

GLOBAL BUSINESS REGULATION

Across an amazing sweep of the critical areas of business regulation – from contract, intellectual property and corporations law, to trade, telecommunications, labour standards, drugs, food, transport and environment – this book confronts the question of how the regulation of business has shifted from national to global institutions. Based on interviews with 500 international leaders in business and government, *Global Business Regulation* examines the role played by global institutions such as the WTO, the OECD, IMF, Moodys and the World Bank, as well as various NGOs and significant individuals. The authors argue that effective and decent global regulation depends on the determination of individuals to engage with powerful agendas and decision-making bodies that would otherwise be dominated by concentrated economic interests. This book will become a standard reference for readers in business, law, politics and international relations.

John Braithwaite is Professor in the Research School of Social Sciences at the Australian National University. His previous publications include *Crime, Shame and Reintegration* (Cambridge University Press, 1989), *Corporations, Crime and Accountability* (with B. Fisse, Cambridge University Press, 1993) and *Responsive Regulation* (with I. Ayres, 1992). He has been active for three decades in social movement politics.

Peter Drahos is the Herchel Smith Senior Fellow in the Centre for Commercial Law Studies at Queen Mary and Westfield College, University of London. He is the author of *A Philosophy of Intellectual Property* (1996).

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**John
BRAITHWAITE**

Australian National University

**Peter
DRAHOS**

*Queen Mary and Westfield College,
University of London*



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Esther Peterson, 9 December 1906 – 20 December 1997

Dedication

We decided to dedicate this book to one of the many interview informants who touched our spirits. Esther Peterson was chosen because she shaped our ideas in the final chapter of this book and because she was a key player in not one but three great social movements – the labour, women’s and consumer movements. Our method of an anthropology of global cultures was only possible because during the 1990s there were people still alive who, like Esther, were players in the crucial globalizations of regulation, most of which have occurred since the Great Depression. Esther died, aged ninety-one, in 1997.

Esther Peterson first organized and won a Boston strike in the 1930s among women who sewed dresses at home. She was arrested several times fighting for the first wages and working hours Act in the US (1938) and fought on for women’s rights to the same conditions of employment as men. Esther Peterson worked for the International Ladies Garment Workers Union, the American Federation of Teachers and the Amalgamated Clothing Workers of America. In the 1940s and 1950s she raised her family of four children overseas, when her husband had diplomatic postings to Europe. There Esther internationalized her engagement with the labour and women’s movements. Later she served on the Women’s Commission of the International Confederation of Free Trade Unions. In Brussels in 1952 she founded an international school for women in the trade union movement.

This kind of work exemplified her philosophy: ‘She always worked according to the pattern: first educate and then organize people – teach them that with knowledge and united strength they can influence the politics that govern their lives’ (*Consuming Interest* 1985: 14). Eleanor Roosevelt was a friend and mentor. Esther was Executive Director of the President’s Commission on the Status of Women, chaired by Eleanor Roosevelt, that led to the Equal Pay Bill. Esther was a great compromiser. A piece of advice she endlessly gave to those of us she mentored was one given to her by Eleanor Roosevelt: ‘always be ready to compromise...but compromise upwards!’ Discussions with Esther on this theme informed the ratcheting-up analysis of Chapter 26. It is significant that this analysis was passed down from Eleanor Roosevelt, who our empirical work has shown to be the quiet entrepreneur of events now seen as beginning the birth of regulatory globalization.

John F. Kennedy appointed Esther Peterson as an Assistant Secretary of Labor and Director of the Women’s Bureau of the Labor Department: ‘During the Kennedy years she belonged to his “little Cabinet” of special advisers’ (*Consuming Interest* 1985: 14). Lyndon Johnson also appointed Esther to the White House, as his special adviser on consumer issues, a capacity in which Jimmy Carter later also appointed her. Later still, she worked for the Clinton administration in a largely honorary role with the US delegation to the UN.

