In the current era of economic globalization there has been remarkable growth in both the number of transnational corporations (TNCs) and the amount of foreign direct investment (FDI). The number of TNCs has grown from 7,000 TNC parent firms in 1970 to over 65,000 in 2002. And today there are over 850,000 foreign affiliates – that is corporations associated with a TNC – operating around the world, making up one-tenth of world GDP and one-third of world exports (UNCTAD 2001: 9; UNCTAD 2002: xv and 272). Flows of FDI have grown considerably in recent decades. In 1970 the level of FDI inflows stood at US$9.2 billion, and by 2001 it stood at US$735 billion (down from the record breaking US$1.49 trillion in 2000) (UNCTAD 2001: 1; World Bank 2003).

Given this importance of transnational investment, it is clear that TNCs are very important global actors. They are especially important in environmental politics and policy because they tend to invest in environmentally sensitive sectors. This chapter will examine the role of business actors in global environmental governance. I argue that the visibility and power of TNCs in the formulation of global environmental governance has increased in the past decade. While this
enhanced position has given TNCs a stronger voice in influencing global environmental policy outcomes, it has also led to a movement to impose external rules on these actors, in the form of a global corporate accountability agreement. In the face of growing momentum to discuss such a treaty at the global level through forums such as the 2002 World Summit on Sustainable Development (WSSD), TNCs have actively discouraged the idea. The battle over such a treaty is likely to dominate the discourse over TNCs and global environmental governance over the next decade.

Channels of business influence in global environmental governance

Mechanisms of global environmental governance generally attempt to alter the behaviour of states in ways that promote environmental protection. This often means that states are asked to implement policy changes that have an impact on the way industry players, including TNCs, operate. With such rules coming into place in a variety of sectors, it is understandable that TNCs and corporate interests have attempted to be a part of the process of forming global environmental governance. They do this via a number of overlapping channels, including direct lobbying, influence from their structural power in the economy, and the establishment of self-regulations.

Corporate lobbying

Lobbying domestic governments before they send delegations off to international environmental negotiations has traditionally been a key strategy for industry actors. In this way they are able to
exert significant influence over governments’ positions from behind the scenes (Susskind 1992; Gleckman 1995). Many corporations, both national and global, have pursued such a strategy on a wide range of global environmental issues, such as global warming, ozone depletion and toxic waste trade (See, for example Newell and Paterson 1998; Levy 1997; Clapp 2001a). While this is still an important strategy, business players are increasingly lobbying at the international level as well.

Over the past decade, business advocacy groups as well as individual TNCs have begun to lobby intensively at the international level in an attempt to influence global environmental negotiations. They are able participate as observers at such negotiations, much like NGOs do. International industry advocacy groups are organized groups which promote business interests at both the domestic and international levels. Examples of such advocacy groups which regularly attend environmental treaty negotiations include organizations such as the International Chamber of Commerce (ICC), and the World Business Council for Sustainable Development (WBCSD), as well as more specific groups such as the Global Industry Coalition (GIC) on biotechnology or the Global Climate Coalition (GCC) on climate change.

Individual TNCs also involve themselves directly in global environmental negotiations which are directly relevant to their interests. Corporations such as Monsanto, Dupont and Syngenta (formerly Novartis and Zeneca), for example, attended many of the negotiation sessions which led to the Cartegena Protocol on Biosafety (Glover 2003; Clapp 2003). Corporations have also been well-represented at the meetings of the Codex Alimentarius (the UN body responsible for setting international food safety standards which are recognized by the World Trade
Organization for trade purposes). A study of the participation of corporate players in these meetings in the early 1990s revealed that in addition to the 104 governments represented, there were also over 100 TNCs in both the food and agrochemical industries represented. In terms of the number of representatives present at such meetings over a two year period, there were 662 industry representatives compared to 26 representatives from public interest groups (cited in Lang 1999: 178).

The presence of corporate actors at global negotiations over the past decade has now become routine. A quick glance at the attendance list of just about any major environmental meeting or conference of the parties to any international environmental regime reveals the large presence of advocacy groups and corporations actors. As observers at such gatherings they cannot participate in voting, but they can and do make interventions at times and they actively use the occasion of the negotiation session to lobby governments on their positions. They may make fewer public interventions than environmental NGOs, but they are very active in the corridors, and in smaller working and technical groups. TNC and industry advocacy group representatives also often meet among themselves in daily strategy meetings at these negotiations.

