can be solved by appealing to the moral consciousness of these corporations." (<http://www.xs4all.nl/~ceo/-ceobserver/5/globcom.html>)

The Secretary-General has stressed the importance of enhancing the "social responsibility" of multinational corporations. It is to be wondered how he reconciles this with nonpayment of corporate taxes in the US by a significant number of them (as reported in 2000), notably through use of share options as tax loopholes. As argued by William Pfaff: "Globalization's values are entirely materialistic. Its sponsors define progress wholly in terms of wealth accumulation... It has been self-serving ideology, elevated to the status of economic principle." (IHT, 29 September 2000).

From UN bodies there are also contrasting statements such as:

- The Executive Director of UNICEF has argued that "It is dangerous to assume that the goals of the private sector are somehow synonymous with those of the United Nations because they most emphatically are not."
- The UN Sub-Commission on Human Rights argues that the UN should not support institutions or corporations whose activities "create benefits for a small privileged minority at the expense of an increasingly disenfranchised majority."
- According to research by the United Nations Commission on Human Rights (UNHCR), multinational expansion in developing countries is unlikely to address the problem of

poverty and unemployment. On the contrary, the recent shift of emphasis from manufacturing industry to the service sector, and the introduction of new technologies, have resulted in what has been described as "jobless growth" in both industrialized and developing countries. The concentration in capital- and technology-intensive production by transnational is among the factors that limit direct employment effects. Many transnationals have been reducing their aggregate totals of employees as they become increasingly capital intensive and fire workers to minimise costs

• In the 1999 *Human Development Report*, the UNDP came to conclusions that contradict the voluntary approach underlying the Global Compact: "the new rules of globalization - and the players writing them - focus on integrating global markets, neglecting the needs of people that markets cannot meet. The process is concentrating power and marginalising the poor, both countries and people"

It is probable that, as a consequence of the Global Compact, multinationals will call upon the Secretary-General (through their newfound privileged access) to ensure that such views are in future suppressed — in fulfillment of his commitment to improve the business environment. He has already established a track record on this through his early emasculation of the UN Centre on Transnational Corporations. "It seems highly unlikely, despite the Secretary-General's assurances, that the transnationals would change their modus operandi because the UN is now in dire need of their cash. Indeed, if there are any changes to be made, it seems more likely that it is the world body that will find its lofty principles annexed by the corporate agenda." Efforts are currently being made to undermine the effectiveness of the UN's Commission on Human Rights for related reasons.

It is intriguing that the Global Compact's nine core values, as selected personally by the Secretary-General, do not include anything related to truthfulness or honesty. In the case of multinationals, the UN is not dealing with bodies or people who have any reason to be honest in principle. For them, honesty and trustworthiness are what it is necessary to project as an image to customers and peers, but competitive advantage is

not achieved through treating these as core values. It might be said that multinationals are in fact specialists in deniability and cover-up, for understandable reasons of competitive advantage. The Secretary-General will of course be aware of that since diplomacy has been defined as the ability to lie for one's country. The UN is not renowned for its truthfulness or transparency — nor are its Member States in their reporting to the UN. That is one reason why the contribution of NGOs has been valued. But if truthfulness is not a core value, what value is there in multinationals reporting compliance with the other values - other than as a cynical exercise in public relations? And how to evaluate any statements made by the UN on the matter?

## **Public relations, image management and spin**

It is useful to engage in the following thought experiment. How would the elites of multinational corporations, with unlimited media skills and resources, seek to design a media campaign to reposition the multinational corporation - starting in 1990?

It is easy to understand the public relations logic for multinational corporations of endeavouring to wrap themselves in the values of the United Nations — a process that is now being referred to as "bluwashing".

"Transnational corporations have a long history of what many have referred to as 'greenwashing', whereby they wrap their destructive activities in the rhetoric of helping the environment, in order to gain public relations victories with consumers, government officials and others." (TRAC, 1999).

The UNDP has explicitly recognized that when a company uses a UN logo, "a mutual transfer inevitably takes place". NGOs have expressed dismay at the prospect of image transfer occurring between some exploitative multinationals and the UN. The UN's own Guidelines do not take into account the modern advertising practice of branding, by which a corporation sells its image as much as its manufactured products. One of the early adherents to the Global Compact is a pioneer of the branding technique.

It will be intriguing to see what legal recourse the UN has against business entities using its logo within the framework of the Compact partnership arrangement, when its logo is used in ways of which it disapproves. One can think of some intriguing objects on which advertisers might choose to place the UN logo, including toiletries.