During the Nixon and Ford administrations she was vilified by some in the consumer movement for doing something unprecedented: she took a job as Vice-President for Consumer Affairs at Giant Food Inc. Effective compromiser that she was, she persuaded Giant Food to begin

many supermarket policies that we now take for granted. One was label-unit pricing, so a calculator is not needed to work out whether 1 kg for \$2.29 is better value than 1.2 kg for \$2.79. She persuaded Giant Food into trying nutritional labelling before it was required by law, and date-marking that consumers could read (previously, dates on perishables were in letter-numeric codes that only the store could read). Discussing this experience with Esther shaped our thinking about individual entrepreneurship and Latour's theory of power as translation, as developed in several of our later chapters.

Esther Peterson's greatest disappointment came in her eighties, when her leadership as the Consumers International representative to the UN repeatedly failed to secure the UN Code of Conduct for Transnational Corporations. Here, as in the campaign for the UN Guidelines for Consumer Protection and the Kennedy consumer rights campaigns of the 1960s, she was an ally of the environment movement, fighting for language about regulating the environmental impact of production and consumption. Yet there were successes late in life too. Rhoda Karparkin, President of Consumers Union, on whose board Esther served, said in the *New York Times* of 23 December 1997:

Peterson, Esther...a great woman, and a great consumer leader and activist...you couldn't fool her...you couldn't stop her when she was fighting for what she believed in. As Consumers International's representative to the UN, she lobbied the UN successfully to adopt the UN Guidelines for Consumer Protection. They've become the basis for many consumer protection laws around the world, especially in Third World countries.

Esther Peterson helped us to see that international agreements did not need to be enforceable to count: 'Once a nation puts its name to an international document, there can be enormous moral pressure exerted to honor it. No nation enjoys being condemned as hypocritical'. From this, Esther, during her last decade of life, acquired the seemingly implausible belief that a green global consumer movement could become the force in the twenty-first century that her beloved labour and women's movements had been in the twentieth century. In our final chapter, we conclude that this belief is not beyond the bounds of plausibility.

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Abbreviations

ACTN	Advisory Committee for Trade Negotiations
AIPPI	International Association for the Protection of Industrial Property
APEC	Asia-Pacific Economic Cooperation Forum
ASEAN	Association of South-East Asian Nations
Basle Committee	Basle Committee on Banking Supervision
BAT	Best Available Technology
BCSD	Business Council of Sustainable Development
BEUC	Bureau of European Consumer Unions
BIAC	Business and Industry Advisory Committee to the OECD
BIRPI	United International Bureaux for the Protection of Intellectual Property
BIS	Bank for International Settlements
BSA	Business Software Alliance
CIA	Central Intelligence Agency (US)
CPMP	Committee for Proprietary Medicinal Products
CSD	Commission on Sustainable Development (UN)
EC	European Commission
ECE	Economic Commission for Europe (UN)
ECIS	European Committee for Interoperable Systems
ECOSOC	Economic and Social Council (UN)
EFPIA	European Federation of Pharmaceutical Manufacturers Association
EFTA	European Free Trade Association
EMAS	Eco-Management and Audit Scheme
EMEA	European Agency for the Evaluation of Medicinal Products
EMS	European Monetary System
EPA	Environment Protection Agency (US)
EPO	European Patent Office
EU	European Union (the term 'European Union' came into conventional use after the Treaty on European Union came into force on 1 November 1993. Prior to that the term 'European Community' was used)
FAA	Federal Aviation Administration (US)
FAO	Food and Agriculture Organization
FATF	Financial Action Task Force
FCC	Federal Communications Commission (US)
FDA	Food and Drug Administration (US)
FDI	Foreign Direct Investment
FIA	International Automobile Federation

