

**“The Business of Diplomacy: The International Chamber  
of Commerce meets the United Nations”**

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CSGR Working Paper No. 74/01

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# **The Business of Diplomacy: The International Chamber of Commerce meets the United Nations**

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## **Abstract**

After reviewing the literature on diplomacy and placing this within the context of globalisation, this paper suggests that traditional forms of diplomacy are not in decline but are undergoing a process of transformation involving the propagation of new mechanisms, processes and norms. This transformation is being led not only by states but also by multilateral institutions, non-governmental organisations, firms and other representatives of civil society. This theme is pursued through a case study of the evolving relationship between the International Chamber of Commerce (ICC) and the United Nations, which examines the nature and evolution of the ICC as an international actor before moving to a discussion of the Global Compact launched in July 2000.

Keywords: Diplomacy; Globalisation; Multilateralism; International Chamber of Commerce; Global Compact.

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The central theme of this paper is that the demands of global governance require the development of what may be termed ‘innovative diplomacy’. This reflects the growing complexity of the myriad issues confronting the global community and the diffusion of authority amongst its constituent actors, both governmental and non-governmental. As a consequence, diplomacy as a concept is confronting, if not a crisis, then at least a set of questions as to its character and the processes through which it is capable of achieving its goals. Inseparable from the development of the Westphalian system, diplomacy is now often regarded as a mode of communication that transcends the activities of governments, embracing a range of actors located in civil society as well as those spawned by regional and global institutional structures. Often, the consequent debate that this shifting scenario engenders is designed to demonstrate either that diplomacy remains a matter for governments or that it has become an irrelevance in an era preoccupied with processes that deny the significance of the territoriality which it appears to encapsulate. In light of this, this paper has a broad and a more specific aim.

The broader aim is to contribute to the debate on the changing nature of diplomacy and the diffusion of diplomatic activity as it embraces a more extensive cast of players than is to be found in the traditional structures and processes of state-centred diplomacy. The related and more focused aim is to examine the role of business in this changing diplomatic milieu by examining the nature of the International Chamber of Commerce (ICC) as a diplomatic actor and its relationship to the United Nations. During the period of Kofi Annan’s secretary-generalship of the UN, the ICC appears to have become one of the former’s major interlocutors in a bid to align the business community with its global governance objectives, particularly in the broad realm of human security. Although this was hailed by the press as a radical change for both organisations, in one sense, it is not a ‘new’ phenomenon.

As I demonstrate below, the ICC has been involved in world affairs since its creation in 1919. Emerging from a network of nationally and locally based chambers of commerce in the nineteenth century, it assumed the form, after World War I, of a federation of national chambers with a Paris-based secretariat and an extensive web of specialist committees covering most of the key areas of concern to the business community. However, its activities have not been limited to the area of ‘low politics’ as its key role in the reparations issue during the inter-war years demonstrates.<sup>1</sup> A key feature of its strategy over the decades has been to seek access to and, where possible, develop a presence in, key policy forums,

including multilateral agencies. Thus its various specialist committees developed close relationships with the relevant sections of the League of Nations and the International Labour Organization as these bodies developed during the 1920s.

But what has changed is the context within which this access and presence is sought and utilised and the broad objectives and strategies that underpin it. Partly, of course, this reflects environmental changes broadly subsumed under the conditions associated with globalisation which simultaneously establish the need for and facilitate the creation of coalitions of interests with interrelated goals. These are underpinned by significant changes in norms and values to which all actors, whether governmental or non-governmental, are required to be sensitive in the fashioning of their policy strategies. The result of these developments, I argue, is that business organisations, such as the ICC, find themselves engaged in a quadrilateral relationship with national governments, civil society organisations and multilateral institutions. The consequent patterns of interaction can be uneven and often unpredictable, varying from issue to issue and displaying differing modes of engagement. The dynamics of these relationships are informed by adaptive behaviour underpinned by organisational learning as each set of actors seeks to utilise the resources of the others in the attainment of their respective goals.

Against this background, I suggest that the involvement of the ICC in multilateral diplomacy can be understood in terms of a change in strategies and norms on the part of multilateral organisations and business which are changing business attitudes towards a range of social issues such as those in the environmental sphere. Alongside this, the norms underpinning NGO actions and strategies are also changing, reflecting a redefinition of their objectives and how these might be achieved.

Pursuing this theme, the chapter begins by considering the changing context of diplomacy and the impetus towards less state-centred patterns produced by changes in the character of world politics. I then consider the nature of the ICC as an international actor and the development of its relationships with multilateral institutions since its creation in 1919. Finally, I analyse the nature of the relationship between the UN and the ICC in the context of the Global Compact launched in July 2000, evaluating the motivations of both organisations in developing their linkages.

### **Towards a changed diplomatic milieu: ‘polylateral’ structures and ‘catalytic’ processes**

The demands of governance in a globalising world pose challenges for all categories of actor that carry us well beyond the familiar, if more easily conceptualised, arguments resting on assumed patterns of dominance and decline in their relationships.<sup>2</sup> The realities of the emerging patterns of world politics, however fuzzy, are much more complex: underpinned as they are by a growing recognition of the mutuality of interests and concerns that require actors to bargain, learn from one another, exchange resources and adapt their roles according to the shifting demands of more intricately configured policy milieux. Thus national governments are increasingly required to develop strategic and tactical relationships with non-governmental organisations (NGOs) whilst the latter, traditionally portrayed as hostile to government, often seek to work with it rather than against it.<sup>3</sup> In short, the legacy of the dominant inter-paradigm debate in international relations which encouraged an image of patterns of interstate relations differentiated from transnational patterns embracing a growing diversity of non-state actors, fails to provide us with helpful explanatory images.<sup>4</sup> This is equally true of attempts to fit business into world politics. Here, the traditional state-centred image of international relations is challenged by a growing literature that explores the complexities of the government-business relationship.<sup>5</sup> Not only are firms and their agents in the form of business associations able to affect the outcomes of issues on the international agenda by inserting themselves at critical points in policy processes, they are increasingly agents of global governance through the creation of self-regulatory regimes and standards setting.<sup>6</sup>

Against this background, traditional conceptualisations of structures and processes in international relations have to be re-evaluated. In the present context, this can be seen to be true of our images of diplomacy where this term conjures up state-centred notions of government-to-government patterns of communication. It is increasingly clear that the practice of diplomacy is having to adapt to an environment in which pressures from both outside and within the state are eroding the capacity of governments in important respects. No longer is it the case that national policy makers possess either the sole authority, the expertise or the material resources to achieve their policy goals in complex negotiating environments. In terms of bilateral diplomacy, the traditional agents of interstate communication - to the extent that they historically exercised a monopoly over the state's interaction with its international environment - are reconstituting themselves by means of redefining their roles and patterns of behaviour. This can be conceived in terms of layers of

transformational adaptation that occurs within the machinery of the state as the management of international policy becomes more diffuse but, increasingly, demands engagement with the representatives of civil society.