The UN can be usefully understood as a façade onto which the naive and gullible are encouraged to project their hopeful illusions. Constant reference to "we the peoples" permits much to be achieved whilst this projection holds. But, in public relations terms, an image can be tarnished rapidly and the UN has some challenging associations to overcome: a former Nazi as a 2-term Secretary-General, major massacres under UN supervision, widespread programme failure, funding scandals, undignified public squabbling over key positions, in addition to the many performance-related details unearthed by the Heritage Foundation.

There is an extreme irony in the unusual use (at least in UN parlance) of the term "compact" to describe the partnership arrangement with business. It carries various associations of pressing, or fitting, closely together - a new departure for the UN in relation to the nongovernmental world. But more intriguing is its common use to denote a small case containing face-powder, typically carried in a handbag. Is the UN effectively recognizing, if only subconsciously, its need for a cosmetic foundation to disguise the "blackheads" and "cracks" in its portrayal of globalization as the "only way" forward? Or is it an unconscious need to render itself into an attractive partner in its flirtation with multinational business? Or, more curiously, is the traditional flat circular form of a compact an unconscious acknowledgement of the UN's "flat earth" approach to any richer understanding of "global" — an antiquated approach with edges off which the marginalized can fall and with an underside populated by undesirables (and "rejectionists")?

## **Secrecy, betrayal and loss of integrity: the "silent revolution"**

NGOs have argued that the UN should act with "full transparency at the conceptual, plan-



ning and implementation stages" of the Compact. But the surreptitious manner in which the Global Compact has been negotiated and introduced, and the many joint ventures already underway or planned are all symptomatic of a culture of secrecy which will seemingly mark and mar the image of the United Nations from now on. For example, the UN Secretary-General provided the opening message to a secret gathering that established the Business Humanitarian Forum in 1999, and involved the UNHCR.

This secrecy is implicitly recognized by the United Nations Association of the USA (UNA-USA) which is an NGO partner in the Global Compact. In a report on an OECD Conference on Partnerships in the New Economy (June 2000), it notes the "silent revolution" being carried out at the UN and articulated in a joint report by the UN, OECD, IMF and the World Bank (*A Better World for All*).

Secrecy is consistent with the defensive attitude of multinationals to even the semblance of public scrutiny, as pointed out by a former staff member of the UN Centre on Transnational Corporations: "They shun any serious discussion of critical issues: their global market dominance, price fixing practices in small countries, wage cuts and job losses in Third World countries, huge commercial debt repayments, and other 'negative' matters. A peak of absurdity was reached at the final preparations for the Earth Summit when there was heavy lobbying to remove the term 'transnational corporations' from the draft text of Agenda 21" (<http://www.oneworld.org/ni/issue246/green.htm>)

There is a curious irony to the fact that the UN system has for so long been reluctant to focus on issues other than the economic. It has only recently been forced to recognize certain social dimensions in practice — and seek to provide a "human face" to many of the programmes it has often disastrously supported. In this new phase it would appear that it is now finding ways to hold to its economic priorities through being "economical" with the truth - at a time when many might expect both transparency and an effort to be what might be termed "ecological with the truth". The "mad cow" disaster should have reinforced this need.

The perception that through the Global Compact the UN will "sell its soul to the devil" has been widely carried by the specialized media as a cautionary message to the UN. But it might well be asked whether it has any soul left to sell. Multinationals will be rather sensitive to this. Many have become cautious of associating their programmes with UN sponsorship precisely because to some circles this appears as a guarantee of weakness and ineffectiveness. It may also become a sign of lack of integrity. The UN would then find itself quickly abandoned by its new-found friends.

Where would one look to find evidence of the integrity of the United Nations? How would one hope to recognize it? How would one distinguish what appears to be evidence for integrity from skillful media spin by its Office of Public Information — or by those who have access to other media channels?

Despite the controversial nature of the initiative, at a time when even presidents of countries that are permanent members of the Security Council and G8 have been under investigation in their home countries, John Ruggie states that "Certain criticisms by activist groups, I won't dignify with a response: they're the one's that question Kofi Annan's motivations" (13 October 2000). Others may feel some obligation to do so. After all, in a world of business ethics, is it not absolutely standard business practice to pay commissions to those who facilitate lucrative business deals?

Following years of promises by UN agencies for: "food for all", "education for all", "jobs for all", "literacy for all", "health for all", "water for all", "justice for all", "peace for all", etc — how should one rate the Secretary-Generals claim that globalization is the "only way" through which the condition of the world's poor can be improved? In the light of its track record - notably on "safe havens" — whom would you be wise to believe or trust at the UN, especially if your life or livelihood depended on it, or those of your children?

