Corporations and Global Governance: A Multi-Cultural Futures Perspective

Anita Kelleher
Designer Futures
Australia

Abstract

Destruction of ecosystems, human rights violations, theft of indigenous intellectual property, fraud and deception, and recently, war. Some of the world's most intractable problems have been attributed to the irresponsible and unethical business practices of a relatively small number of financially and politically powerful corporations. The potential for such practices was foreseen by several members of the U.K Mercantile Law Commission in the mid 19th century who, whilst debating the proposed introduction of limited liability, expressed concerns at the possible increase in moral hazard and risk of fraud.

In view of the current debate on future global governance systems that includes proposals for the admission of businesses as a "house" of representatives(Inayatullah 1999), the role of corporations in society locally and globally is again under the spotlight. This paper examines the history of the modern-day corporation, focusing largely on the Anglo/American model that has influenced its counterparts in Europe and Japan both structurally and ideologically, and considers the possible futures that may emerge if corporations were to play a pivotal role in a future global governance system.

Since current literature and debates on global governance are dominated by a relatively small number of Westernised, developed nations, the study from which this article is taken provided an opportunity for people from a number of different cultural backgrounds to express their views. Based on the input provided, and set within the context of proposed alternative models of global governance, four future worlds are described. These scenarios depict a range of possible futures and can be used to trigger discussion and debate about the role of corporations in global society.

Introduction

My interest in the topics of corporate citizenship and global governance arose from concerns regarding the ecological environment and a growing awareness that some of the world's most precious natural resources such as ancient forests, clean air and pristine oceans were under threat from a number of irresponsible big businesses.(Dobscha 2001)

Logging companies felling old growth forests in

Australia, Indonesia and South America and clearing whole mountains in Canada; oil tanker spillages; over-fishing to the point that some species have become extinct; polluting technologies in use in manufacturing – all areas of concern that, due to the interconnectedness of eco-systems, affect the whole world.(Dobscha 2001; Suzuki 1999; Weizsacker 1997; Hawken 1999). All issues that I consider could probably be remedied through co-operative global action, a re-awakening of corporate conscience and the global will to address the issues at all levels of society.

The Commission for Global Governance, in their 1996 publication *"Our Global Neighbourhood"*, asserts that "the people of the world have more power to shape the future than ever before and never has there been a greater need to exercise that power." However there is little evidence to suggest that researchers have considered the range of world-views necessary to develop a global governance model likely to be accepted by "the people of the world".

At a time when so many questions are being posed as to the role of corporations in society and proposals for differing forms of global governance are beginning to emerge, I began to ponder on the potential merits, or otherwise, of having financially powerful corporations involved in a system intended to help solve the world's intractable problems. I also questioned whether consideration had been given to the views of people from countries less powerful than those currently dominating the world, politically and economically.

The study summarised in this paper therefore aims to expand the debate from the current monocultural focus to incorporate the views of a range of people from diverse cultural backgrounds, religions and nations on the role of the corporate sector in a future global governance system.

Corporations: The Historical Context

Pre-16th century economic and legal activi-ty in Britain and Europe was largely based on the feudal system. This changed in 1529 when Henry VIII of England summoned the Reformation Parliament, passed 137 laws in seven years and exercised an influence in political, religious and economic matters previously unheard of in feudal parliaments. (UKGovernment 2004; Britannia 2000) Henry used his new powers as head of state to confer royal trading rights in the form of charters to the merchants in the city of London in exchange for "royalties" (an agreed percentage of the revenue) for the Crown.

A typical company charter would confer monopoly rights over the venture concerned but would also contain a provision enabling the Crown to withdraw the charter of any company if, in the judgement of the Crown, it failed to serve the public interest. (Economist 2002; Korten 2001)

Companies in this era were, predominantly, private partnerships. Attempts in the 17th and 18th centuries to move away from the partnership model and establish corporations were unsuccessful. Set up with funds obtained by men known as "jobbers", whose role was to scour towns for investors for a range of proposed ventures, most of these ancestors of modern-day corporations collapsed in a relatively short time frame prompting the English government to outlaw corporations in 1720. (Bakan 2004)

English and other European royal houses continued to grant charters in increasing numbers until the 19th century when two bifurcations occurred: the first was the formation of the American Corporation and the second, the introduction of the Companies Act and Limited Liability in England.