At the multilateral level too, it is clear that significant change is afoot. The identification of what O'Brien et al. term 'complex multilateralism' is a mirror image of the kinds of pressures to which national diplomatic systems are seeking to respond.<sup>7</sup> In brief, this might be identified in terms of challenges stemming from diminishing material resources, the diffusion of policy expertise amongst a growing range of non-state actors and the erosion of governmental legitimacy. A 'crisis of multilateralism' began to set in during the 1970s and 1980s which was compounded by US budgetary withdrawals from the UN and a growing disillusionment on the part of Third World states in terms of the influence to be gained through their participation in international organisations.<sup>8</sup> Whereas the post-Cold War world initially foreshadowed something of a renaissance for the UN, it has become increasingly clear that a new 'crisis' has emerged which challenges both its relevance and its reputation. This is by no means unique to the UN but is shared by other multilateral institutions such as the World Bank and the IMF. One manifestation of this trend has been enhanced pressure from civil society: in the shape of global social movements as well as business interests.

One way of conceptualising these developments is to differentiate - as do O'Brien et al. - between 'old' and 'new' forms of multilateralism. The former focuses on multilateralism in its traditional, state-centred form as the co-ordination of relations amongst states.<sup>9</sup> The latter is conceived as attempts to reconfigure multilateralism by building it from the 'bottom up' rather than the 'top down', basing it on the active participation of a global civil society.<sup>10</sup> Although this particular definition of 'new' multilateralism focuses on global social movements, it is equally clear that there is a growing role for business in these arenas. This not infrequently results in an increasingly complex set of interactions between multilateral institutions, business and global social movements. Whether this is, indeed, a new phenomenon or a reworking of characteristics identifiable in earlier phases in the evolution of the states system is not the key issue.<sup>11</sup> What is significant are the interests that each set of actors brings to bear on its relationships with the others, and the extent to which the behaviour of each is modified through processes of organisational learning. Thus it is obvious that the 'reformist' objectives of NGOs and their desire to gain access to and presence in

multilateral organisations are varied but also likely to be markedly different from those of the business community.

It is equally true, however, that there is a strong impetus for actors to engage with one another, as one recent study of the interactions between business and NGOs notes:

...something is happening in the relationships between governments, NGOs and companies which draws them to engage more closely together to deal with certain issues. There is a desire to understand better the terms of engagement, and an interest in making the engagement constructive – to create social value rather than to destroy it by confrontations which would be costly and risky for all concerned.<sup>12</sup>

This affects both governmental and non-governmental actors in ways which, whilst related, are differentiated by their distinctive organisational characteristics (their ‘actorness’). In the case of business, this is reflected in the growing concern with corporate citizenship which, by its very nature, focuses on redefining a firm’s relations with an expanded range of ‘stakeholders’.<sup>13</sup> In the case of governments, it is reflected in the reform of diplomatic services to enhance their interaction with civil society and to reinforce and redefine the ‘public diplomacy’ function. In the case of NGOs, it is reflected in debates about purpose, strategies and engagement with both business and government, and for multilateral organisations, in reaching out beyond the realm of states in a search for funds, expertise and legitimacy.

Increasingly, the changing policy milieu reinforces mutual needs rooted in autonomy dilemmas and growing capacity constraints along three planes: tangible resources, access to knowledge and expertise, and legitimacy. Put another way, actors seek to preserve their autonomy to pursue core policy objectives whilst recognising that resources possessed by others are critical to their ability to do so. This requires the utilisation of ‘catalytic’ strategies in which actors bring to a policy milieu a differing mix of resources without which neither their objectives can be sustained nor a diplomatic conflict resolved.<sup>14</sup> In turn, this demands the development of appropriate strategies and structures – formal, informal or a hybrid mix – through which communication can be maintained and successful outcomes pursued.

This theme is reflected in the growing role of the private sector within multilateral organisations and negotiations as bodies such as, for example, the World Customs

Organisation, the World Intellectual Property Organisation, the International Telecommunications Union, the International Maritime Organisation and the International Tropical Timber Organisation have responded to the changing trade agenda and developed closer relationships with business.<sup>15</sup> The trend is also evident in studies on climate change negotiations. As both Rowlands and Benedick argue, industry had a vital input into the negotiations on ozone depletion which produced the Montreal Protocol, both through the activities of individual chemical companies such as Du Pont and industry groupings as represented by the Business Council for Sustainable Development (BCSD) and the ICC itself. Not only did the major chemical companies possess financial and technical expertise but, of course, were able to develop the alternative chemicals that made progress in phasing out chloro-fluouro carbons (CFCs) possible.<sup>16</sup>

In short, success or the lack of it in some policy environments depends on the capacity of public and private actors to engage in processes of organisational learning through which knowledge and legitimacy-generating resources are developed and exchanged to manage unpredictable policy environments. Failure in this respect can have serious consequences, both in terms of the interests of the sets of actors involved and the successful outcome of certain types of international negotiation. Of course, I am not suggesting that all policy environments exhibit these characteristics - their nature will depend on the terrain of a given diplomatic 'site' - nor that, even when they do so, they will be marked by patterns of uniformity.

Inevitably, this has led some observers to question the conventional distinctions that seek to contrast bilateralism and multilateralism as modes of communication and negotiation. The synergy between the two forms has been noted in a variety of arenas, not least the European Union or, indeed, the UN system itself. The attempt to integrate the two forms is reflected in other usages such as 'associative diplomacy' and 'minilateralism'. Yet others, recognising the need to enhance the incorporation of transnational actors into negotiating environments, have suggested alternative designations such as, for example, 'polylateralism'.<sup>17</sup>

Underpinning these various conceptions is the proposition that networks are indispensable in managing increasingly complex policy environments by the promotion of communication and trust. In this sense, a policy network can be defined as 'a set of relatively stable relationships which are of a non-hierarchical and interdependent nature linking a variety of actors, who



share common interests with regard to a policy and who exchange resources to pursue these shared interests acknowledging that co-operation is the best way to achieve common goals'.<sup>18</sup> This is the fundamental principle on which Reinicke's concept of global public policy networks rests.<sup>19</sup> Starting from the premise that globalization has highlighted the deficiencies of governments, both acting alone or in concert, in terms of their scope of activity, speed of response to global issues and range of contacts, he identifies the significance of the emergence of networks incorporating both public and private sector actors. It is not, he suggests, that multigovernmental institutions are irrelevant but that the more diverse membership and non-hierarchical qualities of public policy networks promote collaboration and learning and speeds up the acquisition and processing of knowledge. What he terms 'vertical' subsidiarity in which policy making is delegated within public sector agencies, has to be supplemented by 'horizontal' subsidiarity through outsourcing to non-state actors.<sup>20</sup>

This theme is clearly reflected in a number of Kofi Annan's public pronouncements since assuming the role of UN Secretary-General, notably his speech to the World Economic Forum at Davos in 1997 in the course of which he observed: 'The United Nations once dealt only with governments. By now we know that peace and prosperity cannot be achieved without partnerships involving the governments, international organisations, the business community and civil society'.<sup>21</sup> This was further underscored by a joint press release issued by the UN and the ICC at the end of a meeting between the two bodies convened in February 1998:

There is great potential for the goals of the United Nations - promoting peace and development - and the goals of business - creating wealth and prosperity - to be mutually supportive. Development and peace are essential for trade and investment to occur and for business to grow. At the same time, thriving markets are a precondition for creating jobs, improving standards of living, spreading more widely the benefits of globalization and integrating developing countries into the world economy.<sup>22</sup>

