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Abstract

Concerns about the state of the global environment has provided the catalyst for significant participation in 'anti-globalisation' protests. These concerns have led many to protest the general lack of social and environmental accountability displayed by multinational companies and elected government officials. This paper considers these issues within the context of a growing protest movement.

Keywords

WEF, World Economic Forum, Accountability, Democracy, Protest Movement

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Accountability, Democracy and the World Economic Forum

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It is difficult to ignore the growing international protest movement that is currently frustrating and disrupting 'global' social and economic discussions (Greider, 1999). Although the central protest issue represented within mainstream media is that of 'anti-globalisation', the reasons for the growth in these actions are much more diverse. Although the majority of protestors are concerned about the affects of globalisation, the rise of neo-liberalism and the rapid expansion of capitalism, there are also a huge number that link these concerns with environmental devastation. For some, concerns about the state of the global environment has provided the catalyst for their participation in the actions and has forced them to consider and protest the general lack of social and environmental accountability displayed by multinational companies and elected government officials. Even so, the environmental and human consequences of expanding global capitalism, along with the erosion of democratic economic decision making, are beginning to be raised in the media coverage of these actions.

Global Actions

Capital seeks through globalization to evade, subvert, and preclude popular and governmental regulation (Street, 2000, p. 22).

Last year in Seattle almost 70,000 people came out on to the streets to protest the World Trade Organisation. The WTO had met to discuss two key issues, labour and the environment. The point that was made consistently

by protestors was that the WTO was undemocratic and unaccountable for the decisions taken and that the WTO prioritised trade over national policies on labour, the environment, food quality and so on¹. Greider described this erosion, stating that

as national legislation is developed to hold our global firms accountable for their behaviour, we will be told that this approach violates our agreement to accept the WTO's governance (1999, p.5).

Two well-known examples of the WTO's judgement relate to challenges to US environmental law.

1. Venezuela challenged the US's Clean Air Act as it limited the amount of Venezuelan gas that could be exported. The US law stated that foreign gas sold in the country had to be of the same or better quality as that of US produces from 1990 onwards. Venezuela claimed the law discriminated against them and the WTO agreed. The US law allowed for a small proportion of domestic producers to exceed this, so it was seen to discriminate between domestic and foreign producers. They demanded the EPA water down the act, or pay \$150 million in trade sanctions. The Act was diluted.

¹ www.citizen.org states that since 1995, the WTO has ruled that every health and safety, environmental and labour policy it has reviewed is an illegal barrier to trade. As domestic policies are eroded through this procedure and the

2. The US Endangered Species Act prohibits the sale of prawns caught in nets that do not allow endangered species to escape (such as turtles). India, Pakistan, Malaysia and Thailand challenged the law, claiming the US discriminated between countries in its application of the law and the WTO agreed. The law was subsequently amended.

The problems with the WTO, and correspondingly with the IMF and the World Bank have been highlighted by these kinds of erosions of hard won environmental legislation. Questions about the quality of our democracies and the necessity for greater accountability as a result of these kinds of decisions has fed the international protest movement (Nichols, 2000).

It appears that there is growing concern about the nature of international meetings of this sort and an expanding recognition of how much they shape our lives - which is why around 10,000 people encircled Crown Casino in Melbourne on September the 11th and 12th.

What's Up With the World Economic Forum?

The World Economic Forum (WEF) was incorporated in 1971 in Switzerland by Klaus Schwab, Professor of Business Administration, when he convened the first annual meeting of international chief executives in the Swiss town of Davos. The WEF has since grown to become an 'invite only' private think tank with around 1000 member organisations. Of this, 430 come from Europe (roughly 43%) and 262 from North America (roughly 26%). These figures alone indicate some of the problems associated with 'globalisation' and its

failings to be truly global. The consistent privileged representation of traditionally wealthy European and North American members within global economic meetings is now under challenge with n29, a16, s11, s26 – the new signpost of protest, expressing the month and day of action.

The WEF's aim is to bring together unelected executives, corporate leaders, financial advisers and strategists, with elected government representatives and some non-governmental organisations (unions, charities, and academics) in order to discuss the direction of the global economy². According to the WEF it

is an independent organization committed to improving the state of the world. It serves its members and society by creating the foremost global partnership of business, political, intellectual and other leaders of society to define and discuss key issues on the global agenda. Incorporated since 1971 as a foundation, the World Economic Forum is independent, impartial and not-for-profit, tied to no political, partisan or national interests (www.weforum.org, 14/9/00).

In this way, the WEF plays a significant role in defining global economic policy and direction. They also claim to hold the public interest at the core of their 'private' project and discussions, with an international mission of peace³. The idea that globalising the free-market, making capital more mobile, reducing barriers to trade and pursuing the ideals of late-

² In my review of the proceedings it seemed that there was 10 academic presenters, 1 union representative, and 2 representatives from charitable organisations presenting. Of the academics, there were only 2 that overtly opposed the current formation of the WEF.

³ The WEF is currently under investigation in Switzerland for failure to pursue its mission and also for some confusing funds transfers between the WEF's bank accounts and that of the Schwab Foundation.

capitalism by relating profit with general prosperity and growth with goodness is nothing new, but the lack of democracy and accountability of such organisations is becoming increasingly intolerable.