The Formation of The American Corporation

Whilst Royal Charters continued to be the "licence to operate" for businesses in Britain and Europe, the late 18th century saw the establishment of another form of chartered company in the newly settled Americas. During this period,
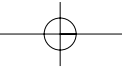
many Britains and Europeans migrated to America in search of new freedoms and wealth. Eager to establish independence, the new Americans rebelled against controls exerted by chartered companies over their local economies on behalf of English and European royalty. (Dowd 1993) In 1791 the first American corporation independent of English and European royalty and governments was formed. A prospectus marked its launch and a Board of Directors was appointed to manage the interests of investors. Charters were still issued but American citizens and their elected governments controlled the new corporations.(Korten 2001)

Under their new corporate structure, Boards of Directors and managers were given increasingly greater powers. On the one hand, this gave the U.S companies the economic freedom they sought ensuring profits remained in the USA. On the other hand the same freedom allowed them to operate in a manner that put the pursuit of profits before all other considerations. In 1886, allegedly as a result of extensive lobbying by prominent railroad barons of the day, a landmark decision by the U.S Supreme Court deemed that a private corporation was a "natural person" under the U.S Constitution and therefore entitled to protection under the Bill of Rights. The Bill of Rights was intended to protect individual citizens against the potential for government oppression. The decision in 1886 ostensibly gave corporations the same rights as individual citizens. In reality, their vast financial resources gave them much greater power and freedom than the individual, enabling them to influence governments and legislatures to the extent that instead of the law protecting the democratic system from the corporation, the legal system now defended corporations from legislative power. (Nace 2003; Bakan 2004)

The Introduction of The Companies Act and Limited Lilability in England

The second bifurcation point occurred in the mid 19th century in Victorian England when

railway infrastructure was being planned. The private partnership companies, operating under Partnership Law, could not provide sufficient capital to launch this new venture. In response to this dilemma, the government introduced the Companies Act 1844, enabling businesses to become incorporated without a royal charter and act of parliament. (Simms 2002; Economist 2002)

In 1852 Limited Liability was brought in as a result of concerns that potential investors would not risk their capital in major projects without a limitation on their financial exposure. Whilst the intentions of the time were honourable, it is interesting to note that the members of the Mercantile Law Commission, established for the purposes of considering whether or not limited liability should be introduced, had opposing views on the matter. (Economist 2002; Simms 2002) Whereas many supported the proposed introduction, others were already concerned at what they saw as the potential for increases in moral hazard and the risk of fraud. (Economist 2002; Simms 2002) Ultimately, the supporters prevailed and by 1862 it was possible to set up a company in England without parliamentary or royal assent and with the risk of losing all of the investors' money considerably reduced. As Simms (2002:9) notes:

It is a lasting historical irony that legislation designed to facilitate public service began a long chain of events that would eventually enable corporations to shrink from public social responsibility.

Under the new corporate model, British and American companies considered business responsibility to be limited to pursuing profit for their shareholders whilst remaining within the confines of the law. They viewed the new legislation as policy that relieved them of their previous obligation to act in the public good. (Simms 2002; Economist 2002)

Emergnece of Multi-national Corporations

The dawn of the industrial age in the late 19th and early 20th centuries also saw the advent
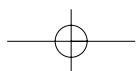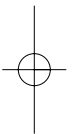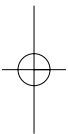
of the multi-national corporation. The pressure to increase markets and acquire higher levels of resources such as minerals and petroleum drove U.S and European corporations to transnational expansion primarily to Latin America, Asia, Africa and the Middle East. (Korten 2001; Greer 2000)

Japanese corporations such as Mitsui and Misubishi, working in alliance with the state, also grew significantly during this period and had considerable influence over Japan's trade and financial systems. (Greer 2000)

Government Control of Corporations

Notwithstanding the more successful emergence of corporations in the mid 19th century, it was only a matter of time before the governments of Britain and the USA were called upon to take action to protect the public interest. In the earlier part of the 20th century, in response to corporate scandals, abuse of corporation workers and the Great Depression, successive British and U.S. governments nationalised many of the infrastructure and utility functions previously operated by private companies such as roads and electricity generation. (Economist 2002)

This enforced government control over the corporate sector was overturned during the 1970's when Margaret Thatcher was Prime Minister of Britain and Ronald Reagan was President of the United States, partly due to their right-wing policies and partly due to more active shareholders. (Economist 2002; Smith 1991)

Idealogically, the Reagan/Thatcher alliance sought to reinstate a free market model, regarding the Keynesian economic policies and the development of the welfare state that emerged from the industrial, Fordist mass-production era in the 1930's to be constraints on their economies.(Anon 1992)   According to Geoffrey Smith, author of the 1991 publication "Reagan and Thatcher", the Reagan/Thatcher philosophy was to increase the role of the market in society and decrease the role of the state,

which they achieved by:
- *Reducing business and personal taxes;*
- *Privatising state economic assets;*
- *De-regulating a wide range of business activities;*
- *Confronting and reduce the power of organised labour;*
- *Cutting government spending on a wide range of social programs; and*
- *Promoting personal responsibility for welfare provision.*

As a consequence of this fundamental swing in philosophy, businesses gained the benefits of much greater commercial freedom and the past thirty years have seen the power of the corporate sector, in particular, grow significantly.