Similar sentiments can be found in a statement from the ICC announcing the establishment of the ICC Geneva Business Dialogue, which met in September 1998. This stressed the importance of establishing a dialogue between business and international organizations 'so that business action, knowledge experience and expertise become a part of the decision-making process for the global economy'.<sup>23</sup>

Since then, of course, the momentum of the UN-business dialogue has gathered pace, manifesting itself in the Global Compact launched in July 2000. Under its aegis, fifty major multinationals committed themselves to observe a voluntary set of principles on the environment, child labour and freedom of trade unions.<sup>24</sup> As we have seen, this partnership reflects the needs of both multilateral institutions and the business community. For the UN, it has provided an enhanced sense of relevance in an environment where, after the first glow of post-Cold War euphoria had faded, the growing impact of globalisation threatened to downgrade its significance. Not least was this manifested in the growing transborder flows of private capital that overshadowed the aid programmes of the UN and its agencies. At the same time, the Janus-faced characteristics of globalisation were to become equally clear to the business community as GSMs and NGOs successfully projected the growing concern at its impact. From the business perspective, on the one hand, the UN is significant as a promoter of regulatory frameworks for globalisation, specifically on matters such as standards setting, telecommunications and aviation. But additionally, Annan's initiatives have provided a valuable supportive voice advocating the benefits of free trade and arguing that issues such as human rights and the environment should not be loaded on to the WTO system. Not surprisingly, many NGOs have been highly critical of this development, arguing that the UN is simply providing legitimacy to companies (such as Shell and Nike) which stand accused of major transgressions on the human rights and environmental fronts—and for little more than adherence to loosely monitored principles. As suggested earlier, it is in this changing context that the present role of the ICC has to be viewed. Just as in earlier phases of its evolution it has adapted to the shifting sands of world politics and the evolving patterns of institutional structures and norms, so it is now.

### **The ICC as an international actor: adapting roles and changing nature of its 'actorness'**

The decision to create a permanent organisation serving the interests of world business was taken in Atlantic City, New Jersey in late October 1919 at a meeting of 'influential industrialists and traders' from Belgium, France, Italy, the UK and the United States, all of whom were called together by the US Chamber of Commerce.<sup>25</sup> The ICC was officially inaugurated on June 24 one year later. This means, of course, that it outlasted the League of Nations and pre-dates the UN and all its associated organs. It pre-dates the major institutions created at Bretton Woods, including the World Bank, the International Monetary Fund and the ITO/GATT/WTO triumvirate. It is older, finally, than many of the states in which its constituent National Committees reside. Although there have been periods of relative

inactivity (during the war years for example), this longevity is in itself a key resource, facilitating as it does efforts to foster a sense of tradition and associated ‘standing’ upon which to focus and build a sense of legitimacy in the modern era. In addition to simply ‘being there’, however, the ICC claims to have been involved not only in the formulation of policy within these institutions of global governance and others over the long term, but also to have been influential in bringing them into being in the first place. What follows outlines some of these claims and others and, in so doing, suggests that states and inter-governmental organisations have been communicating and bargaining with non-state actors such as the ICC from the moment of their creation: sharing information with them and drawing on their resources whenever and wherever it seemed appropriate.<sup>26</sup> As a corollary of this, the ‘actorness’ of the ICC has slowly changed, so that at one moment it can be seen as ‘an international movement’,<sup>27</sup> at another as a ‘world parliament of business’,<sup>28</sup> at another as a ‘defender of the multilateral trading system’<sup>29</sup> and as a ‘private sector policeman for world trade’,<sup>30</sup> at yet another as a sort of epistemic community pursuing a ‘diplomacy of technics’<sup>31</sup> and so on as long as each of these images is seen as cross-cutting and contradictory as well as forward moving and complementary.

The organisation was brought into being against the sombre backdrop provided by the efforts at national and international reconstruction and rehabilitation in the aftermath of World War I and, as might be expected in such times, spent the early part of its life attempting to contribute to those efforts, and ensuring that the interests of business were well-served in the process. It began with a prolonged campaign to break the deadlock over the settlement of post-war reparations, actively sponsoring and heavily contributing toward the Dawes Plan, which was brought into effect by the 1924 Treaty of London. As the following quotation suggests, the work of the ICC proved fundamental to the successful resolution of this problem:

The Dawes Plan was really the work of the International Chamber of Commerce. Without official standing, without any means of coercion, by the sole force of its competency and the weight of the interests it represents, the International Chamber of Commerce was able to play a decisive part in the settlement of a great international question. ... In brief, what thirty-two diplomatic conferences with the help of countless meetings of ambassadors and interviews between heads of governments were unable to achieve, has been done by a private business organization.<sup>32</sup>

There is little doubt that in confronting the issue of war reparations, albeit from the perspective of the satisfaction of the needs of business, the ICC won an important victory at this early stage of its existence in the battle for recognition and standing from the world of sovereign states. This achievement was followed in 1931 by a successful campaign, conducted through the media and behind closed doors, to reverse President Hoover's decision not to make any concessions with regard to the payment of war debts.<sup>33</sup> There is, thus, evidence already in the 1920s and 1930s that the informal attribute of 'competency' matters more at certain times than the attribute of formal sovereignty, even when issues of 'high' politics are at stake.

It is clear, however, that these efforts represent only the tip of a very large iceberg: most of the ICC's labours were directed toward less dramatic aims, the achievement of which also required the ICC to engage in diplomacy as we understand it here. Indeed, the first decade or so of its existence was dominated not by the sort of top-table discussions outlined above, but by efforts (ambitious in themselves) to effect the reintegration of the European heartland of the world economy, and to deepen and soothe connections with the emerging hegemon, the United States. As to the mechanics of this operation, these focussed on four major areas: transport, communication, finance and trade.

Innumerable conferences and commissions produced, over the next few years, initiatives, proposals and agreements in each of these areas supportive of the growth of efficient, peaceful and, above all, profitable world trade. Perhaps most noteworthy was the ICC's involvement with the World Economic Conference (WEC) in 1927, called by the League of Nations in order to effect a lowering of tariff barriers. In the words of an anonymous chronicler:

The ICC submitted a celebrated 150-page report described by the legal secretariat as 'in some respects the most important document before the Conference'. Certain sections of the report could be regarded as the conceptual origin of the General Agreement on Tariffs and Trade: others gave virtual draft texts for conventions on specific issues. The Conference ... very largely accepted the report's recommendations. One significant result was the 1928 convention on import and export prohibitions - the world's first multilateral agreement on trade policy.<sup>34</sup>

Notwithstanding the self-congratulatory tone of this statement, the influence of the ICC at the WEC is difficult to ignore, particularly in light of the fact that it was directly represented at the conference by five delegates and six experts, and indirectly by sixty four other members of the organisation (serving the ICC as either members of the Council, the Working Committees or National Committees) who had been selected to attend by their respective governments.<sup>35</sup> We might also suggest that if success could be measured by the virulence of the criticism generated by its actions, then the ICC was at this time successful indeed. Witness the following statement, relating to the direct representation of the ICC on the Economic Consultative Committee of the League of Nations, on behalf of another venerable NGO, the International Co-operative Alliance:

Our attention has been drawn to the extraordinary claims which have been publicly made that the organized private traders of the world had not only succeeded in entrenching themselves at Geneva in the authorities of the League on a basis of equality of voice and voting with the National Governments, but wielded such influence on behalf of their clients - the capitalist private traders - that they practically dominated the situation and were even able to repudiate their own National Governments...<sup>36</sup>

In the area of transport the ICC once more led the way, agitating for and securing an international conference at the Hague in 1926 on the extension of the air mail system world wide.<sup>37</sup> Sustained pressure again succeeded in bringing about a preliminary agreement that was to be widened and deepened in the years that followed, and did so against a backdrop suffused with difficulty. In the first place, the ICC was forced to act by what it saw as the refusal of the responsible body (the International Commission for Air Navigation) to deal with the problem in a timely fashion. In the second place, it did so via a rather surprising mechanism: transmitting its proposal through the official channel provided by the postal administration of the Soviet Union.<sup>38</sup> Similar initiatives followed in the areas of communications (restraining increases in telegraph rates scheduled for 1938) and finance (assisting the League in its deliberations on the problem of double taxation in 1928).<sup>39</sup>

None of this prevented the outbreak of World War II, of course, or the economic and political events (the Wall Street Crash, the Great Depression and the collapse of the League) that preceded it. Due largely to the financial constraints imposed upon the organisation by the severing of funds from National Committees, the ICC effectively halted its operations during the war years, although it did switch its country of domicile from France to Sweden for the

duration, where several meetings took place attended by nationals of states already at war with one another. These financial constraints did not necessarily apply at the national level, however, and the US and British National Committees remained particularly active throughout.

If anything, the second global conflagration hardened the resolve of the ICC to become involved in the great political and economic decisions of the day. Even before the war, at the Berlin Congress held in 1937, the organisation adopted as its motto the slogan 'World Peace through World Trade': convinced that Business had much to offer politicians and diplomats in their search for international accommodation.<sup>40</sup> These convictions stemmed not only from the view, widely held in the ICC and throughout international business circles, that the nature of the market is such that political boundaries and national differences are transcended, obscured and effectively dissolved by it, but also from the success that the ICC had already enjoyed at the international level in resolving seemingly intractable problems between states. Moreover, these convictions were boosted through collaboration between the ICC and the Carnegie Endowment for International Peace (CEIP), and confirmed by the meeting of minds which took place between members of the two organisations at a conference sponsored by the CEIP and held at the Royal Institute for International Affairs (Chatham House) between March 5-7, 1935.<sup>41</sup> One of the concrete outcomes of this conference was the formation in that same year of a joint CEIP/ICC Committee, attended by business leaders and academics from various countries - including amongst their number Dag Hammarskjöld (who later became Secretary-General of the United Nations) and Per Jacobsson (later Head of the Bank for International Settlements and the International Monetary Fund) - with the aim of laying the groundwork for the improvement of commercial and, thus, political relations between nations. In addition to the publication of a two-volume compendium of technical reports focussing on the improvement of commercial relations between nations and on monetary stabilisation, this collaboration was to be followed in 1938 by the publication under CEIP auspices of a history of the ICC entitled *Merchants of Peace*.<sup>42</sup>

In the early post war years attention once more turned to reconstruction and rehabilitation, with the ICC pressing for expansive monetary and trade regimes. Its support for the formal inauguration of the International Trade Organisation was made strongly dependent upon acceptance of the provisional agreement on commercial policy and trade restrictions (*i.e.* the GATT) reached during preparatory studies on the ITO charter. However, when the draft

charter was put before the UN Conference on Trade and Employment (Havana, November 1947-February 1948), it became clear to many in the ICC - the only NGO granted the opportunity to address plenary sessions and discussion meetings - that as far as the interests of business were concerned it contained so many loopholes and extraneous provisions that it was virtually useless.<sup>43</sup> This recognition led the organisation, after a short period of internal debate, to withdraw its support for the ITO charter and concentrate instead on building the GATT into a permanent organisation.

In 1946 the ICC began its long association with the UN when it was granted Category A consultative status with the UN Economic and Social Council, a position it still holds.<sup>44</sup> Although an active participant at the UN from that day to this, the emergence and deepening of the Cold War combined with the emergence of the G-77 as a voting bloc to freeze effectively the policy options of the UN into a series of stances dictated by the dominant contending ideologies and perspectives, with the result that from the perspective of the ICC 'relations between the UN and business were frequently marred by mutual suspicion, and sometimes antagonism'.<sup>45</sup>

Notwithstanding this dissatisfaction, the ICC actually had very little to complain about over the following three decades as the world (capitalist) economy first recovered and then entered its boom years. The dominant theme remained integration and expansion under the rubric of free trade, whilst key objectives were the development of close relations with the European Economic Community (EEC) following signature of the Treaty of Rome, and expansion of ICC membership beyond the Atlantic heartland: and especially into the hinterland of Asia. In 1955 the first ICC Congress to be held in Asia took place in Tokyo, and by 1959 seven new National Committees had been set up, along with a regional Commission on Asian and Pacific Affairs whose brief it was to co-ordinate their activities and represent the ICC to the regional office of the UN in Bangkok.

Trouble was brewing, however, and it can be argued that it was in these same years, the 1950s and 1960s, that the 'success' of the ICC, as representative of international business, came home to roost. Instead of the goose that laid the golden egg, international business was, in these years of dramatic growth in the industrialised world juxtaposed against stagnation and decline in the economic well-being of the de-colonising and developing world, in danger of being seen not only as a lame duck as far as the satisfaction of the economic needs of

developing countries were concerned but, more seriously, as the proverbial cuckoo in the nest: squeezing out indigenous firms and stifling domestic economic growth. Moreover, by the 1970s the impact of business activities appeared, especially in the industrial states, increasingly to be endangering the health of the biosphere. Lumped together, these issues raised questions in the mind of concerned publics the world over concerning the ethical implications and repercussions of the unfettered pursuit of capitalism throughout the 'free' world, as these impacted upon the public and private spaces of the industrialised states and the economic and social welfare of their less developed and newly independent brethren. In these circumstances, public anger found an easy target in the multinational corporation: bastion and boiler room of the material and intellectual resources of the ICC.

There can be little doubt that the organisation reacted swiftly to this new challenge, as evidenced by the major themes considered at the six congresses held by the ICC between 1959 and 1969. Whilst in 1957 (Naples) attention had, quite understandably, focussed on the formation of the EEC under the heading 'New Factors of Economic Progress', by 1959 (Washington) attention had turned in a different direction to consider 'Today's Challenge to Businessmen - their Responsibility in Domestic and World Affairs'. In 1961 (Copenhagen) the theme was 'Private Enterprise in Economic Development'. The 1963 congress (Mexico City) considered the theme of 'Economic Growth through World Interdependence', while the 1965 congress (New Delhi) dealt with 'World Progress through Partnership'. At the 1967 congress in Montreal the theme was 'Private Enterprise in a Changing World', while at the final congress in that decade, Istanbul in 1969, attention zeroed in on the apparent villain of the piece under the theme 'International Economic Growth - the Role, Rights and Responsibilities of the International Corporation'.