Putting Pressure on the WEF

The increasing pressure being placed on global economic institutions has led to some changes within the World Economic Forum. It is difficult to tell how substantial the changes have been, but there has certainly been a change in the language used within Davos policy debates. Words and phrases such as 'institutional accommodation', 'corporate responsibility', 'global dialogue', 'responsible globality', 'inclusive prosperity' and 'sustainable development' are now commonplace. The WEF has also opened some of its doors to non government organisations, but perhaps the change that is most questionable is the introduction of the 'Environmental Sustainability Index' at Davos 2000. This is set to supplement the 'Growth and Current Competitiveness Ranking' which provides yearly data on how national environments are conducive or detrimental to the domestic and global competitiveness of enterprises. These two indexes are intended to be used side-by-side, yet the substance of the data could not be more different. It has even been suggested that the Sustainability Index could be used to make decisions about where not to invest (due to strict environmental legislation) because it is less competitive and will have limits on growth potential.

The Environmental Sustainability Index

The World Economic Forum in partnership with the Global Leaders of

Tomorrow Environment Task Force, the Yale Center for Environmental Law and Policy and the Center for International Earth Science Information are currently in the process of developing a measurement yardstick for environmental performance. On face value this seems to be a responsible move forward in regard to issues of the sustainability of current business practice. According to the World Economic Forum the

objective of the ESI is to measure and rank economies based on their success in facilitating economic growth without crossing environmental sustainability barriers. The long term goal of the process is to find a singular indicator for environmental sustainability in the same way GDP gives a single figure for an economy (www.weforum.org, 15/9/2000).

Such a process is logical within the context in which it has emerged, but like GDP such an index would suffer from the same problems associated with what it 'actually tells us'. GDP tells us nothing about the ways the economic growth is distributed amongst the community, how economic activity effects the general quality of life, it doesn't tell us what is being produced, by whom under what conditions. The ESI is still in the development stage, but it will be made up of five key components including environmental system, environmental stresses and risks, human vulnerability to environmental impacts, social and institutional capacity and global stewardship. According to the WEF the idea is to promote environmental sustainability without having any impact on competitiveness and economic growth.

This project is an interesting response to public pressure about the lack of accountability displayed generally by the WEF and more particularly concerns about the environmental

credentials of the international business community. The idea of an index is not new (Cummings, 2000), nor is the idea that economics and the environment are compatible aims, but the new exercises in public relations/concessions are definitely new to the WEF. Only since the emergence of the international movement expressing concerns about the activities supported by the WEF (which was in 1996) has the WEF began to change the secret nature of its practices and 'embrace' public consultation, inclusion and are newly sensitive to environmental and social justice issues. One could be forgiven for feeling as though this is a public relations exercise, just as we could be forgiven for interpreting Bill Gates' comments at the Melbourne meeting of the WEF as a call for increasing PR and corporate propaganda. Gates claimed that the problem was not the globalisation of capitalism, the engineering on behalf of corporate executives, the failure to be held accountable to national governments and 'civil' society, the abuses of labour associated with the new economic order, or the extraordinary burden placed on the environment to service this vision, no, it was none of these things. Instead, the failing according to Bill Gates has been the corporate community's inability to get the message across to us that globalisation is working, that it has problems but that it is essentially the only rational path available to address the very concerns of the protestors outside.

Although the media has represented the debate by claiming that the protestors were anti-globalisation, which in the current economic climate is easy to dismiss and ridicule, the struggle is much more complex than that. When statistics point towards the dysfunctional side of ever-expanding

capitalism, with all its in built biases towards those who are already wealthy, the distribution issues, the environmental problems associated with continuous expansion, growth and the opening of markets and the abuses of human rights that have become synonymous with the pursuit of profit the questions are enormous and the challenges are diverse. They are even more difficult to digest when our elected representatives keep telling us that this is the best way to beat poverty and environmental devastation – even if it has some problems, it is still the best way. What we have seen as a result of 'globalisation' is the expanding search for cheaper labour and resources – the consequences of this pursuit are becoming less easy to cover up.

PostScript

Having attended the protest in Melbourne, concerns about the affect of the current economic order on society and the environment were clearly articulated by the protestors that I spoke to. The main issues surrounded the lack of accountability displayed by organisations such as the WTO, IMF, The World Bank and the World Economic Forum, and the unsustainability of the current global economic agenda. Many focused on the need to revitalise democracy through carefully staged challenges to corporate power. The idea of power came up often, to many, power brings with it responsibilities (to consult, report, include), and many others felt that the nature of power in our societies had become intolerably distorted. Although democracies support equitable distribution of political power (one person, one vote), capitalism supports inequities in economic power – and the contradiction between these forces is a source of a great deal of protestor frustration. Although the goal for many would be to dismantle such inequity, the current state must be tempered by flows of information, inclusive decision

making, and the right to enforce certain standards (such as environmental and social justice and human rights).

This was particularly interesting because many protestors articulated the very issues addressed by this news journal. At one point I walked around the Casino reading the graffiti and I came across one of particular interest that read, "We demand environmental accountability". Although one piece of graffiti at s11 does not mean that the idea of social and environmental accountability has entered into mainstream public discourse, the general theme of the events were demanding just that – even if the words used were somewhat different.

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