In Britain, Europe and later in Australia, Royalty had considerable influence over commerce and economic activity generally for close to 300 years. This influence waned towards the end of the 20th century however it may have been a key factor in curbing the type of corporate crimes observed in a number of U.S. owned organisations over the past decade. Whereas the USA's economic rationalist model, coupled with protection under the Bill of Rights, appears to provide its proponents with the justification for sailing very close to the ethical and moral wind in their pursuit of greater profit margins. (Kennedy 2000; Economist 2002; Burns 1958; Conaty cited in Simms 2002; Britannia 2000; UK Government 2004; Bakan 2004)

Outside of the USA and UK/Europe centres of corporate activity, Japanese corporations began to emerge as serious global players in the post- world war two era. Aspects of the Japanese culture, which places individualism as the lowest dimension on Hofstede's scale and places a high value on moral development, and loyalty to business and national collectives, may have traditionally been factors in Japan's ability to manage wrong-doing in their business sector. (Hofstede 1991; Heuvel 1992) Nonetheless the latter half of the 20th century saw Japanese owned multi-national corporations experiencing ten year cycles of corporate crimes followed by actions to redress these through regulatory
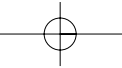
or face-saving means, such as employing Sokaiya to intervene at shareholder meetings either by lobbying or physical violence. (Heuvel 1992; Szymkowiak 2002)

The Corporation Today

Elements of the historically dominant Anglo-American corporate model and ethos were adopted by, and continue to influence, their counterparts in Europe and Japan. (Bakan 2004)

When we consider that "51 of the largest 100 economies in the world are private companies" and that "the number of countries in this group is steadily declining" (Suzuki 1999) we begin to appreciate that society has created global economic entities of a power and size unequalled in the history of the world. In common with other progeny of globalisation, ownership of these entities is not widely spread. Of the 51 private companies in the top 100 economies, 20 are from the USA, 20 are Asian (primarily Japanese), 10 are European, and 1 is owned jointly by European/U.S investors. (Suzuki 1999; Anderson 2000)

Regardless of the potential for these corporations to do enormous good in society, locally and internationally, one cannot overlook the overwhelming evidence of corrupt, unethical, abusive and criminal behaviours of recent years. As in the 1930's, corporate collapses, fraud, social and ecological crimes committed in the 1990's, primarily by U.S owned corporations but with an increasing number of examples from Europe and Japan, have led to a renaissance of the concept of corporate citizenship and corporate governance. NGOs, the media and private citizens in the USA, Brit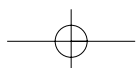ain, Canada, Japan, Germany and Australia are bringing pressure to bear on corporations to adopt more responsible business practices. (Heuvel 1992; Jacoby 2002; Greenpeace 2003) The debate on corporate citizenship principles and practices is divided between those who believe voluntary adoption to be the most effective approach and those who believe legislation to be the key. (Bakan 2004; Heuvel 1992; Ruggie 2001; Birch 2002)

In philosophical terms, are corporations the Machiavellis of the business world? If the end justifies the means for corporations, it raises the question of how far they might go if given the power associated with a pivotal role in global governance.

Views of Participants in This Study

In response to this question, and to obtain a wider range of cultural perspectives than appears to have been considered in the primarily Western-oriented literature, 16 people from different parts of the world were asked to describe what the world would look like if corporations were given a pivotal role in global governance. The group comprised business people, academics and futurists from Northern and Central Europe, South America, Ukraine, Canada, Africa, Pakistan, the U.K, Australia, the USA and South East Asia. They included representatives from UNESCO, the OECD and the World Business Council for Sustainable Development.

