
The Greening of Corporations

The profit-led corporate logic is determining our future, and that of generations to come, shaping the emerging international system which is today dominated by institutions that favour corporate rights. The outstanding outcome of present globalisation --privatisation and deregulation-- have allowed corporations to usurp the natural basis upon which all life depends.

As the World Summit on Sustainable Development (WSSD) approaches, conflicts intensify between North and South, civil society and industry. Northern governments defend corporate-led globalisation, including market liberalisation and privatisation of public services, as part of "sustainable development" --the catch-all phrase used by all parties to describe their responses, however inadequate, to the accelerating global social and ecological crisis. And their major plan is to undermine the United Nations as an institution to meaningfully address the twin crises of global poverty and ecological decline.

The deep contradictions between neoliberal globalisation policies on the one hand and environmental and social goals on the other are mainly reflected on conflicts over trade and finance issues, and on the attempts to rollback Rio by withdrawing from key outcomes such as the principle of common but differentiated responsibilities --those nations who played the biggest role in causing a problem should take the lead in addressing it-- and the Precautionary Principle --governments should err on the side of caution when there is the possibility of devastating and irreparable environmental harm.

For Johannesburg, talks concentrate on a Plan of Implementation/Action intended to develop national and global policies and programs, and a Political Declaration, in which governments are expected to recommit to Agenda 21 and the pursuit of "sustainable development": these are called Type I outcomes (obligatory). Type II (voluntary) outcomes are a new and controversial category: partnership projects aiming to implement "sustainable development", with a strong focus on participation of the private sector through private-public partnerships.

The current bias of the WSSD's Chairman's Text towards market-based delivery of services fits hand in glove with corporate campaigns in the run-up to the WSSD. Transnational mining company Rio Tinto's Lord Holme of Cheltenham, for instance, is vice-chair of BASD (Business Action for Sustainable Development), which is a joint campaign by the World Business Council for Sustainable Development (a coalition of 150 large corporations, currently chaired by Shell's Phil Watts, created to provide business input into the 1992 Earth Summit in Rio de Janeiro, which has contributed to blocking attempts to regulate business) and the International Chamber of Commerce.

BASD'S recipe for "sustainable development" is a combination of corporate partnership projects and improved governance in the South. BASD's key representative in South Africa, Reuel Khoza, chairman of South African electricity company Eskom, referred to the UN's Global Compact (a voluntary partnership between the UN, the corporate sector and some NGOs around a set of social, human rights and environmental principles, and criticised by large sections of civil society because it lacks monitoring and enforcement) and the Global Reporting Initiative (a set of guidelines for reporting on the social, environmental and human rights performance) as guarantees of transparency

in Type II projects. He announced that some of the partnership projects submitted by the BASD would also aim to implement the New Partnership for African Development (NEPAD). NEPAD, the "development path" crafted by the South African and other African governments, promotes the privatisation of water, electricity, transport and telecommunication services, as well as continued debt repayments and the further liberalisation of markets and international investment flows, and is widely opposed by African civil society.

Other plans of the WBCSD for Johannesburg include promoting six sectoral projects run by working groups made up of WBCSD corporations. Forestry is one of the most controversial.

The "Sustainable Forestry Industry" project of the WBCSD started in 1994, when a group of companies led by Brazilian Aracruz Celulose and Finnish UPM-Kymmene initiated a study focusing on paper production. The study was commissioned from an external body (the International Institute for Environment and Development or IIED). The report 'Towards a Sustainable Paper Cycle' was published in June 1996. The next step was the creation of the "Forest Dialogue", which included land owners, the forest industry, some NGOs and the World Bank. The goal of the dialogue, co-chaired by the WBCSD and the World Resources Institute (WRI), was to develop a consensus vision on the world forests and a range of concrete issues, such as mutual recognition of certification schemes for forestry industry practices.

The credibility of the self-proclaimed quest for sustainable forestry is seriously undermined by the shameful record of the two corporations that initiated the project. UPM-Kymmene is heavily criticised by forest campaign groups for its damaging activities in Indonesia, misconduct that continued after the launch of the "Sustainable Forestry Industry" project. In 1997, the Finnish wood products giant got a paper plant in Changsu, China, which processes pulp from PT Riau Anadalan Pulp and Paper (RAPP), the second largest pulp producer of Indonesia. RAPP's mill in Riau, Sumatra, was expanded with a \$750 million investment package supported by the Finnish and Swedish export credit agencies. The Riau mill produces 750,000 tones of pulp each year by logging the natural rainforest, substituting over 50 species of tropical hardwood for acacia plantations. Local communities have suffered severe impacts, the river essential for their livelihood has been polluted, they have been evicted from their lands with no compensation and have faced physical violence when protesting. UPM-Kymmene pulled out of RAPP, but still uses RAPP's pulp for its paper production in China.

The other founder of the WBCSD forestry project, Aracruz Celulose, specialises in bleached eucalyptus pulp. The company is particularly infamous for its destructive social and environmental impacts in the Brazilian states of Espirito Santo and Bahia. Aracruz has flooded the regions with extensive monoculture tree plantations and uprooted indigenous peoples such as the Tupinikim and the Guarani from their lands. It has turned what used to be the Mata Atlantica rainforest into a green eucalyptus desert. The impacts on local communities and the environment has led to the creation of a broad opposition movement --the Alert Against the Green Desert Movement-- which groups indigenous peoples, afro-descendent communities, fisherfolk, farmers, the landless peasants' movement, environmental and social NGOs, among others. The existing contradictions between the company and local society were clearly shown at the beginning of August when the company's third pulp mill was opened in the presence of the President of Brazil, while people gathered outside in a demonstration against the company. That was only one of the many activities organized by the Alert Against the Green Desert Movement during its "1st Fortnight of Resistance against the Green Desert". Other actions included a demonstration against Aracruz in front of Parliament House, at the doors of the Safra Bank (a Brazilian bank that owns 28% of ordinary shares of Aracruz), and also in front of the office of Finnish consultancy company Yaakko Poyry --working for Aracruz-- in the state's capital city Vitoria. At the same time, Aracruz's Norwegian chairman -- Erling Sven Lorentzen-- failed

to appear before the Parliamentary Investigation Commission of the State Parliament of Espírito Santo that is investigating irregularities of the company's activities, under the excuse "that he was not the right person to be heard by the Commission, once he is not directly involved in the administration of the company."!

Those are the "green credentials" of the Sustainable Forestry Industry's two corporate leaders. Will the WSSD give further "sustainable development" credentials to a corporate sector which can only be portrayed as socially and environmentally conscious through their channelling of millions of dollars to public relations companies eager to "green" them?

Article based on information from: "Countdown to Rio+10: 'Sustainable Development' and the Public-Private Pantomime", Corporate Europe Observer, Issue Number 12, August 2002, <http://www.corporateeurope.org/observer12/wssdlobby.html#02> ; "Social Responsibility and the Mechanical Bull: The International Chamber of Commerce Dresses for Success", <http://www.corporateeurope.org/observer12/iccdenver.htm> ; "Exporting Enron Environmentalism: The Bush Vision for Johannesburg", Victor Menotti, International Forum on Globalization, <http://www.ifg.org> ; Press Release of the Alert against the Green Desert Movement, Vitoria, 14 August 2002. Contact e-mail: fasees@terra.com.br