### **Definitional game-playing and dubious inferences**

In January 1995 the Management Development and Governance Division of the

United Nations Development Programme (UNDP) published a discussion paper on Public Sector Management, Governance, and Sustainable Development. It affirms that the "good management of human affairs by governments, through public sector organizations and in collaboration with organizations of civil society, is a sine qua non of sustainable human development." A derailed critique of this document (<http://www.uia.org/strategy/65undp.htm>) stressed the degree to which UNDP engaged in definitional game-playing with respect to civil society and NGOs: "In practice insightful analysis and laudable principles are elaborated at one point, only to be effectively reframed with a far more narrow and questionable interpretation at another. Whilst this may be good politics and good public relations, it does not invite confidence. Is it deliberate on the part of some, a manifestation of sloppy thinking, or a consequence of committee report writing? It is precisely this tendency which has alienated so many from political processes in general, and from UN processes in particular." That document may have contributed to the articulation of the new strategy. This practice continues with respect to the Global Compact, as illustrated by the following:

Private sector: Since this term is commonly used by business to refer to corporate profit-making, in contrast with government activity, the UN has been encouraged to employ this terminology, in discussion of the Global Compact. But it is then used interchangeably with "business community" notably in its recent: *Guidelines for Cooperation between the United Nations and the Business Community*. This however raises the issue as to whether NGOs are understood to be part of the private sector or not, and whether they are to be usefully distinguished in any way, other than in their unbusiness-like, unwillingness to make a profit. This confusion has led some academics to speak of bodies like NGOs as being part of a "third sector" — which some might still choose to see as "private".

Global business associations: This term used by Kell and Ruggie (1999), writing on behalf of the UN, presumably refers to bodies such as ICC and international trade associations, as well as opinion forming bodies. In UN terminology these are NGOs. However it is not clear what

kinds of business organizations are included or excluded from this term.

"isms": According to the Secretary-General "in the global market, people do not yet have that confidence [that certain minimum standards will prevail]. Until they do have it, the global economy will be fragile and vulnerable - vulnerable to backlash from all the "isms" of our post-cold-war world: protectionism, populism, nationalism, ethnic chauvinism, fanaticism and terrorism. What all those "isms" have in common is that they exploit the insecurity and misery of people who feel threatened or victimized by the global market. The more wretched and insecure they are, the more those "isms" will continue to gam ground. What we have to do is find a way of embedding the global market in a network of shared values." (<http://www.uia.org/partners/business/davos.htm>). Some will no doubt interpret the subtext to mean that it is "NGOs" who are most associated with "isms" in the Secretary-General's newfound perspective within a reformed UN.

Every time something of value is detected by the UN in "civil society", it is removed from the category of "NGO". The above definitions tend to be deliberately manipulated in key texts to confuse understanding of the issues. For example:

"Civil society actors are increasingly targeting TNCs and the trading system as leverage by means of which to pursue broader social and environment concerns" (Kell and Ruggie, 1999). A very small percentage of civil society actors are acting in this way. The number of those sharing those concerns may however be targeting TNCs increasingly.

"Individual corporations have lent their support and have assisted in the construction of the [Global Compact] website, as have leading NGO's in the areas covered by the Compact (Kell and Ruggie, 1999). Few NGOs hold the view that they are being led by other NGOs. To believe this is the case is to completely misunderstand, or misrepresent, the nature of civil society. The authors should have used the construction "some major NGOs in the areas covered by the Compact."

"The role of international NGOs in the international arena has only recently attracted serious attention and is not yet well understood." (Kell

and Ruggie, 1999) The question here is whose attention is to be considered serious (as opposed to the reverse) and who is having difficulty doing the understanding. Blithely the authors continue: "NGOs have long been active in international affairs, including at the United Nations". Is this an implication that the UN has never accorded serious attention to them? This would be a very interesting admission on the part of UN authors, given the many supposedly serious statements by the Secretary-General concerning NGOs over many decades. And is it the UN that has been having difficulty understanding them - despite the fact that their existence and relationship to the UN is enshrined in Article 71 and was recognized by its predecessor? Or maybe it is scholars of international relations? It is amazing that the authors then go on to imply that "widespread acknowledgement of their growing political influence" only arose with the award of the Nobel Peace Prize to the International Campaign to Ban Landmines. However this is consistent with the narrow interests of international relations scholars from which the UN derives most of its policy insights. It is true however that every school of thought has the right to "discover America" as it expands its horizons — but it may have long been inhabited by "Indians"...