Their views, synthesised with the literature, produced four scenarios for 2053. Abstracts are provided at the end of this paper with the key points summarized in the following table:

| Terminator 9: Rise of the Corporates	Dances With Wolves
World ruled by USA owned corporations. Revamped United Nations, funded by corporations, provides global governance. Nation States borders reinforced. China challenges USA hegemony. Travel and communications controlled by corporations, along with blood, body parts and cures for diseases. Globalisation slows in the wake of terrorism and wars. Indigenous intellectual property exploited. Number of sweatshop economies increases. Rejection of US cultural invasion escalates. U.S pollution of other countries increases global tensions. War: USA v China/Middle-East coalition.	"Super-powers" no longer exist. Four-house global governance system based on bioregions. Nation States borders dissolved. Dominant U.S cultures are Hispanic and Native American Indian. Corporations are controlled by global legislative means. Rate of globalisation increases dramatically. Some national economies prosper while others lag behind. Fluctuations in the global economy. People protective of cultures and sub-cultures. Global threat to eco-systems brings people of the world together.
World governed by financial interests. Global governance provided by largest of the world's economies: corporate and nation state. Nation States borders maintained. Rate of globalisation increasing gradually. Corporations misuse their power in pursuit of profit. Regional economic alliances formed. Global and regional economies stable. Cultural and ideological clashes as Western business endeavours to subjugate other cultural norms. Terrorism increases and big business targeted. Corporations are socially and ecologically responsible only when it generates profit.	Planetist philosophy prevails. Global governance system is a network of global republics. Nation States borders progressively opened. Breakthroughs in transport and communications technologies aid rapid increase in globalisation. Significant fluctuations in national and global economy during transition to republics. People self-identify. Muslim culture has greatest representation. Globally representative peace-keeping force maintains order through transition to republics. Corporations replaced by business networks. Business responsible for global distribution of food, water and energy.
Back to the Future	**Paradise Found**

(Kelleher 2003 unpublished).

Scenario Analysis

Whilst each scenario tells a different story, they have a common underlying theme: a lack of trust in major institutions - corporations, governments and international bodies - to *genuinely* "do the right thing" in society. The "right thing", as far as participants in this research are concerned, is about being honest, having ethical practices, forging mutually beneficial partnerships with communities, taking a stewardship role with the natural environment, and being socially and culturally responsible and respectful.

When asked to express their concerns regarding the involvement of corporations in a future global governance system, all participants readily quoted examples of corporate wrongdoings ranging from well-publicised corporate collapses, bribery and corruption through to the more extreme cases of P.O.C (prisoner-of-corporate) labour camps and corporate funded death squads. The differences in scenario narrative reveal the extent to which
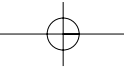
participants believe we can do something about what they saw as all-too-powerful corporations and the type of action that might be taken to create a society where business plays a prominent and positive role. Those beliefs can be partly attributed to the individual participant's cultural "programming".

For example, in one scenario, "Rise of the Corporates", the world in 2053 is ruled by U.S. Corporations. The narrative reflects the fears of some people in developing countries that these unscrupulous companies will take advantage of the opening up of nation states borders and nothing will be sacred. As one person said "we won't even own our body-parts". The result is a dark world of despair in many regions where people can only escape from starvation, slavery, poverty and exploitation by signing up with the Chinese-led coalition forces that are fighting the USA-led multi-national corporation forces.

Developing countries commonly have a more collectivist culture – the community is more important than the individual. (Hofstede 1980; Trompenaars & Hampden Turner 2001) They are also more likely to have an external locus of control meaning that they do not see their destiny as being in their own hands. They often rely on old religions, magic and myth to guide their lives. (Wilber 2001) This community orientation and religious faith provides many enviable characteristics in these societies including their willingness to share, the respect they have for each other, the care and support that can be part and parcel of belonging to a tightly knit community, and their spirituality. These same characteristics, on the reverse side, often mean they will feel powerless and be ill prepared when dealing with a MNC. It can also lead to the subjugation of individuals, loss of creativity and conformity to less than perfect social norms.

Developing country participants in this study say the people in their home countries feel a further sense of helplessness when they realise that corporations are manipulating their governments. They also see the U.N. as just another powerful institution that can't be trusted, believing that U.S. government interests funded by multi-national corporations currently dominate its agendas. In my view, having gained insights into the U.N. decision-making processes whilst in Europe, this belief may be justified.
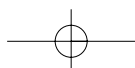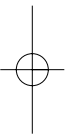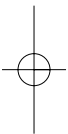
However there is a school of thought in the U.S that the U.N. is a conspiracy against the USA (Kincaid 1995; Jasper 1992) and intends to use military force to take over the world, starting with the USA (see one amongst many websites on this theme: http://www. apologeticsindex.org/usa-04.html).