This rise in industry participation in global environmental governance forums over the course of the 1990s was in part a response to the growing role of environmental NGOs in such forums at that time. Industry players, put simply, were keen not to be left out of the process, as rules might be influenced by environmental groups in ways that were disadvantageous to corporations. In the case of the Basel Convention, for example, environmental NGOs were extremely influential in the initial negotiation of the treaty in the late 1980s. By the early 1990s the direction of the
convention shifted toward adoption of an amendment that would ban the trade in waste between rich and poor countries. Industry advocacy groups, including the International Council on Metals and the Environment, the Business Recycling Coalition, and the Bureau of International Recycling, suddenly came on board in large numbers and attempted to lobby delegates at the COP meetings as openly as did NGOs, in an attempt to stem such action. They were, ultimately, unsuccessful in terms of stopping the Basel Ban Amendment from being adopted. But thus far they have been successful in convincing key governments not to ratify it (see Clapp 2001a).

Corporate actors, including both individual corporations and advocacy groups, were in full force at both the Rio Earth Summit in 1992 and at the WSSD in Johannesburg in 2002. Compared to the 15-minute intervention made by industry representatives at the Stockholm Conference in 1972, industry groups now put enormous effort into these large summits (Gleckman 1995, 95). In 1990, some 48 TNCs established a lobby group, the Business Council for Sustainable Development (BCSD) which was active at Rio in promoting the business perspective. The BCSD, headed by Swiss industrialist Stephan Schmidheiny, had strong ties with the secretary general of the Rio Conference, Maurice Strong, and it was on Strong’s recommendation that the group be formed (CEO No Date a). The ICC was also active at UNCED, and formed the World Industry Council on the Environment (WICE) in 1992 to provide industry follow up on the Earth Summit. In 1995 the two groups merged to form the World Business Council for Sustainable Development (WBCSD). At the WSSD, yet another new group was formed to present a common international industry position, the Business Action for Sustainable Development (BASD). Comprised of some 161 TNCs, this group was formed from a joining of efforts by the ICC and
the WBCSD, and began meeting to form its strategy for the WSSD in 2001 (Rutherford 2003: 14). The BASD is headed by Sir Mark Moody-Stuart, a former chief executive officer of Shell.

**Structural power**

A more diffuse but no less important way that TNCs influence global environmental governance is via their ‘structural power’ (Gill and Law 1993). Structural power refers to their ability to influence the formation and functioning of governance not so much by direct means, but by their dominant position in the global economy, which has an indirect yet powerful influence over mainstream ideology and state policy formation. While it is difficult to measure this type of corporate influence over states and global institutions, many scholars are stressing its importance for understanding global policy outcomes that promote globalization and a neo-liberal economic agenda. Rooted in a historical materialist perspective, these scholars have drawn on the ideas of Gramsci to demonstrate the ways in which the dominant ideology and discourse on sustainable development has been influenced by an ‘historical bloc’ comprised not just of TNCs, but also states and intellectuals, the latter of which have fallen under the hegemonic influence of capital (Sklair 2001; Levy and Newell 2002).

The structural power of TNCs has been exerted in the global environmental realm in several important ways. First is the role they have carved out for themselves in terms of influencing the language used in official documents regarding the concept of sustainable development and the role of industry. This ‘discursive influence’ is extremely important to the formation of global environmental governance (Levy and Egan 1998). In the run up to Rio, for example, industry
groups were active in defining the concept of ‘sustainable development’ and pressing for their
interpretation of industry as promoters of sustainable development to be represented in the
official documentation coming out of that conference (Chatterjee and Finger 1994). Leslie Sklair
(2001: 206-215) describes this effort of industry to put its stamp on the definition of these key
concepts as a ‘sustainable development historical bloc’.