All of this might have been so much hot air, of course, but for the fact that the ICC took genuine steps both to protect itself from the wrath of a number of hostile publics and to turn the situation to its advantage by seizing the opportunity to 'educate' those self-same publics in the many ways that business aids and abets economic development whilst at the same time preserving the environment for future generations of consumers and businessmen alike. One of the first steps was for the ICC to establish a presence at the inaugural UN Conference on Trade and Development (UNCTAD) held in Geneva in 1964, and again at UNCTAD II in New Delhi four years later. The message delivered by the ICC at these and other inter-governmental conferences was that free trade and unimpeded private foreign investment was



wholly beneficial for economic development, no matter what the context. This message was reinforced by the arrangement on behalf of the ICC of periods of ‘training’ in industrialised countries for staff of Chambers of Commerce and associated bodies from less developed states, all facilitated by the International Bureau of Chambers of Commerce (IBCC).<sup>46</sup> It was further complemented by the development and public announcement (at the 1967 Montreal Congress) of a set of principles, under the heading of a ‘Charter for Private Enterprise’, outlining the ethical responsibilities of business operating in a free enterprise system.<sup>47</sup> Considered crucial to the success of these initiatives was the development of still closer relations with the key inter-governmental organisations and agencies dealing with economic and legal matters. Efforts in this direction bore fruit in 1969 with the creation of the ICC-UN-GATT Economic Consultative Committee, which ‘brings together the heads of all principal UN agencies in the economic field, plus those of GATT and the OECD, for two days of high-level [but low-profile] discussions each year with leading ICC members’.<sup>48</sup>

At one and the same time, however, the ICC was manifestly seeking to use these enhanced connections to improve and standardise regulatory conditions for its members across the globe. In 1969 the organisation initiated a series of discussions on the roles, rights and responsibilities of the multinational corporation. These led, in December 1972, to the launch of its ‘Guidelines for International Investment’, urging governments to investigate and adopt standard investment and insurance practices covering all aspects of private foreign investment. Four years later the OECD published its own views on this subject, warmly welcomed by the ICC, in the form of the OECD ‘Guidelines for Multinational Enterprises’.<sup>49</sup> Meanwhile, the ICC became involved in the major projects initiated by the newly-created UN Commission and Centre on Transnational Corporations - including a code of conduct for transnational corporations (TNCs), international standards of reporting and accounting, and the creation of a database on TNCs for government use.

### **The ICC and the UN: shared interests and mutual needs**

As the intensity of the Cold War waxed and, finally, waned, so the pressure on the ICC to lead the way in justifying the activities and rights of international business has steadily increased. The organisation has had, as a consequence, to tread an increasingly fine line between the assertion of the private interests of its members and the satisfaction of the interests of an increasingly knowledgeable and wary public. As such, the courting of government favour and public opinion more widely has slowly been pushed to the forefront

of ICC activities. In the 1970s, the organisation reacted to the oil crisis and the subsequent slowdown in economic growth with a vigorous campaign focussed on heading-off protectionist pressures in the world economy. Meanwhile, it continued to defend the environmental record of international business and - in the context of a growing rejection in some parts of the world of consumerism and the attendant commercialisation and indeed commodification of all aspects of life, and, in other parts of the world, of western prescriptions regarding the possibilities for securing economic development - to argue the case for the benefits of continued and sustained economic growth driven by the engine of private enterprise.<sup>50</sup>

Be that as it may, as memories of the 1970s began to fade, the influence of the ICC seemed to fade along with it. So much so in fact that by the time Helmut Maucher (Chairman of Nestlé since 1990) assumed the Presidency of the organisation in 1997 the ICC was regarded as rather old fashioned and ‘fusty’ by contemporary standards.<sup>51</sup> Maucher, who under ICC rules would have been Vice-President between 1994 and 1996, began to bring the organisation back into the public eye: initiating a series of internal reforms designed to streamline and focus the structure and activities of the organisation, and bringing in new staff at top level, such as Maria Livanos Cattai (who had spent 19 years at the World Economic Forum in Geneva with responsibility for the annual meeting at Davos) as ICC Secretary General.<sup>52</sup>

The consequence of this has been to lend the organisation a more visible profile centring around activities designed to achieve three aims: each of which, as we have seen, have been at the core of ICC policy from the very beginning. Set within the context of a broad aspiration ‘to make the voice of business heard in global decision-making’,<sup>53</sup> these are to facilitate global trading flows, promote the self-regulation of business and extend the capitalist economy into every corner of the globe. In the contemporary age, the ICC seeks to achieve these aims in a number of (inter-related) ways: by extending its network of member chambers throughout east and central Europe, Asia, Latin America, and Africa, by pre-empting national and international legislation and regulation through the adoption of self-regulation and standards setting laid down by a large network of issue- and sector-specific committees drawn from member multinational corporations, and by deepening already close relationships with national governments and regional and global institutions such as the EU and the UN system.

At one and the same time, the UN, as noted above, has been struggling to maintain its status and legitimacy in the face of a number of challenges emerging from a global political economy that has undergone deep change in the recent past. Some, but by no means all, of these are as follows.<sup>54</sup> First, each of its major sponsors has vacillated in its approach to the organisation. The US first bypassed it in favour of unilateral and bilateral management initiatives so as to avoid the entanglements threatened by calls for a New International Economic Order. Then it took up the helm again as a way of lending a degree of legitimacy to its prosecution of the war against Iraq in 1991 before, most recently, demonstrating a degree of ambivalence exemplified on the one hand by its reluctance to place troops on the ground in the Balkans (following the debacle in Somalia), and on the other by its continued support for budgetary and structural reform begun by Boutros Boutros-Ghali and continued under his successor Kofi Annan.<sup>55</sup> For the former Soviet Union, meanwhile, as for the PRC, the UN and its Specialised Agencies increasingly came to be seen as part of the answer to their economic and (geo)political problems, and accordingly both began to take a more conciliatory line in the Security Council just at the moment that they were seeking entry to the economic organs they once so virulently condemned.

Second, the increasing pressure being exerted on the UN system by the US – designed to lessen the ‘burden’ of its financial commitment, and to force the organisation to support US foreign policy goals – has resulted in a growing ‘legitimacy deficit’ for the UN which some argue is now too big to close.<sup>56</sup> Sceptical that the incremental reforms underway at the UN are meant simply to deflect criticism and entrench further the power of the major states, an array of the less powerful have begun to argue for a combination of either or all of the following: further and deeper structural reform (of the Security Council, for example), transformation of the underlying philosophy (that is, one based on ‘Western’ interests) that drives the UN system, and outright abolition and its replacement with an institution or institutions reflective of the changed circumstances and varied social, political and cultural viewpoints given expression around the world.<sup>57</sup> Third, and countering (though not foreclosing) arguments that suggest possibilities for a reform of multilateral institutions ‘from the bottom up’,<sup>58</sup> the demise of the dream of a socialist alternative and the globalisation of production, finance and ideas has shattered the solidarity of the G-77: resulting in the emergence of hierarchies and rivalry in the developing world as states compete with each other for preferential access to markets and credit (public and private), for the attentions of (and influence within) multilateral organisations such as the IMF and World Bank, and for

admission to regional organisations such as NAFTA, the EU, APEC, Mercosur and so on.<sup>59</sup> Fourth, as noted above, globalisation has engendered an ever more vocal opposition, as GSMs and NGOs target their activities either against capitalism in general or against perceived injustices and ‘transborder damages’<sup>60</sup> inflicted by capitalism in specific areas such as the environment.<sup>61</sup> More often than not, these activities are directed against multilateral institutions, of which the UN is the supreme embodiment, with a view to contesting global governance.<sup>62</sup>