Some developing countries, according to participants in this study, also feel the situation is escalating to one that will inevitably lead to war. Wars are a common feature of life in many countries of the world. In this writer's view, it is not difficult to understand why people in developing countries who feel powerless, helpless and manipulated, would readily consider this option. Sadly, according to Johan Galtung in his lecture at Curtin University of Technology on February 18, 2004 entitled "Global Governance: Global Citizenship", "many wars are being prepared right now". Wars have also featured prominently in our history books. History, as it has been written for us in the Western world, recounts tale after tale of the rise and fall of civilisations. According to Ibn Khaldun (Inayatullah 2002) civilisations usually fall after four generations of power.

The "Rise of the Corporates" scenario addresses the imminent decline and fall of the U.S. culture and the potential demise of Western civilisation. It looks to countries in transition such as China and India to provide the next evolution: a collectivist oriented global civilisation. It's unlikely that "the West" – particularly the USA – will readily relinquish its role as dominant world civilisation and China's role as a potential super-power and rival of the USA is acknowledged in this story. A collectivist culture in its own right with many and varied spiritual practices and extensive and growing military power, the China of the future would certainly be capable of leading the coalition forces.

"Rise of the Corporates" is therefore based on the interaction between the trends of:
- a rapidly increasing rate of globalisation based on big-business objectives;

- our perceived inability to prevent U.S. owned multi-national corporations from doing whatever they like anywhere in the world with no apparent consequences for their actions;
- the demise of Western civilisation generally;
- World War III; and
- the rise of a more collectivist-oriented society through the combined powers of the Middle East, Far East and Africa.

In contrast to the domination of corporations in "Rise of the Corporates", "Paradise Found" paints a very different picture. Corporations no longer exist in their traditional form and have been replaced by global business networks that use their expertise in logistics, supply chain management and cross-cultural communications to benefit the communities in which they operate. A Network of Global Republics comprises the global governance structure.

The views underpinning this scenario are the hopes of respondents from Western countries who believe "we the people" have the power to create our own future. In their view, rogue countries, corrupt or weak governments, and "too powerful" corporations can be reigned in by tighter legislation enacted on a global scale. They also believe that "people power" in the form of activist individuals across many countries will unite to make it happen, although it will be a long and painful road to that point. Hence "Paradise Found" synthesizes legislative controls, stakeholder activism at grassroots level, a network of global republics and a business sector that looks for opportunities to innovate in the new environment.

"Back to the Future" portrays the concerns shared by many people that large corporations are becoming increasingly more remote from society and that the dollar is the only consideration in decision-making. Social responsibility is reduced to a revenue-enhancing marketing ploy to be produced like a rabbit out of a hat when needed.

This scenario follows the trajectory of the current trend of rational economic thinking in business and explores a world ruled by money almost to the exclusion of every other interest. The global governance system is the province of the world's most powerful economies: a combination of multi-national corporations (MNCs) and larger industrialised countries. The rich are becoming so rich they no longer hear the voices of the poor other than as a muffled sound in the background that can be squashed by the weight of wealth as and when required.

Financially we, the people of the world who would be represented by a future global governance system, would be reasonably secure however ignoring the social, ecological, cultural and political aspects that need to be considered in a globally representative system is likely to create instabilities that cannot be rectified using financial means.
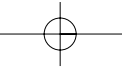
Businesses, particularly multi-national corporations, have enormous financial power which they can choose to exercise positively and make a substantial contribution to society. However many companies still believe that they exist purely to maximise shareholder returns and that the ends justify the means. Corporate laws, narrowly interpreted, demand this view.

The interplay of forces in scenario three is therefore:

- the failure to change corporations' legislation to support the principles of good corporate citizenship;
- a limited rational economic and somewhat cynical view prevailing in the more powerful businesses and governments alike;
- a total lack of consideration for poorer countries other than as markets to be exploited;
- and an arrogance that this is the "right" way to run the world!

In "Dances with Wolves", participants' hopes for a revitalised United Nations are explored. Superpowers no longer exist and corporations have been brought under strict control through global legislative changes. The global threat to ecological systems has provided a focus for the four-house governance system (bioregional governments, NGO's, businesses and individuals) to work together to improve the quality of life for humans. (Bioregions are

self-reliant ecological systems). The USA no longer exists in its current form. Deconstructed after worldwide economic sanctions, it now comprises several bioregions and is populated largely by peoples of Hispanic and Native Indian origin.

This narrative synthesises ecological, social and values-based drivers, exploring the study participants' concerns about ecology and the perception that different countries are unlikely to work together until faced with a global disaster that threatens all of them. The story follows current trends such as the reduction in fertility rates in developed countries, which leads to the cultural changes described in the USA, and the growing shift in societal values in developed countries that leads to consumer support of businesses demonstrating social and ecological responsibility.