By influencing the terminology in a way that enables them to maintain the goal of economic
globalization and promote faith in industry efforts to protect the environment, TNCs have thus
far been able to escape calls for direct regulation on their activities. Finger and Kilcoyne (1997)
argue that at Rio industry ensured that the only references to TNCs in Agenda 21 were in the
context of industry as partners in sustainable development, or in the promotion of voluntary
initiatives. In this way, no explicit obligations or regulations were placed on these actors in the
follow up to Rio. These themes were carried over to the WSSD, and this was clear from the first
strategy meetings of the BASD prior to the summit. The BASD was explicit that its strategy
would be one of promoting examples of industry partnerships for sustainable development and
voluntary initiatives, in order to avoid a negative focus on TNCs. Bjorn Stigson, president of the
WBCSD, said at one of the BASD planning meetings prior to the WSSD that ‘We want to ensure
that the business voice is heard in a strong and cohesive manner, and that business has its proper
place at the World Summit’ (Cited in Graymore and Bunn 2002). NGOs were not all that
surprised, then, that the Johannesburg Plan of Action stressed the partnership and voluntary roles
for business, rather than the need to regulate them.
The structural power of TNCs is also evident in the way that states approach environmental regulation at both the national and global levels. The sheer economic weight of TNCs in the global economy gives them important influence. In an increasingly competitive global economy, many states have pursued domestic and international policy outcomes which would be acceptable to corporations in order to keep or attract investment in their country, even in the absence of direct lobbying (Newell and Paterson 1998). Sometimes referred to as the ‘regulatory chill’, states are increasingly being influenced by the threat or indeed the mere potential threat of relocation by TNCs in ways that prevent a ramping up of environmental regulations (Neumayer 2001: 70-71). It does not matter whether firms act upon such threats. It is simply the fear that firms will act, and the calculation of the effect that this could have on their economy, can affect the extent to which states impose environmental regulations (Porter 1999: 136).

**Industry driven voluntary codes and standards**

International corporate actors also influence global environmental governance by developing their own codes of conduct that are aimed at preempting state or international regulation. At both Rio and Johannesburg, industry players stressed the importance of voluntary environmental initiatives on the part of firms as opposed to specific external obligations imposed on TNCs. They argued that industry was well aware of the need for corporate social and environmental responsibility, and would pursue voluntary initiatives to improve their performance (Chatterjee and Finger 1994). Taking up this idea, TNCs have been involved in recent years in the establishment of private forms of global environmental governance such as voluntary codes of environmental conduct at both the national and international levels. These include participation
in establishing voluntary industry-established environmental codes of conduct, such as the International Organization for Standardization’s ISO 14000 environmental management standards, the ICC’s Business Charter for Sustainable Development, Responsible Care, and the Coalition for Environmentally Responsible Economies (CERES) Principles (Nash and Ehrenfeld 1996).

The ISO 14000 environmental management standards are perhaps the most widely recognized global-level voluntary initiative on the part of industry. These standards were developed in the early 1990s under the auspices of the ISO, directly following promises made by industry to establish voluntary initiatives at Rio. The ISO 14000 standards are management standards, meaning that they encourage firms to establish a management system that improves its awareness by setting its own goals for environmental improvement. In theory this should help to improve environmental performance. By 2001, some 49,000 firms in 118 countries had gained certification to the ISO 14001 standard, the only one of the series to which firms can become certified (ISO 2003). With a growing number of firms in both developed and developing countries adopting these standards, it is increasingly considered that adherence to the standards will become a de facto condition for conducting business in the global marketplace.

While initiatives such as the ISO 14000 series of standards are popular with firms and governments, there is widespread concern in NGO circles as to whether these standards will really make a difference in terms of environmental performance (Krut and Gleckman 1998; Clapp 1998). Some have labelled such efforts as ‘greenwash’ (Greer and Bruno 1997). None of the industry-based voluntary codes, for example, have specific environmental performance
criteria, but rather rely upon firms setting their own environmental goals. ISO 14001, for example, stresses that TNCs should comply with all environmental laws in the country in which they are operating. But this differs substantially from Agenda 21, which calls on TNCs to follow home country standards. In this way ISO 14001 allows for differences in standards between countries, but it may not do much to improve standards in developing countries.

While such codes may not have stringent standards in terms of performance, some businesses are attempting to use ISO 14000 and other voluntary industry codes as a deliberate attempt to head off more stringent regulation. Industries in a number of countries are pressing their governments for some form of regulatory relief, such as more lenience for ISO 14001 certified firms when monitoring of environmental regulations (Clapp 2001b). For example, the US, Argentina, South Korea and Mexico have adopted measures which take ISO 14001 certification into account in the monitoring and enforcement of regulations (Speer 1997: 227-228; Finger and Tamiotti 1999).

**Interpreting industry positions on environmental issues**

A literature has emerged over the past decade to try to make sense of these channels of influence, to understand the motives and strategies of industry in global environmental governance. One might assume that business players generally oppose strong global environmental rules because they impose costs on firms. But deciphering the business position on a particular environmental issue is not always so straight-forward. In some cases corporate actors push for weak global environmental rules, but in some cases they are content to go along with strong rules pushed for
by NGOs and states. How do we make sense of these varying responses by industry to global environmental regulations?