"At the other end, a growing number of NGOs including the most transnational, such as Amnesty International ...have entered strategic partnerships with TNCs..." (Kell and Ruggie, 1999) It is unclear that any studies exist to determine the criteria for "transnational" and which organizations correspond to that entena. The UN has certainly never been able to determine this in any unambiguous manner. What data establishes the proportion entering into strategic partnerships with TNCs? Unfortunately the authors are structuring their argument to create the impression that partnerships with TNCs is (or should be) acceptable to NGOs in general. Will it be made a requirement by the UN?

"Indeed, most transnational NGOs take positions against TNCs and trade not because they inherently oppose their legitimacy or functional efficacy. They do so primarily because it promises to leverage their own specific interests and concerns" (Kell and Ruggie, 1999) This is a very

clever construction. It implies that NGOs oppose TNCs to advance their "selfish" interests, rather than because the NGOs have legitimate and specific reasons to consider that TNCs act, or tend to act, totally contrary to the interests of many ordinary citizens. In two sentences it endeavours both to exonerate TNCs of any abusive practices and to label NGOs as self-interested.

"The smaller and/or more radical single issue ngo's [sic] believe the United Nations has entered into a Faustian bargain at best. But the larger and more transnationalized NGOs [sic] have concluded that a strategy of "constructive engagement" will yield better results than confrontation, and they are cooperating with the United Nations" (Kell and Ruggie, 1999). Again the implication that amongst the vast universe of NGOs, all those which are small and/or radical, or focused on a single issue, have some interest in the UN and have reached Faustian conclusions, and all those which are more transnationalized (whatever that means) are cooperating (whatever that means) with the UN. Namely the most important groups (NGO's) agree with the UN, even if the least important (ngo's) do not. Would this view apply to small business perspectives also? Could improving the international business environment for multinational corporations be understood as a single-issue preoccupation?

"The international community should have a keen interest in promoting representative business associations" (Kell and Ruggie, 1999). NGOs have many decades of experience of the "promotion of representativeness" at the UN and the political exceptions that were conveniently made — and are made to an even higher degree now. Here it must be assumed that this is code for "promoting the ICC" as part of the Global Compact deal with the UN. The question is what exactly ICC is supposed to be representative of, especially at the "micro-level" cited by the authors, when it is primarily a vehicle for multinational business?

### **Legal problem for the UN: are multinational corporations "NGOs"?**

In order to further clarify the status of multinationals in relation to NGOs in their respective

relationship with the UN, it would be interesting to know exactly how the UN Legal Department understands the legality of the Compact and of the adhering multinationals (or national business entities). This is especially intriguing when the adherence of such entities may be refused by a process, and with criteria, as yet to be determined — especially in the light of the exceptions already permitted in the initial accessions. The UN has long experience of the challenges posed by this process in relation to traditional NGOs - and has proven to be extremely "flexible" with its own principles in responding to political and other pressures.

Specifically, since multinationals have no international legal status and are effectively jumbles of national holding companies, exactly with what bodies is the UN establishing this relationship — when they "adhere" to the Compact — and how is their legal status, or that of the "partnership agreement" perceived in international law? Legally is this tantamount to a form of international recognition?

Secondly, since the relationship of the UN with NGOs is so carefully specified by the much debated Article 71 of the UN Charter, and no other article exists governing relationship with other "nongovernmental" bodies, is it to be understood that multinationals are being related to by the UN under Article 71 and the resolutions based upon it? Are they effectively defined as "NGOs"? Does this mean, after decades of discussion and proposals, that traditional NGOs will be accorded some form of legal recognition "by the back door" through the extension of recognition accorded to multinational corporations? Should traditional NGOs convert themselves into off-shore, profit-making multinationals to benefit from this new opportunity for creative partnership with the UN?

Again from a legal perspective, given the many past UN resolutions on transnational corporations, is it to be assumed that these are now considered "inoperative" and that there is no inconsistency in the current arrangement with any unrescinded resolutions? It is however unclear how the UN "terminates" the legal standing of earlier resolutions when it revises a historical position. There are many ancient multilateral treaties still on the statute books.

Most intriguing is how the UN is going to handle the adherence of thousands of smaller business entities when it has long been overwhelmed by the administrative challenge of minimum correspondence with NGOs. Should NGO members encourage their local grocer to adhere to the Global Compact? Ironically, stepping back from the possible adherence of smaller corporations, John Ruggie indicated that the target was 1,000 major companies with 3 years (13 October 2000).

When challenged on such points, the UN will of course be obliged to back off and reinterpret the current initiative and its future intentions. But it would be a grave mistake to believe that such rectification about "misunderstandings" would be more than skin deep. The UN is in a new chameleon mode and has to fight for its survival with its new-found friends. But, if the Global Compact initiative turns sour, will it be possible for all involved to dismiss it as a short-term public relations ploy?