In all four scenarios U.S corporations were singled out as "the enemy". The consensus from those interviewed is that corporations, particularly U.S corporations, should not be given any more power than they already have and should definitely not be involved in any form of global governance.

In summary, the study on which this article is based indicates that corporations are not trusted in various communities around the world for a variety of reasons including the recent corporate collapses, alleged collusion in concealing financial mismanagement, theft of indigenous property rights, and undue influence on governments that has led, in extreme cases, to the deaths of workers and others who have tried to fight for their rights. In less extreme cases, and in the view of study participants from Western countries, corporations are not to be trusted simply because they exist only to make a profit. They don't act in the best interests of the broader community unless there is a good return on their investment.

Implications for The Global Governance Debate

The research from which this article is taken has provided an opportunity for people from a number of different cultural backgrounds to express their perceptions of future worlds where the corporate sector plays a key role in the global governance system. It is topical in that the role of business in a future global governance system is currently the subject of much debate in Europe and some proposals are already under consideration. As this issue continues to be explored, the behaviours and roles of corporations in society will potentially become even more critical a concern to the world.

The scenarios portray the range of views of study participants and echo the findings of the literature review. Some people believe the U.N. should be the global governance system (Falk 2002; Newswire 2003; Dillard 2002) whilst others say a completely new system should be designed. (Inayatullah 1999)

The "pro- U.N." lobby is promoting a restructure of the United Nations, a body considered by some participants of this study to be the world's "best bet" for a unified approach to ensuring peace, freedom and a better standard of living for all of the people of the world. Currently, it is not representative of all of the nations of the world and its very structure and post World War Two winners' power base continues to ensure that countries with fundamentally differing worldviews make no attempt to join its ranks.

The Secretary General of the U.N. has openly stated that the organisation needs to be restructured if it is to re-establish credibility and legitimacy on the world stage. However, based on discussions held between this writer and expert participants in this study in Europe in 2003, there is an alternative view that suggests that a completely new structure would need to be developed to replace the United Nations.

These disparate views are reflected in the variety of global governance system proposals currently being debated in Europe. The World Bank proposes a four-house global governance system that includes business. Johan Galtung, a Professor of Peace Studies and winner of the "alternative Nobel" the Right Livelihood Award, argues that a restructured United Nations should not only have a house of people, direct

57
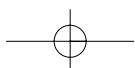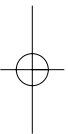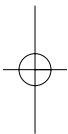
voting, and a house of nations, but a house of corporations as well. (Inayatullah 1999)

Muslim writers, according to Sohail Inayatullah (Inayatullah 2001), propose an alternative global governance paradigm based on the four key concepts of unity, trusteeship, worship and knowledge. They are wary of a globalisation that they see as nothing more than the expansion of economic wealth for the relatively few rich Western countries at the expense of worldwide social, ecological, spiritual and cultural wealth. They are concerned at the threat of their civilization being programmed by globalisation at the expense of their values. (Inayatullah 2001; Sardar 1993)

Other proposals include a network of global republics (Skrzeszewski 2002), a Global Parliamentary Assembly(Falk 2002), and Sarkar's ecologically determined regions (Inayatullah 1999), as depicted in the scenarios.

Korten, in his 1997 article "Getting Power Back to the People" is quite adamant in his stance as to what should be done next:

> We should start with dismantling the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade, and the World Trade Organisation. These institutions exist primarily to advance the interests and rights of global corporations and financial institutions at the expense of national, community, and human interest. We should prohibit any form of involvement by corporations, especially foreign and global corporations, in the policy making of international agencies and in national and local politics. (Korten 1997)

Irrespective of the global governance model, business participation in global governance has the potential to be either an unmitigated disaster or, as suggested by Spencer (Inayatullah 1999)the possible catalyst for the next stage of societal evolution.

For those considering proposals for global governance systems, the decision as to what extent, if any, to include corporations and/or business generally in those systems appears to be one that requires careful deliberation. Participants in this study would not welcome such involvement while there are still concerns

regarding business ethics, governance, social, ecological and financial performance and few apparent controls over the corporate sector that would ensure their "good behaviour".

Conclusion

Nation states that have dominated the world stage in the past are losing their supremacy largely due to the power now being exerted by international organisations and businesses. (Denzin 2000; OECD 2001) If the continuing ascendancy of these powerful entities and the proposed partnerships between them are to be considered positive developments in the evolution of a global society, this study suggests some form of systemic balancing act is required, whether by voluntary adoption of global principles, by legislative means or a permutation of the two.