Industry positions on global governance mechanisms are conditioned by specific factors in each issue area, including economic, political, cultural and firm-specific conditions. David Levy and Peter Newell (2000) argue that as economic globalization continues apace, economic factors have come in recent years to be predominant in explaining industry positions on environmental issues. But while economic considerations are often a dominant factor, uncovering firm motivations is often complex. In the case of climate change, industry response has been varied among different firms in both the same and different sectors, indicating that individual firms have a variety of interests in this issue (Levy 1997; Newell and Paterson 1998; Rowlands 2000; Skjærseth and Skodvin 2001). In the cases of ozone depleting substances and persistent organic pollutants (POPs), industry actors have largely been on side and in favour of strict rules calling for a ban on the production and trade of these harmful substances. This is largely because patents on those substances have expired, and these industries can gain economically from the sale of substitute chemicals (Levy 1997; Clapp 2003). But in the case of waste recycling and biosafety, the entrenched industries’ chances at gaining from substitutes are slim, so they have a much stronger stake in opposing strong rules which they see as harming the very core of their industry (Clapp 2001a).

There are other points of similarity that are fairly consistent in the formulation of industry positions in global environmental negotiations. First, industry actors generally tend to stick together in calling for voluntary initiatives and self-regulation, in an effort to avoid legally
binding rules, especially those geared specifically at TNCs. This was clear at both the Rio Earth
Summit and the WSSD, and is also evident in industry interventions at negotiations of issue
specific environmental treaties. Second, industry has generally interpreted the use of the word
precaution to mean risk assessment, and specifically ties its use to Principle 15 of the Rio
Declaration. This is because Principle 15’s version of precaution implies that at least some
scientific assessment must be conducted, and that precautionary measures in cases where full
scientific certainty is lacking should be ‘cost effective’. The ICC’s 1997 statement interpreting
precaution (ICC 1997) appears to have guided much of industry’s take on it in a variety of global
environmental forums. This was seen clearly in the negotiations on hazardous waste trade, POPs
and biosafety (Clapp 2003). Third, industry actors are also fairly consistent in their positions on
global environmental negotiations in calling for as few trade restrictions as possible in
international environmental agreements. They would ideally like environmental treaties to
address these problems without having to turn to measures that would hamper global trade.
When it is clear that such measures will be used, industry has argued to at least have the treaty in
question clarify that WTO rules should prevail in cases of conflict. Again, this position was
consistent in industry interventions at the negotiations on the hazardous waste trade, POPs,
climate change, and biosafety.

Governing TNCs for corporate accountability

In addition to looking at the channels of influence of business over global environmental
governance, it is also important to examine international efforts directed specifically at TNCs.
The current global effort by NGOs to push for an international treaty to regulate TNCs is not an
entirely new idea. In 1977, the UN Center for Transnational Corporations (UNCTC) launched negotiations on a globally applicable voluntary code of conduct for TNCs, which included provisions on environmental conduct and outlined rights and responsibilities of TNCs (FOE England, Wales and Northern Ireland 1998). The UNCTC, which was set up in the early 1970s, was mandated to monitor the economic, social and environmental impact of TNCs, particularly those operating in developing countries. The Code of Conduct aimed to ensure that foreign direct investment did not have adverse consequences in these areas. Talks on this code were ongoing from the late 1970s until the early 1990s, but it was never finalized or adopted. According to NGOs involved in the negotiation of this agreement, it was pressure from the US and ICC which led to the dismantling of the UNCTC just prior to the Rio Earth Summit, its remaining activities being taken over by the United Nations Commission on Trade and Development (UNCTAD) (FOE 1998 and NGO Taskforce on Business and Industry No Date a). Instead of the UNCTC code, UNCED promoted voluntary initiatives developed by corporate actors themselves, as discussed above.

Unconvinced that the voluntary, self-regulation approach has led to significant environmental improvements over the past decade, activist groups have recently revived the idea of a corporate code of conduct, and some are calling for such a code to be in the form of a legally binding international agreement. These groups stress that there is a difference between corporate responsibility and corporate accountability. Corporate responsibility refers to recognition by industry of their role in sustainable development, and the voluntary and self-regulatory efforts they adopt. Corporate accountability is a much stronger notion. It implies legal obligations by corporations to promote sustainable development and to provide compensation when these
obligations are breached (NGO Taskforce on Business and Industry No Date b; Bruno and Karliner 2002; FOEI 2001).