### **Treatment of NGOs during the emergence of the Global Compact**

An extremely dubious aspect of the emergence of the Global Compact was the lack of information provided to the UN's traditional "partners" the NGOs. The *Corporate Europe Observer* (October 1999, #5) raises important questions. Firstly why the Secretary-General has "not at any stage of developing this covenant consulted with the many public interest groups involved in campaigns against corporate power abuse around the world?" But secondly, "why business should not simply be forced to follow mandatory international standards for corporate behaviour?" Has the UN been bought off in some unstated way? Is that a secret clause of the Compact? Who would be able to provide a trustworthy answer?

It would also be helpful to know whether any briefing document has been addressed to NGOs in consultative relationship clarifying the questions raised. Specifically, how are the notions of "access" by NGOs within the UN explained in relation to the notion of "access by multinationals — specifically within the Global Compact. Many NGOs are extremely con-

cerned by the erosion of their "right of access". The ICC has already had to deny assertions by other NGOs that corporations will have privileged access to the UN, despite a promise in those terms by the Secretary-General.

Now that the UN has - at least superficially — developed a more open attitude to the category of bodies that it created by Article 71 of its Charter, namely the "nongovernmental organizations", it is curious that a new class of pejoratively prefixed nongovernmental bodies should be defined by the UN, namely the rejectionists and unbelievers. Ruggie will undoubtedly be aware that the association of "unbeliever" with "kafir" (in the Koran) and "infidel" had many historical consequences. It is unfortunate that he did not extend his allusions to the bodies of "uncivil society" (Judge, 1996) — the mafias and similar networks — with which he might wish to group the "rejectionists".

It is intriguing that in seeking to defend and justify the Global Compact, the Secretary-General has had to rely on the fact that (some) NGOs expressed approval of it (although their reservations are not so evident). Whether or not these NGOs are representative as "leaders of civil society" - an issue on which the UN has previously been very attentive - it is far from clear whether their complicity is approved by other NGOs. Indeed many might ask what undeclared deals they struck with the UN to indicate their approval of the Compact.

It is curious that pro-globalization enthusiasts argue that NGOs in general are now "totally discredited" following such incidents as Brent Spar (Shell / Greenpeace) during which no one was killed. It might be asked how credible is a UN that had a direct role in supervising two major massacres, and maintained a monitoring facility in the immediate proximity of a prison in which torture was systematically practiced for a decade and many people died (El-Khiyam).

## Attitude of NGOs to the Global Compact

An international coalition of development, environment and human rights nongovernmental groups was formed to denounce both the Global Compact and the UN Guidelines for

cooperation between the UN and the corporations. A letter to that effect was sent on 20<sup>th</sup> July 2000 with a follow-up on 28<sup>th</sup> July (<http://www.twinside.org.sg/title/compact.htm>) in the light of the text of those Guidelines published on 17<sup>th</sup> July.

The letter draws attention to the abusive practices that have characterized, or continue to characterize the initiatives of a number of business entities already adhering to the Compact, despite the explicit statement in the Guidelines that "business entities that are complicit in human rights abuses...are not eligible for partnership".

The letter expresses further dismay at the right accorded to such business entities by the Guidelines to use the name and emblem of the UN. Especially since no provisions are made for monitoring the Guidelines' modalities, this is viewed as quite susceptible to abuse.

The letter concludes that the Compact and the Guidelines "do not 'ensure the integrity and independence' of the United Nations. They allow business entities with poor records to 'bluewash' their image by wrapping themselves in the flag of the United Nations. They favour corporate-driven globalization rather than the environment, human health, local communities, workers, farmers, women and the poor".

To counter-balance the potential for abuse, a coalition has been formed to promote a Citizens Compact on the United Nations and Corporations. This was announced on the occasion of the Davos Forum in January 2000, one year after the Secretary-General's preliminary launch and is supported by at least 50 organizations on 6 continents. The coalition argues that "The UN is our best hope to monitor and hold accountable the giant corporations that control so much of our economies and our lives" (<http://www.xs4all.nl/~ceo/untnc/citcom.html>)

This alternative Compact favours rules and monitoring excluded from the Global Compact. In that it is consistent with views articulated, curiously, by UNDP: "Tougher rules on global governance, including principles of performance for multinationals on labour standards, fair trade and environmental protection, are needed to counter the negative effects of globalization on the poorest nations" - a view immediately challenged by ICC (*Financial Times*, 21 July 1999).