In my view, provided corporations, and businesses generally, take a broader perspective of their role in society, conducting themselves ethically and in a manner that balances social, economic, ecological and intergenerational interests, their involvement in a future global governance system has the potential to provide a number of benefits to society globally. These, I hope, would include addressing some of the intractable problems alluded to in the introduction to this paper.

If, on the other hand, corporations decide to focus purely on profit-making, their involvement in global governance has the potential to be exploitative and potentially dangerous for "the people of the world." Particularly for the people of the less developed world.

Correspondence

Anita Kelleher
Director
Designer Futures
10/116 Central Avenue, Inglewood, WA 6052
Australia
designerfutures@iinet.net.au

References

Anderson, S. and J. Cavanagh. 2000. *Report on the Top 200 Corporations*. Washington, USA: Institute for Policy Studies.

Anon. 1992. *EMUs in the Class War*. Aufheben. Autumn 1992(1).

Bakan, J. 2004. *The Corporation*. New York, USA: Free Press.

Birch, D. 2002. "Corporate Citizenship:From Rhetoric To Core Business." in *Corporate Social Responsibility and Corporate Citizenship: The Big Picture Issues*. Perth.

Britannia. 2000. *Monarchs: Henry VIII* (1509-47 AD). Britannia Gateways.

Clemens, W. 2000. *Alternative Futures AD 2000*. OECD Observer, Paris, (221/222): 106-109.

Denzin, N.K. and Y.S. Lincoln. 2000. *Handbook of Qualitative Research*. 2nd ed.

Dillard, M. and J. Hennard. 2002. "The Approaching Age of Virtual Nations." *The Futurist* 36(4).

Dobscha, S. and J. L. Ozanne. 2001. "An Ecofeminist Analysis of Environmentally Sensitive Women Using Qualitative Methodology: The Emancipatory Potential of an Ecological Life." *Journal of Public Policy & Marketing* 20(2): 201-214.

Dowd, D. 1993. *US Capitalist Development Since 1776: of, by and for Which People?* New York: ME Sharpe Armonk.

Economist. 2002. "Lots of it about : Special Report on Corporate Social Responsibility." *The Economist*. Washington DC.

Falk, R. and A. Strauss. 2002. "Not a Parliament of Dreams." *Worldlink* 15(4): 12(2).

Greenpeace. 2003. *Campaign Against Global Warming*.

Greer, J. and K. Singh2000. *A Brief History of Transnational Corporations, in Corpwatch*.

Hawken, P., A. B. Lovins, and L. H. Lovins. 1999. *Natural Capitalism: The Next Industrial Revolution. London*. UK: Earthscan Publications Ltd.

Heuvel, G.v.d. 1992. "Corporate Crimes in East and West: In Search of 'Collusion'." *Criminology Australia* 3(1).

Hofstede, G. 1991. *Cultures and Organisations*. New York: McGraw-Hill.

Huntingdon, S. 1996. *The Clash of Civilisations and the Remaking of World Order*.

Simon and Schuster.

Inayatullah, S. 1999. *UN Futures and Structural Possibilities of World Governance, World Government, Globalisation and UN Reform*.

_____. 2001. *Islamic Civilization in Globalization: From Islamic Futures to a Postwestern Civilization*.

_____. 2002. *Understanding Sarkar: The Indian Episteme Macrohistory and Transformative Knowledge*. Leiden: Brill.

Jacoby, S. M. 2002. "Corporate Governance and Corporate Responsibility in Japan and the United States." in *Global Business in the 21st Century*. Kyoto International Conference Centre, Japan.

Jasper, W. F. 1992. *Global Tyrany...Step By Step, The United Nations and the New World Order*. Western Islands, USA.

Kincaid, C. 1995. *Global Bondage: The U.N. Plan to Rule the World*. Huntington House Publishers, USA.

Korten, D.C. 1997. "Getting Power back to the People." *The Futurist* 31(3): 20-21.

_____. 2001. *When Corporations Rule The World*. 2nd ed. USA: Koehler.

Newswire. 2003. "Call for Proposals to Promote Civic Engagement in Global Governance." in *Africa News Service*. Lagos.

OECD, 2001. *Governance in the 21st Century*. Paris, France: OECD Publications.

Ruggie, J. G. 2001. "Global Compact as a Learning Network (Global Insights)." *Global Governance* 7(4): 371.

Sardar, Z. 1993. "Asian Cultures: Between Programmed and Desired Futures." in *The Futures of Asian Cultures*, E. Masini and Y. Atal, Editors. Unesco: Bangkok.

Simms, A. 2002. *Five Brothers: The Rise and Nemesis of the Big Bean Counters*. London: New Economics Foundation.