Since Rio, many TNCs, including international industry lobby groups such as WBCSD, the ICC and the BASD, have stressed their voluntary adherence to principles of corporate social responsibility (CSR). They argue that principles of CSR ensure that corporations are acting in an environmentally and socially sound manner, and that adhering to these principles makes ‘good business sense’ (Holme and Watts 2000). Groups such as the BASD highlight the Global Reporting Initiative (GRI) as the key governance structure for business with regard to corporate responsibility (Moody Stuart 2002: 120). The GRI is an initially industry driven, now independent, initiative on sustainability reporting for TNCs. The GRI is now a collaborating centre with the UN Environment Program (UNEP) and also cooperates with the UN on the Global Compact, discussed below (GRI website: www.globalreporting.org).

This CSR approach has been criticized by sceptical NGOs. According to a key study by UNCTAD which surveyed TNCs on their environmental policies, the most influential motivating factor for these firms to develop corporate environmental policies was government laws and regulations (UNCTAD 1993: 38). Indeed, firms that are in breach of the law are more likely to be fined or made legally liable for any environmental damage that they cause. Many have argued that states have an important role, not just individually, but also collectively at the international level via international organizations, in promoting improved environmental performance of TNCs through externally imposed laws and regulations. Recent years have seen a number of
developments along these lines, all of which are still voluntary, but which originated outside of industry itself.

Global Compact

The Global Compact (GC), a pact between the UN and global business, was launched in July 2000. It was proposed by UN Secretary General Kofi Annan in early 1999, as a challenge to global corporations to demonstrate their commitment to social and environmental goals. The GC asks corporations to promise to become responsible corporate citizens, and asks them to adhere to nine principles, covering social, environmental and human rights, and to incorporate these into their mission statements as well as their operations (UN Global Compact). The main objectives of the GC are to ‘mainstream’ environmental and social issues into operations of business, and to encourage business to take action in support of UN goals. In the area of the environment, corporations are asked to support the precautionary approach, to undertake initiatives to promote environmental responsibility, and to develop and diffuse environmentally friendly technologies (UN No Date).

The Global Compact has been widely criticized by NGOs as ‘bluewash’. Similar to the greenwash concept, NGOs argue that TNCs are using the GC as a way to wrap themselves in the UN flag. While this may be great for the public relations of these corporations, critics charge that in practice they are not doing much to improve their environmental and social practices. The principles outlined in the GC are only voluntary, and there is no monitoring of the corporations that have signed on, and thus in the eyes of the critics, no real accountability on the part of the
OECD Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises (MNEs) were first established in 1976 as a set of voluntary guidelines within OECD countries. The guidelines cover a wide range of issues such as information disclosure, taxation, labour relations and the environment. These guidelines have been revised periodically over the years. A chapter on environmental protection was added in 1991, and in 2000 further updates were made, which includedextraterritorial application of the guidelines for MNEs operating in non-OECD countries (FOE Netherlands 2002; FOE 1998). With respect to the environment, the guidelines promote already existing environmental management standards, such as the ISO 14000. But they do go beyond the ISO standards in that they ask OECD members to encourage their TNCs to adopt ‘measurable objectives, and where appropriate, targets for improved environmental performance’. The guidelines also call for more consultation with affected communities as well as improved access to information on the environmental activities of TNCs (OECD 2000).

While the guidelines do make important steps toward promoting improved environmental performance rather than just improved management, some environmental groups have attacked the guidelines for being weak (FOE Netherlands 2002). Because the OECD guidelines are voluntary, they do not impose any legal obligations on TNCs. They are merely guidelines for OECD member countries to encourage their TNCs to follow voluntarily. For this reason,
environmental NGOs have been sceptical of the ability of the guidelines in their current form to engender true change in TNC environmental practices.

A binding corporate accountability treaty?

Recent years have seen a growing push among environmental and other NGOs for a legally binding global mechanism to regulate TNC activities to ensure good social and environmental performance. The idea of a global treaty on corporate accountability was floated in the run-up to the WSSD in 2002 by a number of groups, including Friends of the Earth International, the World Development Movement, Christian Aid, and the Alliance for a Corporate-Free UN (CE0 2001: 6).