In the lead up to the WTO Seattle event, the *Corporate Europe Observer* (October 1999, #5) sees the Secretary-General (having "embraced the corporate trade and investment agenda") as having "clearly taken sides in one of the most heated issues in the current debate about the global economy. He not only alienates himself from a very large part of the 'civil society' he otherwise speaks so positively of, but also from the large number of Southern governments which oppose the idea of a comprehensive round of liberalization negotiations..."

Detailed critiques of the Global Compact can be found in the correspondence of one NGO, TRAC, with the Secretary-General and in its report *Tangled Up in Blue: Corporate Partnerships at the United Nations*. This chronicles a set of policy decisions that are steering the UN away from its potential role as an independent regulator of transnational corporations and toward a model where the UN is just as entangled in corporate interests as all other international finance agencies. TRAC has been leading an international campaign to document and expose the growing number of, often secretive, partnerships between various UN agencies and corporations with poor records in the light of the values of the Compact.

According to the TRAC UN Project Coordinator, "The Secretary-General seems to think the UN can help 'fix' the problems of globalization by getting serial violators of human rights, labour rights and the environment to declare that they won't be bad anymore".

### **Globalization: the UN's "safe haven" for the world's poor?**

What is so appalling is the amazing arrogance of John Ruggie, speaking on behalf of the Secretary-General, concerning what some people have decided with great secrecy in the SG's Office is the "only" way forward for the world's poor - or was this done with the connivance of some Member States?. They have done this despite views to the contrary by many, who are pejoratively labeled "rejectionists" — namely "non-believers". They have completely ignored many coherently argued studies in support of

alternative ways forward. Examples include Hazel Henderson (1999) in work commissioned by the New Economics Foundation to launch their ambitious programme Reshaping the Global Economy — work researched in association with Focus on the Global South.

The UNDP has responded vigorously to criticism of its Global Sustainable Development Facility (GSDF) by claiming the lives of the world's two billion poor people can "only" be improved with the help of multinationals.

If the UN's version of globalization is the only way for the world's marginalized, to what extent does it carry the connotation of being, in the understanding of some, the Final Solution. Such tasteless allusions merit being explored further because, like it or not, it is the high resource strategies of multinationals and those that support them which are effectively turning the planet as a whole into a "gas chamber". The climatic challenges of global warming are merely precursors.

The UN has partnered with bodies who have never exhibited the slightest sensitivity to the world's poor — other than a market for many dubious products. And, incredibly naively, they believe they can encourage such corporations to behave in ways that are contrary to their bottom-line needs for survival. And they have done all this without taking account of the policy shambles thrust upon developing countries and transition economies over the years by the schools of thought from which they got this bright idea. And they have ignored the recent failures in judgement and policy of the UN in relation to several massacres approaching in magnitude that of the Holocaust.

The core of the "Big Lie", seemingly promoted by the Secretary-General, lies in defining globalization in a way that satisfies the agendas of multinational corporations and then stigmatizing all those who have alternative views of the process as rejectionist. Contrary to this deliberately polarized perspective, it is quite possible that there are several (if not many) views or globalization that may be much healthier for the world's poor than that embodied in the Global Compact - as supplied by thinkers who have a dubious track record of achievements over several "development decades". It is also possible

that the way forward lies in a complementarity of two or more such perspectives that the UN has made no effort whatsoever to explore or to report on. It is intellectually dishonest in the extreme to construct an argument to imply that unless people believe in the UN's view of globalization then they do not believe in any form of globalization. History is replete with examples of the consequences of this ploy as a basis for wats of religion.

## Corporatizing the United Nations

There have been many stages in the process of privatizing international governance", some of them less than obvious and largely unreported.

An interesting early example, notable at the height of anti-transnational rhetoric, was the absence of any question about one multinational that had a privileged position in the UN Secretariat and in every Specialized Agency, namely a well-known travel agency. The travel budget of UN personnel has always been high — and notable for an aversion to "economy" tickets — but it was never clear how that multinational agency acquired and maintained that position. This will prove an interesting precedent for multinationals with access under the Global Compact. For example, in future, will anyone in the UN's Inter-Agency Procurement Services Office (IAPSO) get fired for giving preference to suppliers that have adhered to the Global Compact?

With the rise in computer technology, it was interesting to observe which computer systems and software, supplied by multinationals, got installed where and under what circumstances. One consequence was the early incompatibility between systems in different departments and agencies. This would clearly have been a sensible move by colluding suppliers concerned by the effectiveness of the UN in curtailing the activities of multinationals in the pre-Compact period. It successfully delayed computer efficacy within the UN by a decade.

