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How is the United Nations Being Corporatized?

- UN Secretary General Kofi Annan has encouraged all UN agencies to form partnerships with the private sector. Most UN agencies are actively pursuing these partnerships.
- The centerpiece of this initiative is the Global Compact. Launched in July 2000 with some 50 corporate partners and a handful of NGOs, it aims to get 1000 corporate participants within a few years.

Why is this a Dangerous Direction for the UN to Take?

- Corporate influence at the UN is already too great. Corporate lobby groups working directly and through national governments have weakened environmental agreements and influenced important regulatory documents affecting health and safety.
- Such partnerships set a dangerous precedent towards partial privatization/commercialization of the UN system.
- The UN's positive image is vulnerable to being sullied by corporate criminals—while corporations can “bluewash” their image by wrapping themselves in the UN's flag symbolizing peace, human rights, and dignity.
- The partnerships have no provision to keep the corporations accountable for their behavior—such as a monitoring or enforcement mechanism—which allows companies to declare their allegiance to UN principles without making a commitment to follow them.
- Even civil society groups participating in the Global Compact like Amnesty International and Human Rights Watch have serious reservations about the lack of monitoring and enforcement provisions.
- The International Chamber of Commerce—which represents the interests of the world's largest corporations—insists that it will only support the Compact if monitoring and enforcement are left out.

Why is the United Nations Being Corporatized?

- To bring private sector resources into humanitarian issues, as government donations dry up.
- To soften opposition to globalization: in January 1999 UN Secretary General Kofi Annan floated the idea of an agreement between corporations and the UN. The idea was to “help strengthen the social pillars within which any market, including the global market, must be embedded if it is to survive and thrive.”
- To seek political support from powerful corporations. By promising to “continue to make a strong case for free trade and open global markets,” as part of the Global Compact, Secretary General Annan has attempted to enlist corporate bodies like the US Chamber of Commerce to tell the US Congress “loud and clear” to pay the money it owes the UN.

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What is the Global Compact?

- The Global Compact is a declaration of “shared values” between the United Nations and transnational companies. It asks companies to enact in their own corporate practices nine basic principles that are distilled from key environmental, labor and human rights agreements.
- Corporate participation is voluntary. There is no screening process. There is no independent monitoring or enforcement of the Compact.
- Many of the signatories to the Global Compact have violated the very same principles of human rights that the UN stands for. These include Shell Oil, Nike and Rio Tinto.

What are Other Examples of UN-Corporation Agreements?

- The UN Development Programme invited major companies, including corporations known for environmental and human rights violations like Dow and Rio Tinto, to contribute \$50,000 and become part of the Global Sustainable Development Facility. This project was abandoned after international outcry.
- The United Nations Educational, Scientific and Cultural Organization (UNESCO) teamed up with Disney and McDonald’s to give “Millennium Dreamer Awards” at a celebration in Disney World.
- The UN High Commissioner on Refugees has co-chaired meetings of the Business Humanitarian Forum with Unocal, an oil company whose complicity in human rights violations in Burma is notorious.
- The World Health Organization (WHO) seeks cash from commercial enterprises, if their “activities are unrelated to the work of WHO.” The WHO also allows secondments of staff from the private sector, for example, pharmaceutical companies.

What are some Examples of Companies who are Involved with Global Compact and other UN Partnerships?

- **Nike**, an international symbol of sweatshops, is the target of one of the most active global campaigns for corporate accountability. The company has made announcements of changes to its behavior only after enormous public pressure. It has sought out countries with non-union labor, low wages, and low environmental standards for its manufacturing operations.
- **Shell** is a corporation with a history of complicity in human rights abuses, most infamously in Nigeria. Its operations there are also notorious for environmental contamination and double standards, for example, the widespread use of gas flares which are no longer used in the US. Shell has adopted sophisticated rhetoric about its social responsibilities, but it has not shown understanding, let alone remorse, about its own role.
- **Novartis** is engaged in an aggressive public relations and regulatory battle to force consumers and farmers to accept genetically engineered food, without full testing for potential harms and without full access to information. The behavior of Novartis in the area of genetically engineered foods is diametrically opposed to the precautionary principle, one of the principles of the Global Compact.

What Should be Done to Move Towards a Corporate-Free UN?

1. Support the Code of Conduct on transnational corporations and human rights being drafted by the UN Sub-commission on Promotion and Protection of Human Rights.
2. Support UN-brokered multilateral environmental and health agreements, which can rein in abusive corporate behavior on a global scale.
3. Pressure the US government to pay the UN the money it owes, with no strings attached.
4. Support and promote the Citizens Compact, which calls for a legally binding framework for corporate behavior.