Friends of the Earth International put forward a fairly detailed account of its ideas on what a legally binding international treaty on corporate accountability should, in its view, look like. This proposal stresses the legal rights of citizens to hold corporations accountable, rather than the present framework where corporations are only legally accountable to their shareholders. Specifically, the FOEI proposal calls for duties on corporations to fully report their social and environmental impacts and for effective prior consultation with affected communities. It also calls for extension of corporations’ liability to their directors when there is a breach of national environmental or social laws, and to directors and corporations for breaches of international laws or agreements. It further calls for rights of redress for citizens, community rights to control and access to resources, and minimum environmental, social, labour and human rights standards. Those corporations that breach these new duties would be subject to sanctions (FOEI 2001).
Greenpeace International also introduced its ‘Bhopal Principles on Corporate Accountability’ in 2002. Though initially introduced as a set of voluntary principles, it is clear that Greenpeace sees this initiative as the first step toward a legally binding international treaty. Not that dissimilar to the FOEI proposal, the Bhopal Principles include measures to ensure that corporations follow key principles of the Rio Declaration, including those on liability, double standards, the precautionary principle and the polluter pays principle (Greenpeace International 2002).

Not surprisingly, industry is not at all keen on the idea of a legally binding treaty on corporate accountability, especially one that places a strong emphasis on the need to extend corporate liability for damages caused by their operations. Though the BASD endorses the idea of promoting corporate responsibility and to some extent accountability, it also stresses that ‘This refers to existing agreements and is not a call for a new international regime’ (BASD 2002). Industry in fact prefers to stress that improved governance for business should be focused on enhancing local efforts, rather than implementing new global agreements geared toward TNCs. As Sir Mark Moody Stuart (2002: 121) states: ‘Global business is far from perfect, but the standards applied by international companies are almost always higher than those of purely domestic companies. To address global governance without addressing national and local governance will lead to disappointment’.

Critics of the global business lobby have argued that groups such as BASD were formed primarily to lobby against the idea of a globally binding treaty at the WSSD. According to Corporate Europe Observatory (CEO 2001), ‘There can be little doubt that the desire to oppose
binding international regulations for corporations is a key motive behind the industry campaign towards WSSD’. Indeed, early drafts of the Johannesburg Plan of Implementation text prepared by the chair of the WSSD included a commitment to ‘launch negotiations for a multilateral agreement on corporate accountability’ (cited in Graymore and Bunn 2002: 1). While there are some references to the need for corporate responsibility and accountability in the Plan, the final text did not include the commitment to pursue a treaty, and instead focused on promoting voluntary agreements. Its removal was, according to NGOs, the result of intense pressure from BASD.

Conclusion

Corporate participation in the formation of global environmental governance has grown in both size and influence over the past decade. Since the Rio Earth Summit, TNCs have taken on a more visible lobbying role at environmental negotiations, have seen their structural power enhanced, and have established voluntary corporate initiatives as a way to promote self-regulation over externally imposed state or global regulation. The positions that industry actors take in global environmental negotiations are dependant on a variety of factors, but it can be said that in general economic factors weigh heavily in their negotiating stances. At the same time that industry’s presence and influence at forums for negotiating global environmental governance has increased, there has been a growing movement toward externally imposed regulations directed specifically at improving TNCs’ environmental and social performance. This movement is a reaction to disappointment on the part of NGOs with the results of voluntary self-regulations. A number of initiatives have been brought forward, including the call from several quarters for a
binding international treaty on corporate accountability. Not surprisingly, industry has been extremely resistant to this idea. The battle over this idea was very evident at the World Summit on Sustainable Development in 2002. Industry was able at this forum to head off concrete intergovernmental action in this direction. However, the battle between NGOs and industry over this issue is likely to characterize the discourse over TNCs and global environmental governance in the years to come.

Notes

* I would like to thank the Social Sciences and Humanities Research Council of Canada for funding in support of this work. I would also like to thank Sam Grey for research assistance.

1. Principle 15 of the Rio Declaration reads: ‘In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be sued as a reason for postponing cost-effective measures to prevent environmental degradation’ UN, Agenda 21, 1992.

References


Lang, Tim (1999), ‘The Complexities of Globalization: The UK as a Case Study of Tensions within the Food System and the Challenge to Food Policy’, *Agriculture and Human Values*, 16, 169-85.


UN Global Compact webpage, available at www.globalcompact.org.


World Bank (2003), World Development Indicators, available online.