

# Business rules: Who pays the price?

How corporate influence in the WTO impacts people and the environment

friends of the earth  
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While this report reveals only the tip of the iceberg, it leaves no doubt about the moral bankruptcy of the World Trade Organization (WTO) system. Behind the rhetoric about 'rules based trade', 'liberalization' and the 'Doha Development Round', the reality is that the WTO's trade and investment rules are consistently being shaped around the interests of transnational corporations, consolidating their global expansion and removing any remaining obstacles.

Over 250 lobby groups defending the interests of transnational corporations are accredited to take part in the WTO Ministerial in Cancun. They will be there to make sure that negotiators stick to the business-friendly agendas that the US, the EU and other northern governments will bring to Mexico. While WTO Summits are key political events, corporate power over international trade agreements stems not from the massive business presence at summits, but from systematically corporate-biased trade decision-making in Washington DC, Brussels, London, and the other capitals of industrialized countries.

We hope this report will serve as a guide for citizen's action, in Cancun, and even more so in cities and communities around the world. A consistent and focused activist challenge to corporate-led trade policies is the only hope for making trade and investment serve people and the environment.  
**corporate europe observatory (ceo)**

Friends of the Earth International campaigns for fair and environmentally sustainable societies that meet people's needs. In order to do this, we've found it necessary to challenge neoliberal economic globalization, which works in the opposite direction, preventing sustainability.

Neoliberal economic policies are failing people in many different ways. We live in a world in which inequality is on the increase and many millions are unable to meet even their most basic needs. Forests are being clear-cut, minerals strip-mined and fossil fuels exploited at completely unsustainable rates to provide natural resources for the global economy. Democracy is being eroded as power is concentrated in fewer and fewer hands. Biological and cultural diversity are dwindling at an alarming rate. Hard won social and environmental standards are threatened.

The truth is that trade liberalization has winners and losers - and the winners include wealthy transnational corporations scouring the globe for new markets, weak competitors, cheap resources and lower operating costs. These companies, growing in size and power, can and do influence governments to change the rules of the global economy in their favour, at the expense of people, local economies and the environment. Friends of the Earth believes that it's time to take a much closer look at the links between transnationals and trade, to establish just who is benefiting and how. This publication is intended as a first step in that direction. Don't let big business rule the world!

**ricardo navarro, chair, friends of the earth international**

(Pages 3-4)

...bringing environmental 'problems' to the wto

To date, business lobby groups have had to take a case-by-case approach to their attacks upon environmental regulations and the precautionary principle (see below). However, their task would be much simplified if WTO rules would simply preside over Multilateral Environmental Agreements (MEAs), and lobby groups have taken up this challenge with relish.

### **...throwing precaution to the wind**

A 'who's who' of the US business lobby – the National Foreign Trade Council, the International Chamber of Commerce, the US Chamber of Commerce and the Biotechnology Industry Organization - **is battling to undermine the 'precautionary principle', one of the key features of international environmental agreements and national environmental policy, in favour of what they term 'sound science'.**

The precautionary principle holds that potentially dangerous activities can be restricted or banned by governments on the basis of uncertainty, without having to provide conclusive scientific evidence that damage will occur. 'Sound science', on the other hand, would allow business much greater leeway, especially in cases where negative impacts cannot be proven in advance. The precautionary principle is the basis for policies ranging from many national government's quarantine regulations to the EU's GMO legislation.

WTO rules are an effective means for the corporate lobby to undermine the precautionary principle, because they can argue that environmental measures restrict trade more than is necessary and therefore contradict WTO agreements.

**...The NFTC made a huge splash with its 2003 paper "Looking Behind the Curtain: The Growth of Trade Barriers that Ignore Sound Science", which argues that the EU's moratorium on GMOs as well as laws for tracing and labeling GMOs must be countered. The paper also calls for the overriding of Japanese and Korean quarantine requirements for fresh produce and processed fruit and nuts; the striking down of bans in many countries on various food additives; the overturning of EU chemicals legislation; and the trashing of a host of other national environmental and health policies. The paper received strong support from the US government, and US Department of Commerce personnel were apparently so impressed by the ideas it contained that they placed it prominently on their website.**