In light of these shared difficulties it is (perhaps) fortunate that Maucher took the helm at the ICC at roughly the same time that Kofi Annan was beginning to put his own plans for the revitalisation of the UN into operation.<sup>63</sup> Throughout 1998, Annan went to great lengths to push forward with a new agenda for the UN based upon a perceived relationship between the promotion of peace and development and the creation of wealth and prosperity, that saw a major partnership role for business.<sup>64</sup> The ICC responded in kind, making this its key theme for 1998 and launching a barrage of press releases, speeches and seminars on the motif of public-private partnership culminating in the Geneva Business Dialogue. This series of meetings, held over two days between representatives of business and UN officials, covered the full range of issues currently exercising the minds of the ICC as well as those issues of economic development in least-developed countries that lie at the heart of Annan’s agenda for the UN. The ICC, through Maucher, used the meeting as a launch pad for its globalisation ‘manifesto’, the Geneva Business Declaration: calling effectively for more globalisation, faster.

### *The Global Compact*

It is against this background that we must consider the demand for, and implications of, the Global Compact between business and the UN. Both the UN and the ICC (as representative of business) face challenges to their legitimacy variously expressed at local, national and international levels: the UN for continued relevance in the emerging post-Westphalian world order, the ICC for justification of the place and role of business in a global economy that appears ever more inequitable. For both sides, the Global Compact is one answer to these shared challenges.

The Global Compact is designed to work at a number of levels, taking in a variety of issue-areas and along several trajectories. In material terms it centres around the cash nexus, with

the UN gaining much needed funds in the form both of corporate philanthropy (Ted Turner has pledged \$1billion to support UN projects) and corporate investment in UN-sponsored development projects. From the perspective of the ICC this is money well spent, since not only can business ‘piggyback’ into new markets, it also benefits from the ‘soft infrastructure’ (orderly, stable societies, operating within ‘a framework of essential rules administered by strong, efficient, transparent and impartial government’<sup>65</sup>) ostensibly promoted by UN development assistance. Thus, the ICC has made a major push into what have been called, often euphemistically, ‘economies in transition’ and ‘developing economies’. Russia, Poland and Cuba joined the ICC in May 2000, and there has also been a great deal of interest shown in Africa—with Ghana and Nigeria joining in 1999 and Kenya, Uganda, Tanzania and Zimbabwe scheduled to join in the year 2000.<sup>66</sup> Projects highlighted at the ICC website appear largely technical, and are focussed in the areas of agriculture, energy, the environment, health, intellectual property, investment, telecommunications, trade and transport. Typical of this approach has been the ICC’s association with a joint project between the IBCC and the International Trade Centre designed to provide technical co-operation and assistance to chambers of commerce in developing and transition economies in order to facilitate the creation of ‘vibrant’ private sectors in these countries.<sup>67</sup>

In terms of institutional relationships, the Global Compact affirms and reasserts the long-standing role of interlocutor that the ICC has sought and succeeded in playing between business and structures of governance. Influential relationships have been formed at the highest levels of national regional and global governance: including the EU, G-8 and the OECD,<sup>68</sup> and the UN and its constituent agencies and organs. The major thrust of ICC activity at this level has been in the arena of self-regulation and standards setting, in line with its frequently reiterated calls for the development of a ‘balanced’ relationship between freedom and rules in the global economy, which appears to encapsulate all of the following: the encouragement of a deepening and widening of the ‘benefits’ of the global knowledge economy (secured in this instance by the ‘flexible’ regulation of the internet where this relates specifically to e-commerce), the encouragement of public acceptance of developments in innovation and technology (such as genetically-modified organisms), the deepening and widening of opportunities for trade and investment (calls for a new Trade Round), and the apportionment of regulatory responsibilities according to a strictly-defined set of criteria (excluding ‘non-trade’ issues such as the environment and human rights from the remit of the WTO).<sup>69</sup>

In the realm of ideas, the Global Compact - which two leading academic-practitioners suggest 'is meant to be a "social norming proposition"'<sup>70</sup> and 'a platform for institutional learning'<sup>71</sup> - explicitly calls for the re-affirmation by the UN of a set of values and principles contained within the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration of the UNCED (1992). The nine principles are: 1. Business should support and respect the protection of internationally proclaimed human rights within their sphere of influence; 2. Business should make sure that they are not complicit in human rights abuses; 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. Business should uphold the elimination of all forms of forced and compulsory labour; 5. Business should uphold the effective abolition of child labour; 6. Business should eliminate discrimination in respect of employment and occupation; 7. Business should support a precautionary approach to environmental challenges; 8. Business should undertake initiatives to promote greater environmental responsibility; 9. Business should encourage the development and diffusion of environmentally friendly technologies.<sup>72</sup> The ICC has not been afraid to commit wholeheartedly to these ideals, on the grounds that ordinary business people – the 'human face' of capitalism – hold to them as closely as anyone else since 'a good place to live is a good place to do business'.<sup>73</sup>

There is, however, a catch, and therein lies the first explicit indication that the Global Compact may not be the panacea for the woes of the UN and the ICC that both so obviously hope it will be. For the ICC have, quite quickly, sought to 'clarify' their understanding of it as follows:

Business accepts the challenge and is eager to cooperate with the UN and other public sector bodies to enhance all three [human rights, labour standards and environmental practices]. Alongside them however, we must place a fourth value – the economic responsibility incumbent upon any company to its customers, to its employees and to its shareholders.<sup>74</sup>

In its widest sense, this fourth 'value' might be said to pre-figure a projected transfer between business and public sector bodies of the understanding of the necessity of sticking to the 'bottom line' when it comes to ethical judgements and material outlays on human rights, labour standards and environmental practices.<sup>75</sup> More narrowly, it reflects a view of the Global Compact as 'a management tool to create added value in our relationship with

employees, customers and society at large'.<sup>76</sup> Either way it is bound to cause problems with other constituents as well as with officials at the UN.

## **Conclusion**

In this paper I have attempted to put forward a set of arguments suggestive of the increasingly complex nature of both the concept and practice of diplomacy in the contemporary setting, and one, moreover, that moves beyond the debate on the 'decline' of diplomacy as it has been traditionally understood in the academic literature. 'New' forms of diplomacy have not supplanted the 'old': they have supplemented and indeed complemented them. Against a background constituted by uncertainties and frailties generated by the end of the Cold War and the globalisation of economic activity, the process by which this change has unfolded can best be apprehended in a series of separate yet related steps which, cumulatively, delineate the emerging shape and scope of patterns of diplomatic interactions. Thus, I point to functional changes within the machinery of state, international and multilateral organisations, and non-governmental organisations reflective of a growing awareness of an array of material and non-material autonomy dilemmas and constraints, to widening and deepening patterns of interaction (characterised, often simultaneously, by both conflict and cooperation) within and between this quadrilateral matrix of actors, and to an evolving set of 'norms' or 'intersubjective meanings' attached to these patterns.