XIV | ABBREVIATIONS

Final Act	Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Marrakesh, 15 April 1994
FTC	Federal Trade Commission (US)
G-5	France Germany, Japan, UK and US (the currencies of these countries constitute the basket of currencies for the Special Drawing Right of the IMF)
G-7	Canada, France, Italy, Germany, Japan, UK and US (held annually to discuss international economic policy)
G-8	G-7 plus Russia
G-10	Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, UK and US (the ten principal creditor nations of the IMF. Switzerland became the eleventh member of G-10 when it became a full member of IMF in 1992)
G-77	Group of developing nations (more than seventy-seven)
GATS	General Agreement on Trade in Services (part of the Final Act)
GATT	General Agreement on Tariffs and Trade 1947, as revised. The Final Act (see above) contains the General Agreement on Tariffs and Trade 1994 which is defined to include the GATT 1947 as revised. GATT 1947 never became an official international organization, although the contracting parties to it were assisted by a GATT secretariat. The WTO is formally established by the Agreement Establishing the World Trade Organization, which forms part of the Final Act. We use 'GATT' primarily to refer to the GATT regime as it stood before the Final Act
GEF	Global Environmental Facility
GSP	Generalized System of Preferences
HACCP	Hazard Analysis Critical Control Points
HAI	Health Action International
IACS	International Association of Classification Societies
IAEA	International Atomic Energy Agency
IAIS	International Association of Insurance Supervisors
IAPI	International Airline Passengers Association
IASC	International Accounting Standards Committee
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICC	International Chamber of Commerce
ICFTU	International Confederation of Free Trade Unions
ICH	International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use
ICOLP	Industry Cooperative for Ozone Layer Protection
ICSID	International Centre for the Settlement of Investment Disputes
IFALPA	International Federation of Airline Pilots Associations
IFPMA	International Federation of Pharmaceutical Manufacturers Associations
IIPA	International Intellectual Property Alliance
ILO	International Labour Organization
ILSI	International Life Sciences Institute

IMF	International Monetary Fund
IMO	International Maritime Organization
INPO	Institute of Nuclear Power Operators
INTELSAT	International Telecommunications Satellite Organization
INTUG	International Telecommunications Users Group
IOCU	International Organization of Consumers Unions
IOSCO	International Organization of Securities Commissions
IPC	Intellectual Property Committee
ISO	International Organization for Standardization
ITO	International Trade Organization
ITU	International Telecommunication Union
JAA	Joint Aviation Authority (Europe)
MAI	Multilateral Agreement on Investment (OECD)
MaLAM	Medical Lobby for Appropriate Marketing
MFN	Most Favoured Nation
MITI	Ministry for International Trade and Industry (Japan)
MOU	Memorandum of Understanding
MPA	Motion Picture Association of America
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NGBT	Negotiating Group on Basic Telecommunications
NGO	Non-government Organization
NHTSA	National Highway Traffic Safety Administration (US)
NPT	Nuclear Non-Proliferation Treaty
NRC	Nuclear Regulatory Commission (US)
NYSE	New York Stock Exchange
OECD	Organization for Economic Cooperation and Development
OFTEL	Office of Telecommunications (UK)
OICA	International Organization of Motor Vehicle Manufacturers
OSHA	Occupational Safety and Health Administration (US)
PTT	Post, Telephone and Telegraph
Quad	Canada, EU, Japan and US
RAPS	Regulatory Affairs Professionals Society
SEC	Securities and Exchange Commission (US)
SPS	Agreement on the Application of Sanitary and Phytosanitary Measures of the GATT
TMI	Three Mile Island
TNC	Transnational Corporation
TRIMS	Agreement on Trade Related Investment Measures (part of the Final Act)
TRIPS	Agreement on Trade Related Aspects of Intellectual Property Rights (part of the Final Act)
UN	United Nations
UNCED	UN Conference on Environment and Development
UNCITRAL	UN Commission on International Trade Law
UNCTAD	UN Conference on Trade and Development

XVI | ABBREVIATIONS

UNDP	UN Development Program
UNEP	UN Environment Program
UNESCO	UN Educational, Scientific and Cultural Organization
UNICE	Union of Industries of the European Community
UNIDROIT	International Institute for the Unification of Private Law
Uruguay Round	Uruguay Round of Multilateral Trade Negotiations
USTR	Office of the US Trade Representative
WANO	World Association of Nuclear Operators
WCTU	Women's Christian Temperance Union
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

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