Skrzeszewski, S.2002. *Global Republics - A Meta-Model for Global Governance*. World Futures Society.

Smith, G. 1991. *Reagan & Thatcher: The Balance Sheet*. from Reagan and Thatcher, London: W.W. Norton & Company.

Suzuki, D. and H. Dressel.1999. *From Naked Ape to Superspecies : A Personal Perspective on Humanity and the Global Eco-crisis*. St Leonards, NSW: Allen & Unwin.

59

Szymkowiak, K. 2002. *Sökaiya: Extortion, Protection, and the Japanese Corporation*. New York: M.E. Sharpe.

UKGovernment. 2004. *History of the Monarchy: Kings and Queens of England* (to 1603). UK Government.

Weizsacker, E. v., A. B. Lovins, and L. H. Lovins.1997. *Factor 4 : Doubling Wealth – Halving Resource Use*. St Leonards, NSW: Allen & Unwin.

Appendix

Scenario Abstracts

Terminator 9: Rise of the Corporates

This world is ruled by U.S owned multinational corporations (MNC's). It is a dark world of despair in many regions where people can only escape from starvation, slavery, poverty and exploitation by signing up with the Chinese-led coalition forces fighting the MNC forces. Global governance is provided by a revamped United Nations funded, and to a great extent dominated by, the MNC's. The rate of globalisation slowed as business became wary in the wake of terrorism and wars that occurred in rapid succession in the first two decades of this century. In order to provide conditions conducive to MNC interests, transport and communications restrictions were applied to the common people by their governments and in many areas sweatshop economies emerged. Borders were reinforced. As the USA saw its hegemony increasingly challenged by the growth of China, and more countries reject the US cultural invasion in favour of the wisdom of the East, tensions grew. The US' continual pollution of other countries air, land and water resulted in war between the USA and a China/Middle-East coalition. Corporations own the US forces and enter into profitable deals with the coalition. Corporations also own blood stocks, medicines and the rights to supply, or withhold, body parts.
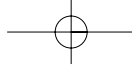
Dances with Wolves:

In this world, "superpowers" no longer exist and corporations have been brought under strict control through worldwide legislative changes. A global threat to ecological systems provided a focus for the four-house governance system, consisting of over 1000 bioregional governments, NGO's, business and individuals, to work together to improve the quality of life for humans. The USA population is now largely of Hispanic and Native Indian origin, the previously dominant Anglo-Saxon culture having declined as a result of falling fertility rates. This world emerged when the rate of globalisation increased considerably and businesses took advantage of the opening up of nation states. An interesting effect of this relaxing of borders was that people became increasingly more protective of their national cultures, and differences within these cultures became more pronounced. Eventually national borders became an item in the history books as bioregions were formed. Corporations, now strictly controlled, were given the responsibility for remediating damaged ecological systems within the new global governance system.
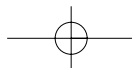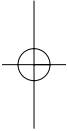
Back to the Future:

This world, ruled by an elite expressionless form of conservative, white, right wing male, is dominated by money almost to the exclusion of every other interest. Global governance is the province of the world's most powerful economies: a combination of multi-national corporations (MNCs) and larger industrialised countries. The composition of the system is 80% MNCs and 20% countries. The rich are getting richer, the poor are getting poorer and no one is listening to those who have no money. Cultural and ideological clashes occur but repeated acts of terrorism against major financial interests globally go largely unheeded as the money-owners behind the corporations simply move elsewhere. Regional economic alliances are formed. The rate of globalisation is steady, almost mechanical, as businesses systematically exploit one market at a time. Eventually some corporations adopt a corporate citizenship philosophy where it can be demonstrated that this adds to the financial bottom line.
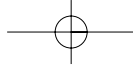
Paradise Found:

This is a world of social and cultural freedoms and "voluntary order" where global governance issues are managed through a Network of Global Republics (NGRs). Corporations no longer exist in their traditional form and global business networks are using their expertise in logistics, supply chain management and cross-cultural communications to benefit the various republics and local communities in which they operate. The rate of globalisation has increased facilitated by exciting breakthroughs in communications and transport technologies. A Planetist philosophy prevails. People self-identify and are free to associate with others of similar beliefs, interests and lifestyles. They are free to travel the world, settling where they choose. Cultural differences are celebrated and diversity valued. Whilst there were some challenges to overcome in introducing the Global Republics mode of governance, including severe economic peaks and troughs in some areas, the global economy is now relatively stable. The gap between the "haves" and the "have-nots" is narrowing and a more contented populace is gradually settling down into a peaceful world.