Driven by its own priorities, frailties and dilemmas, the International Chamber of Commerce is seeking to play a major role in this process: a role informed by its long history of involvement in policy making at every level and in many issue areas, 'high' and 'low'. It is seeking to profit from the apparent 'triumph' of capitalism by widening the scope of business activity into previously untapped markets, deepening the extent of its influence in these and established markets through securing lower barriers to trade (visible and invisible), and tightening its grip on these same markets by pushing forward with an agenda of self-regulation and standards setting by business underpinned and guaranteed by legal agreements hammered out between governments and their interlocutors on a bilateral and multilateral basis. The place of the UN system, and of the Global Compact, in this strategy is clear: to provide the 'moral authority' which business needs but lacks if it is to drive home the gains it has already secured, act as the thin end of the wedge in securing greater access to new and established markets, and clean up any messy loose ends in whatever form – social protest, environmental degradation, armed resistance – these take.

That there will be resistance is evident in the hostility generated on all sides by the contested nature of the ‘intersubjective meaning’ ascribed to the Global Compact. Leaving aside, for the moment, the not unexpected suspicion of NGOs and GSMS, a consideration of the length of time taken and the number of meetings required between Kofi Annan and the ICC before the Compact was officially launched hint at the difficulties that arose before agreement on a common position was secured. Six months later, the specific issues on which disagreement (or, more charitably, lack of accord) may have arisen are becoming apparent in ICC publications. Even the triumphal tone of the ICC-sponsored section on the success of the Global Compact cannot obscure the unease and doubt being felt in corporate boardrooms the world over, and in the US most of all.<sup>77</sup> On almost every page of this special section fears are raised that the Compact will be ‘hijacked’: either by NGOs pressing for surveillance rights, or by UN bureaucrats micro-managing specific projects.<sup>78</sup> The response is a familiar one: to assert the authority of the ICC—‘not as a narrow pressure group but rather by providing a business voice which is global, multisectoral, and represents a broad and diverse community’<sup>79</sup>—over and above that of other non-governmental actors, and, on that basis, to seek to manage the access of these actors to the corridors and highways of power.



## Notes:

- <sup>1</sup> G. L. Ridgeway, *Merchants of peace: twenty years of business diplomacy through the International Chamber of Commerce 1919-1938*, New York, Columbia University Press, 1938), C. N. Murphy, *International organization and industrial change: global governance since 1850*, Cambridge, Polity, 1994, pp. 160-3.
- <sup>2</sup> See R. A. Higgott, G. R. D. Underhill and A. Bieler (eds), *Non-state actors and authority in the global system*, London, Routledge, 2000.
- <sup>3</sup> This point is developed in A. F. Cooper & B. Hocking, 'Governments, non-governmental organizations and the re-calibration of diplomacy', *Global Society*, 14 (2000) 361-78.
- <sup>4</sup> T. Risse-Kappen, *Bringing transnational relations back in*, Cambridge, Cambridge University Press, 1995.
- <sup>5</sup> J. Greenwood, J. R. Grote and K. Ronit (eds), *Organized interests and the European Community*, London, Sage, 1992.
- <sup>6</sup> J. Greenwood and H. Jucek (eds), *Organized business and the new global order*, London, Macmillan, 2000.
- <sup>7</sup> R. O'Brien et al., *Contesting global governance: multilateral economic institutions and global social movements*, Cambridge, Cambridge University Press, 2000.
- <sup>8</sup> J. P. Muldoon Jr. et al. (eds), *Multilateral diplomacy and the United Nations today*, Boulder, CO, Westview, 1999; G. Berridge, *Diplomacy: theory and practice*, pp. 73-4.
- <sup>9</sup> J. G. Ruggie, *Multilateralism matters: the theory and praxis of an institutional form*, New York, Columbia University Press, 1993, p. 11.
- <sup>10</sup> See, inter alia R. W. Cox, 'Multilateralism and world order', *Review of International Studies*, 18 (1992) 161-80.
- <sup>11</sup> See, for example, the essays in J. Smith, C. Chatfield and R. Pagnucco (eds), *Transnational social movements and global politics: solidarity beyond the state*, Syracuse, NY, Syracuse University Press, 1997.
- <sup>12</sup> J. V. Mitchell, 'Editor's overview', in J. V. Mitchell, *Companies in a world of conflict: NGOs, sanctions and corporate responsibility*, London, RIIA/Earthscan, 1998.
- <sup>13</sup> G. Kelly, D. Kelly and A. Gamble (eds), *Stakeholder capitalism*, London, Macmillan, 1997.
- <sup>14</sup> For a discussion of catalytic diplomacy see B. Hocking, *Beyond 'newness' and 'decline'*, DSP Discussion Papers, No. 10, Leicester, Centre for the Study of Diplomacy, 1995.
- <sup>15</sup> K. Lee, D. Humphreys and M. Pugh, "'Privatisation" in the United Nations system: patterns of influence in three intergovernmental organisations', *Global Society*, 11 (1997) 339-57.
- <sup>16</sup> See I. Rowlands, *The politics of global atmospheric change*, Manchester, Manchester University Press, 1995, pp. 159-160, and R. E. Benedick, *Ozone diplomacy: new directions in safeguarding the planet*, Cambridge, Mass., 1991.
- <sup>17</sup> G. Wiseman, 'Polylateralism' and new modes of global dialogue, DSP Discussion Papers, No. 59, Leicester, Centre for the Study of Diplomacy, 1999.
- <sup>18</sup> T. Börzel, 'A way out? Policy networks as a mode of conflict-management in the implementation of EU environmental policies', paper presented to the ECPR Workshop on *The role of subsidiarity in managing local conflicts related to the spatialisation of national policies*, Bern, 1997, quoted in Stone, *Networks*, second track diplomacy, p. 5.
- <sup>19</sup> W. H. Reinicke, *Global public policy: governing without government?* Washington DC, Brookings, 1998, and idem. 'The other world wide web: global public policy networks', *Foreign Policy*, 117, 1999-2000, pp. 44-57.
- <sup>20</sup> Reinicke, *Global public policy*, pp. 89 & 229; 'The other world wide web', p. 46.
- <sup>21</sup> Quoted in L. Silber, 'UN reformer looks for new friends in world of business', *Financial Times*, 17 March 1997.
- <sup>22</sup> UN Press Release: SG/2043, 9 February 1998, p. 1.
- <sup>23</sup> ICC, *Business World*, 'What is the ICC Business Dialogue?'
- <sup>24</sup> E. Alden, 'Multinationals in pledge on standards', *Financial Times*, 28 July 2000.
- <sup>25</sup> ICC, *World peace through world trade: ICC 1919-1979*, Publication No. 342, Paris, ICC, 1979, p. 1; Ridgeway, *Merchants of peace*, pp. 21-38.
- <sup>26</sup> An excellent general survey is Murphy, *International organization and industrial change*. On the ICC in particular there are two studies of interest: Ridgeway, *Merchants of peace*, and L. C. White, *International non-governmental organizations: their purposes, methods and accomplishments*, New York, Greenwood Press, 1968.
- <sup>27</sup> Ridgeway, *Merchants of peace*, p. 3.
- <sup>28</sup> White, *International non-governmental organizations*, p. 20.
- <sup>29</sup> 'History of the International Chamber of Commerce', available at the ICC website.
- <sup>30</sup> J. Marks, 'Trade's global police force', *FT Exporter* 16, May 1996.
- <sup>31</sup> Ridgeway, *Merchants of peace*, part IV.
- <sup>32</sup> Cited in White, *International non-governmental organizations*, p. 27.