Following the Cold War, there has been a major funding crisis for intergovernmental organizations whose programmes had probably been one of the major beneficiaries of that conflict. There was no "peace divided" as far as they were

concerned. On the contrary they had effectively been part of the war zone and once the conflict was over funds were withdrawn or withheld. Ironically, given its peacekeeping mandate, the glory days of UN system budgets were a result of a "war dividend".

The message to them gradually has now become "seek your value and legitimacy in some other way". UN officials are embracing partnerships with multinationals in part out of frustration with the considerable failure of development efforts over the past several decades and in part because they think they have no choice. Partnership with corporations was framed as a prime opportunity: marry wealth to survive — a lesson learnt by the inheritors of impoverished kingdoms throughout history. The rationalization followed. Betraying previous partnerships and loyalties would be seen as a small price to pay in the fight for survival — as history has always demonstrated.

The secretary-general of the ICC was able to state that: "The way the United Nations regards international business has changed fundamentally. This shift towards a stance more favourable to business is being nurtured from the very top." (*International Herald Tribune*, 6 February 1998). Following a meeting between UN and ICC executives on 9 February 1998 a joint declaration was issued whereby the two parties committed to "forge a close global partnership to secure greater business input into the worlds economic decision-making and boost the private sector in the least developed countries."

## Preserving the United Nations

The United Nations has long been extremely short of funds, to the point of threatening to be unable to pay monthly salaries to civil servants. The reluctance of US Republicans to authorize payment of arrears, and the probably perpetuation of these challenges under the Bush Presidency, means that creative ways must be sought to maintain a semblance of UN operations and credibility.

The Secretary-General will undoubtedly seek further guidance from his North American colleagues in their effort to control the UN through the backdoor. A major step would be the full

recognition that UNDP has long been effectively the United Nations Developers' Programme and should no longer be concerned at the possibility of being "outed" by critics holding it to outdated standards.

It is worth recalling Margaret Thatcher's response to Harold Macmillan's objection that her privatization proposals were tantamount to "selling the family silver." She declared that she was indeed selling the family silver, but that she was "selling it back to the family". The multinationals are finally being recognized as the UN's true family to whom the UN's values are being sold.

In the spirit of the new strategy, of which the Global Compact initiative is an example, the following might be envisaged:

**Sponsorship of executive offices:** Following the tradition, long-established for chairs in American universities, sponsorship could be sought for individual posts within the UN system. Thus the Director of Peacekeeping Operations could become the *John P Wilson Directorship of Peacekeeping Operations*. With over 30,000 staff, many with titles, this leaves much scope for sponsorship at different budgetary levels. There is no reason not to envisage sponsorship for a limited period (say a year), so that the new sponsorship could be sought for later periods.

**Sponsorship of centers and buildings:** The same principle could be applied to the many units within the UN Secretariat and its many Specialized Agencies. So there could be a *Nestle Centre on Infant Care at WHO* — notably with the involvement of the multinational corporations of the Global Compact. If any UN centre or office merits a separate building, the well-established trend — ensuring payment for an academic building by a sponsor in exchange for naming it after the sponsor — could be pursued. This could be extended to the offices in any secretariat, as well as to meeting rooms, restaurants and cafeterias.

**Sponsorship of commissions:** Again the same principle could be applied to the multiplicity of UN political commissions, or even working groups.

**Sponsorship of resolutions:** This principle could be extended to individual Resolutions of the UN and its associated bodies. Rather than

simply having a resolution referenced by its number, it could also be referenced by the name of a person or corporation who paid for that privilege. Many national laws and amendments are already known by those presenting them, so there is no reason to resist financially rewarding strategies that ensure payment for that privilege. Clearly, as with TV advertising, rates should be determined by the importance of the resolution. This could be extended to major global strategies of the UN.

**Sponsorship of publications:** Given the number and cost of UN publications, there is no reason not to seek sponsorship for individual documents that would then bear the name of the sponsor (duly to be reflected in international indexing systems).

**Auctioning naming rights:** As with any scarce resource, such as broadcasting frequencies, the price of sponsorship (and naming) could be auctioned to the highest bidder, possibly after its significance had become apparent.

**Rental of mailing lists:** The UN system has a multiplicity of select mailing lists which are a highly valuable commodity that could be made available for a suitable fee. UNDP has already experimented with the sale of its contact list to multinational corporations seeking to do business in developing countries.

**Speaking fees:** Now that officials of the UN are in high demand in contexts in which high speaking fees are normally requested and paid (such as the Davos symposium), the UN system could envisage significant income whenever its representation is requested at an international event.

