

## INTERNATIONAL CONSUMERISM AND THE CODE OF CONDUCT

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It is good to be with you again. Last year I had the honor of presenting the Colston Warne Lecture. It is appropriate that we honor him, for it is just 30 years since Colston, from the United States, and others from four other countries got together and formed the International Organization of Consumers Unions (IOCU). And now, from a group of five countries, it has grown to around 70 countries. IOCU is active on every continent and work from Benin in French Africa to Beijing in China is going on. IOCU can take pride in what we have done over these years to further consumer interests. Colston Warne would be proud.

One of IOCU's biggest contributions has been in the form of giving information and in our grass roots involvement in issues from breast feeding, to the use of nonessential and dangerous drugs, use of pesticides, pushing smoking - so many issues! We have helped provide a climate of opinion for change through representation at international bodies and conferences and IOCU's valuable and timely publications. I believe equally important are the tools that we are providing through our work at the United Nations. Probably the most important is the Consumer Guidelines passed by the General Assembly in 1985. This document gives developing countries a basis for establishing and promoting consumer protections. The Guidelines are based on the practical experience and effectiveness of laws in our, and other countries. Implementation of the Guidelines is taking place. Model laws are now presented to Latin American countries. A technical training conference was held in Montevideo and others are being held. A new conference will be in Bangkok this Spring where Asian countries will have the opportunity of being instructed on implementing the Guidelines.

Also of great importance is the passage of the Consolidated List of products banned and potentially harmful. IOCU and friends have had to lobby very hard to keep this list alive, up to date and funded. I regret that it is the United States that has voted against the list and funding practically every time it has come up. Recently, thanks to a coalition of NGOs under IOCU leadership, the US position was reversed, after calls, telegrams and messages. It pays to be heard. Evidence shows that the List is being used extensively in developing countries and is looked upon by many leaders as one of the best instruments that they have. It has growing support.

Of course, in addition to these items we work on helping to implement the Brundtland Report for Sustainable Development. We help with all environment issues, pesticide control, and Prior Informed Consent (PIC). Now, biotechnology is

high on our list. Women, children, drugs, and population continue to be issues we follow with the help of ACCI Representative Nancy Hawkins. Now we are working to insure that the UN takes consumer concerns into consideration in its deliberation on the 1992 Conference on Environment and Development. 'Green Consumerism' is on the march and we must be part of it. This work in New York is being carried out now by Eileen Nic and a group of able volunteers.

My work now is concentrated on helping to secure passage of the Code of Conduct for Multinational Corporations. IOCU learned early of the need to help regulate the growing power of multinationals and to this end, discussions were held and resolutions were passed that IOCU support the passage of the Code of Conduct. This is my present assignment. My work is concentrated largely in Washington, DC because it is the United States that is reluctant to move ahead and we must work where the 'power structure' is.

I am finding this the most difficult IOCU assignment I have had. We are up against not only powerful international organizations and corporations but their umbrella organizations such as the International Business Council and the International Chamber of Commerce. But most difficult is our own Department of State. It appears to me that our administration continues to have an ear more for the business council and the Heritage Foundation than the voice of consumers. The Heritage Foundation's attitude toward the UN is known; they say: "The UN is not an end in itself. It is merely one means by which the US should advance its policy goals." But they fail to see or understand the UN Charter which makes clear that the United Nations exists to help fulfill the aspirations of all humanity for a better world of peace and justice." Dag Hammarskjold said it so well: "The United Nations reflects both aspiration and a falling short of aspiration, but the constant struggle to close the gap between aspiration and performance now, as always, makes the difference between civilization and chaos." We are suffering because of the UN bashing in our Congress. Why the reluctance?

There appears to be fear that the Code would be a business bashing instrument, that it would interfere with the neat profit making ability that many multinationals now enjoy. Also the powerful voice of multinational corporations in international policy making might be disturbed.

But seriously, in my estimation, we are up against something even more difficult that is the frozen positions, the antiquated thinking, and unwillingness to accept change by those opposing the completion of the Code (those who

don't want the walls to tumble down). Their present positions are comfortable, they are powerful, and they do not like to be disturbed. They defend their comfortable position by circling their wagons.

