



## **Presentation for the opening of the Public Eye on Davos – January 2003**

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Friends of the Earth International members have gathered at the Public Eye on Davos meeting since 2000. We have come together each year since then with colleagues from around the world to put an alternative view about the impacts of economic globalisation, the role of corporations in sustainable development and to pose questions about justice, democracy and transparency. We have come to ask who are the winners and who are the losers in the global casino and we have asked in whose interests the World Economic Forum is acting and how.

This year will be our fourth meeting of civil society activists to parallel the deliberations of the WEF. In common with our last meetings, we will be seeking answers to searching and fundamental questions. High on our list this year will be to ask both companies and government representatives meeting in Davos what they intend to do in taking forward decisions reached at the Johannesburg Earth Summit in September 2002. In particular, we will be asking what action will be taken to give effect to the UN commitment to “Actively promote corporate responsibility and accountability”, including through international and national regulation. Given that this year the WEF will be focussing on the question of trust, we feel that it would be appropriate for these questions to receive a full answer.

Last year at the Public Eye meeting in New York, we focussed very much on the worldwide campaign for corporate accountability – the process of rendering companies responsive to the views and needs of the people they affect, both now and in the future. We urged governments to use the Johannesburg summit to agree to negotiate a Corporate Accountability Convention and we directly pressed the 1200 or so company executives attending the WEF to support that call. Our campaign attracted widespread public support and was successful in gaining intergovernmental agreement that such an accountability agenda was necessary and timely.

The companies present in Johannesburg, and there were a great many of them, were less helpful. They maintained that voluntary action is sufficient to manage the environmental and social impacts of firms to an acceptable level and that regulation would merely be so much red tape. And the corporate lobby groups almost succeeded, as they did at Rio de Janeiro Earth Summit ten years before, in avoiding calls for international regulatory frameworks that will ensure that they reflect sustainability thinking in business activity. They nearly succeeded, but not quite. The elected governments and other politicians at the summit did indeed agree that a new international framework was necessary. And they did that because the case for such a

regulatory approach has been overwhelmingly made. We will now be asking the WEF participants – both company representatives and government ministers – for delivery.

We have no doubt that the tired arguments of voluntary action will be trotted out in response. But we have one key question to put to WEF participants in response, and the media should ask this question too. That is, what do we do about the worst companies? What do we do about the Union Carbides, the ENRONs and the WorldComs. We may not agree on who are the better and worse companies, but we do at least agree that there are leaders and laggards. It is our contention that the laggards will never be convinced by friendly persuasion or the opportunity to act voluntarily and that it is in the interests of the leaders to bring the worst performers up to scratch. Why don't the so-called leading companies agree with that?

We will also be asking the politicians present at the WEF why they are prepared to regulate to protect the rich but would rather protect the short-term profitability of companies when presented with demands to safeguard the poor and the planet from corporate excesses. The aftermath of the Enron and WorldCom scandals are educational in this respect. When the interests of pension funds managers and stock brokers are hurt by corporate fraud, we hear loud calls for better regulation and transparency, even from the unlikely quarter of the Bush Administration, led by George Junior himself. When it is the environment at stake or the livelihoods of the excluded and weak, however, these advocates for corporate high standards are nowhere to be seen.

The world has changed since the WEF meeting in New York in 2002. The world now expects corporate accountability and has reached international agreement to that effect. Our question this week is what will the WEF participants do about it? Rules are needed to control the worst excesses of big business – not only to protect the rich, but to afford rights to those who pay the highest prices of all – in suffering the effects of pollution, degraded land, stolen resources and poverty. We will be looking for some clear answers, not least from the politicians who negotiated the Johannesburg agreements and who are now networking with their corporate friends and colleagues in the comfort of these convivial surroundings of the high Alps.

If the WEF participants are serious about building trust, then they must be serious about the actions that need to be taken – as a matter of urgency - to make companies accountable to their stakeholders and the people they impact on, now and for the future.