**Endorsements and Placement advertising:** There is an extensive range of possibilities for the UN to sell its image through endorsements of products, notably those of its Global I Compact partners, according to well-established practices that the UN is now espousing. The UN's activities and public information program offer numerous opportunities for placing advertising hoardings, or other public relations gimmicks (such as in the folders of conference delegates), that could be a major source of income. The UN shops and information centres could focus on products of Global Compact partners.

**Payment for resolutions:** More radical approaches to the generation of financial resources



by the UN could be envisaged by following the practices of certain national parliaments in which lobbyists pay for themes to be introduced into debates ("cash for questions"). This could be creatively extended to ensure that resolutions are voted along the lines selected by a sponsor. Even more radical would be to allow visitors to the UN's various websites to pay online for the presentation of a "draft resolution", and more for having it "voted" - a form of international e-democracy. (Muslims have long taken the lead in this by allowing individuals to formulate *fatwas* on the web in support of their religious principles)

Purchase of commissions: Even in the 19<sup>th</sup> century, it was possible for positions in the army or other establishment institutions to be purchased. There is anecdotal evidence that this practice still holds with respect to certain academic posts. It effectively operates with respect to the attribution of ambassadorial posts, notably in the case of the USA. A variant of this is in operation within, the UN system when a country effectively lobbies for a post, as in the case of the director-generalship of a major specialized agency. There is therefore no reason not to envisage the sale of commissions within the international civil service and notably within the UN system. Individuals, groups, corporations or countries could bid for given positions within the secretariats or other bodies. The position might then be held by the purchaser for a specified period, as with any contract, before it was once again opened to tender. Occupants would benefit from the many perks associated with employment in intergovernmental agencies, possibly extending to pension benefits.

Corporations would benefit by being able to position employees for a period within a secretariat in order to be sensitized to the relevant issues and procedures before returning to their corporation to take advantage of that knowledge. This "revolving door" approach has been well-developed in the USA, between corporate and government offices. Such people have been distinguished as having "two-hatted" expertise (not to be confused with "conflict of interest").

Rental of conference facilities: Many of the UN's main meeting rooms stand empty for significant periods. Such spaces could be rented (as is already done by UNESCO), notably to multi-

national corporations seeking to promote their adherence to the UN's "core values". They could also be rented to student bodies to demonstrate fruitful alternatives to UN conference dynamics and resolution generation.

Outsourcing: There is a strong case for placing many UN programmes and projects out to tender to Global Compact partners, eliminating all but a core of civil servants to manage the process for oversight committees and evaluators. Presumably even the peacekeeping operations could be outsourced to multinationals such as Executive Services, which employs and trains military personnel in the same manner as the British Army employs Gurkhas. UNESCO is already exploring the possibility of "externalizing" its operations. The UN Office of Public Information might be outsourced to CNN - which is already running ads for individual Specialized Agencies.

Theme parks: As a longer term project to place the UN on a sounder basis, there is a case for exploring the feasibility of integrating the thematic preoccupations of its secretariats into theme parks thus reframing secretariat activities as "educationtainment". With the experience of Disney Worlds, the major media companies could certainly offer some interesting designs for public experience of the UN in operation.

## Conclusion

Whilst the nature of the Global Compact may continue to be reframed and redefined in response to criticism and the need for deniability, the ongoing strategy from which it derives signals the beginning of the end for the United Nations. The UN has been "white-anted" — an Australian term for the destruction of any structure from within whilst maintaining an appearance of its solid normalcy to those who continue to dedicate their efforts to its values and projects. As a truly silent revolution, this is being achieved by the faceless conceptual henchman of a variety of forces essentially antagonistic to the UN — who hold the Secretary-General hostage, or who have successfully duped him into support of a *Ponzi* scheme.

Just as the League of Nations ceased to exist and was reborn in the UN, presumably the UN will in its turn cease to exist and be reborn in some more

appropriate form. But rather than commemorate the League as is done in traditional museum style in the Palais des Nations in Geneva, there is a case for the transformation of the UN into a living memorial to past hopes, complete with conferences and a functioning secretariat. This approach has been partially explored in various living "historical villages" in different countries (eg Williamsburg in the USA). The Secretariat could then be declared a World Heritage Site.

As a historical theme park of the future, lessons could be learnt from the current status of

the English aristocracy and their stately homes. Civil servants and diplomats from various countries could take up honorary roles to enliven the experience for visitors.

Within such a context the Global Compact should be preserved and developed as a living memorial to shiftiness within the international community - namely how people and institutions seek to repaint and reposition themselves in the light of values of which they exhibit only limited understanding.

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