- <sup>33</sup> See White, *International non-governmental organizations*, pp. 27-8; and Ridgeway, *Merchants of peace*, pp. 350-4.
- <sup>34</sup> ICC, *World peace through world trade*, p. 3. See also White, *International non-governmental organizations*, pp. 21-2; and Ridgeway, *Merchants of peace*, pp. 217-59.
- <sup>35</sup> White, *International non-governmental organizations*, p. 21.
- <sup>36</sup> Cited in White, *International non-governmental organizations*, p. 31.
- <sup>37</sup> Ridgeway, *Merchants of Peace*, p. 301.
- <sup>38</sup> White, *International non-governmental organizations*, p. 25.
- <sup>39</sup> See White, *International non-governmental organizations*, pp. 21-9; and Ridgeway, *Merchants of peace*, pp. 297-301 (on telegraph issues) and 279-83 (on double taxation).
- <sup>40</sup> Ridgeway, *Merchants of peace*, p. 384. Hitler and Goering were both in attendance.
- <sup>41</sup> For details see Ridgeway, *Merchants of peace*, pp. 379-85.
- <sup>42</sup> Ridgeway, *Merchants of peace*. A revised edition was published in 1958.
- <sup>43</sup> See S. Charnovitz and J. Wickham, 'Non-governmental organizations and the original international trade regime', *Journal of World Trade*, 29, 5 (1995) 111-22.
- <sup>44</sup> In 1968 the labels for these categories were changed, but the ICC retained its place in the most influential of these (Category I) allowing it to circulate written statements to Council members, address Council committees and even address the full Council on the recommendation of the NGO Committee.
- <sup>45</sup> 'ICC and the UN – origins of a partnership', available at the ICC website.
- <sup>46</sup> This organisation (which is responsible for the provision of the ATA Carnet scheme for temporary duty-free imports) was 'spun-off' from the ICC in 1951.
- <sup>47</sup> ICC, *World peace through world trade*, p. 20.
- <sup>48</sup> *Ibid.*
- <sup>49</sup> *Ibid.*, p. 27.
- <sup>50</sup> See ICC, *World peace through world trade*, pp. 19-26.
- <sup>51</sup> F. Williams, 'The voice of business heard around the world', *Financial Times*, 29, December 1998.
- <sup>52</sup> Maucher was also Chairman of the European Round Table of Industrialists between 1995 and 1999. See B. van Apeldoorn, 'Transnational class agency and European governance: the case of the European Round Table of Industrialists', *New Political Economy*, 5 (2000) 157-181.
- <sup>53</sup> Williams, 'The voice of business heard around the world'.
- <sup>54</sup> See, amongst others, K. Krause and W. A. Knight, 'Introduction: evolution and change in the United Nations system', in Krause and Knight (eds), *State, society, and the UN system: changing perspectives on multilateralism*, pp. 1-33.
- <sup>55</sup> See H. K. Jacobson, 'The United States and the UN system: the hegemon's ambivalence about its appurtenances', in R. W. Cox (ed.), *The new realism: perspectives on multilateralism and world order*, London, Macmillan for the United Nations University Press, 1997, pp. 165-85.
- <sup>56</sup> M-C. Smouts, 'United Nations reform: a strategy of avoidance' and A. Morales, 'The United Nations and the crossroads of reform', in M. G. Schechter (ed), *Innovation in multilateralism*, London, Macmillan for the United Nations University Press, 1999, pp. 29-41 and 42-60 respectively.
- <sup>57</sup> See, for example, the various contributions to Krause and Knight (eds), *State, society, and the UN system*.
- <sup>58</sup> R. W. Cox, 'Introduction', in Cox (ed.), *The new realism*, p. xxvii.
- <sup>59</sup> See A. Gamble and A. Payne (eds), *Regionalism and world order*, London, Macmillan, 1996; and J. Grugel and W. Hout (eds), *Regionalism across the North-South divide*, London, Routledge, 1999.
- <sup>60</sup> M. W. Zacher, 'Uniting nations: global regimes and the United Nations system', in R. Väyrynen (ed.), *Globalization and global governance*, London, Rowman & Littlefield, 1999, p. 58.
- <sup>61</sup> See R. Cohen and S. M. Rai (eds), *Global social movements*, London, Athlone, 2000.
- <sup>62</sup> O'Brien et al., *Contesting global governance*.
- <sup>63</sup> See United Nations, 'Secretary-General sets course for long-awaited UN revitalization', (New York: UN Department of Public Information, January 1998). See also H. Maucher, 'Ruling by consent', *FT Exporter* 2, November 1997.
- <sup>64</sup> See UN Press Release SG/2043, entitled 'Co-operation between the United Nations and business', February 9, 1998, and the corresponding release by the ICC.
- <sup>65</sup> ICC, 'World business message for the UN Millennium Assembly on the role of the UN in the 21<sup>st</sup> century', press release.
- <sup>66</sup> Adnan Kassab, 'Private Sector Growth is Good News out of Africa', ICC news release, 23 March 2000. Tanzania was the only African country to actually secure membership in 2000.
- <sup>67</sup> For this and other projects see ICC news release 'Working with the United Nations', available at the ICC web site. See also the *International Herald Tribune*, 25 January 2001, pp. 11-14.

<sup>68</sup> See, for example, 'Business states its views on OECD investment agreement', and 'Business tells G8 it wants clear rules for global economy', ICC news releases, 16 January 1998 and 29 April 1998 respectively.

<sup>69</sup> In this instance these aims are encapsulated in the 'Budapest Business Declaration' made by former ICC President, Adnan Kassar, at the conclusion of 33<sup>rd</sup> World Congress of the ICC held in Budapest on the 4<sup>th</sup> and 5<sup>th</sup> of May 2000.

<sup>70</sup> J. Bhagwati, cited in K. Mackenzie, 'Part of a tapestry of actions', *International Herald Tribune*, 25 January 2001, p. 13.

<sup>71</sup> J. G. Ruggie, 'Globalization: shared risk, shared promise', *ibid.*, p. 12

<sup>72</sup> Paraphrased from UN Press Release SG/SM/6881 entitled 'A compact for the new century', issued 1 February 1999.

<sup>73</sup> Current ICC President R. D. McCormick, 'Good business practices make sound commercial sense', *International Herald Tribune*, 25 January 2001, p. 11.

<sup>74</sup> M. L. Cattai, 'Business takes up Kofi Annan's challenge', ICC Press Release, 15 March 1999.

<sup>75</sup> See S. Tesner, *The United Nations and business: a partnership recovered*, New York, St. Martin's Press, 2000.

<sup>76</sup> M. Hoelz (global director of public affairs at Deutsche Bank), cited by J. Stratte-McClure 'The business of building a better world', *International Herald Tribune*, 25 January 2001, p. 12.

<sup>77</sup> J. Clerk, 'US business back Annan's concept but want more clarity', in *ibid.*, p. 13.

<sup>78</sup> See, for example, the text of an interview with Maria Cattai conducted by K. Mackenzie entitled 'Compact must avoid "command and control"', in *ibid.*

<sup>79</sup> Kassar, 'Budapest Business Declaration'.