I say this as Esther, representative of IOCU at the UN. Years of experience, and being my age gives me the freedom, which I accept, to say and speak as I feel, to feel outrage which, at times, I do. President Carter, speaking to a group of foreign students urged Third World students to report any recklessness in their countries by American firms. He even has in mind a sample letter to send major newspapers. "It should go like this," he says, 'Dear Sir, I am a student from Zambia, and when I went home, I saw barrels of toxic chemicals stacked on the side of the road. Why does your country allow companies to send poisons outlawed in America to kill people in mine?' That kind of letter will cause outrage and change."

But, you all know the Code of Conduct. It would spell out guidelines for both transnational corporations in their dealing with countries and for host countries in their dealings with transnational corporations. It is balanced and works both ways. It's a voluntary set of norms which would benefit the public in every country by setting up standards of decency for fair competition, fair market prices and greater honesty in the operation of business across national boundaries. This is promising material for those of us who watch current happenings with genuine concern. The dumping of hazardous waste, destruction of natural resources, intrusions in national sovereignty and cultural patterns and also the exploitation of citizens in developing countries. At present we have no minimum standards, no inclusive international yard stick for measuring responsible conduct. As Congressman Yatron said in his letter to President Bush urging him to support the Code: "We have no international standards representing good practices and good conscious in the world's marketplace." Standards continue to be needed.

As the world economy is growing, as the new democracies are emerging throughout the world, standards for good corporate and nation-state behavior are definitely called for. Especially now in the Eastern European countries as they move into a free market economy the Code could prove especially valuable. Among the guidelines established by the Code of great importance are observance of consumer and environmental protections, observance of human rights, observance of social and cultural values, abstention from corrupt practices and fair and equitable treatment in countries in which the transnational corporation operates.

So why am I so concerned? The Code of Conduct has been under consideration for over 10 years. It has evolved, it has changed and it has moved from what was originally an instrument to control the negative, questionable activities of multinational corporations in developing

countries to one of potentially, constructive assistance. We in the US initiated the idea of a Code, after learning of abuses by some of our corporations. Several widely publicized instances of multinational corporations misconduct, mainly revelations of overseas bribery of government officials and the ITT incident in Chili, led to the multinational negotiations on the Code of Conduct. So, therefore, the negotiations began under a cloud of criticism directed at controlling company abuses. What began as an offensive action on the part of developing countries based on the assumption that the role of the transnationals is basically negative, was gradually replaced by the recognition that the role of multinationals is generally positive and necessary and that the well-publicized abuses have become the exceptions rather than the rules. Unfortunately abuses continue. The need for the Code is still great.

That period of history, of abusive practices, is past. Unfortunately the ghosts of that period still haunt us. So now we are in a position of trying to get a willingness mainly on the part of the US to exercise the political will needed to complete the work and assure its passage at this session of the UN General Assembly, establishing a Code of Conduct that strengthens the positive actions of transnational corporations and reduces the negative.

Although 80% has been agreed upon the Code appears to remain deadlocked on 3 or 4 items. One concerning compensation standards for expropriation. This issue is a dead one. Over the last 3 years there has been one case; before that there were many. This is a ghost argument. Another is the problem of formulating international law standards. This issue has been met with a position that international experts have put forward, a position that is widely agreed upon which leaves negotiation possible when genuine conflicts occur. As Mr. Rhodes, Vice-Chairman of Booz, Allen and Hamilton, Inc., "this can all be resolved. We must not be a captive of old rhetoric." There is also the issue of voluntary versus mandatory which our State Department continues to raise. This too has been agreed upon and that The Code is to be voluntary. Guidelines for the resolution of disputes have also been worked out. And of course there is old dusty echoes of a new economic order and this too is water over the dam. Times have changed.

So my friends, what can you do? We are on the edge of a great break-through and we can do it with help. Write letters to President Bush with copies to Secretary of State James Baker, Ambassador to the UN Thomas Pickering and Assistant Secretary of State for International Organizations John R. Bolton. And when you go back, if the press asks you what transpired, tell them about this. Get students to write about it, see that your library carries information about this, write your senators and congressman.

I'm afraid that if the Code is not passed at this session it may be dead. Supporters are getting weary. All that is needed is the political will to climb out of the old positions and be part of the new stream of internationalism. As someone said to me the other day, "we must reject the 'flat earthers.'"

A few days ago we celebrated in many parts of the world Consumer Rights Day. The anniversary of President John F. Kennedy's historic consumer rights message. One of his most important points was "the right to be heard." Friends -- speak up on the issues. Use this important right and help move us all toward the better world we seek.