

**imagine**  
a world ruled by  
**transnational**  
**corporations**



From the Congregation Justice Committee ~ Sisters of the Holy Cross



## Imagine a world ruled by transnational corporations...

- Any law impinging on the corporate “bottom line” would be vulnerable to repeal. Human rights sanctions, labor laws, consumer protection statutes, environmental safeguards could all be eliminated.
- Local businesses everywhere, *whatever their size*, would be forced to compete with transnational giants on an equal footing.
- Local, state, provincial, and national governments could be sued by corporations — compelled to pay “damages” and to overturn laws that protect their citizens from corporate exploitation.

This is a world of unregulated corporate power and influence.

**This is the world of the MAI!**

## What is the MAI?

The Multilateral Agreement on Investment (MAI) is an international commercial treaty which has been under closed-door negotiation since 1995. Developed by the 29 wealthy nations that make up the Organization for Economic Cooperation and Development (OECD), this pact would give global corporations unprecedented power and would be legally binding for all nations signing it.

The MAI was successfully negotiated in secret until January 1997 when its provisions were leaked onto the Internet. Until then, few people outside elite government and international business circles had even heard of the MAI. The world’s major corporations were well aware of it, however, and were vigorously promoting its passage behind the scenes.

Since 1997, an international coalition of NGOs (non-governmental organizations), labor, environmental, religious, and community organizations has been working to inform citizens about the dangers inherent in the MAI and to defeat it, once and for all.

## What would the MAI do?

The MAI is, in its most basic form, a “bill of rights” for transnational corporations. It would create strongly enforced, legally binding rules limiting the right and ability of sovereign governments to regulate foreign investors and corporations. Specifically, the MAI would:

- Empower foreign corporations and investors to sue governments in special MAI tribunals whenever they believe benefits guaranteed by the treaty have not been received.
- Require governments to compensate corporations for legislation which might limit profits. This would include human rights protections, environmental controls, labor laws, public health regulations, and consumer protection standards.
- Prevent governments from promoting local businesses by requiring that foreign corporations be treated at least as favorably as domestic companies.
- Require countries to treat all foreign corporations and investors in the same manner, thus blocking the use of human rights, labor, or environmental standards as investment criteria.
- Stop governments from requiring foreign corporations to meet specified beneficial conditions such as
  - maintaining long-term investments in communities,
  - using recycled or domestic content in manufacturing,
  - hiring local workers, or
  - paying a minimum/living wage.

The MAI would radically undermine the ability of democratic governments to control their own economic, environmental, and social policy. Its provisions could prevent not only national, but also state and local governments in all signatory countries from passing legislation that would benefit citizens and protect the environment. And all countries signing the MAI would be legally bound to its obligations for a minimum of 20 years!

## Who wins and who loses under the MAI?

The only winners in an MAI-world are transnational corporations and investors. Under the MAI as currently proposed, they would be virtually unaccountable for any investment-related actions in the global arena. Their “right” to increase profits at nearly any cost would be legally guaranteed.

And who are the losers? Democratic governments, the environment, and people throughout the world all stand to lose because

***The MAI imperils human rights.***

The MAI would elevate the rights of corporations and investors over individual human rights. It would also allow corporations to forge business relationships with governments that systematically violate human rights without any possibility of prohibitions or sanctions.

***The MAI undermines advances made by women and other marginalized groups.***

The MAI would directly attack policies and programs designed to equalize opportunities for women and other marginalized peoples. This would include “equal pay for equal work” laws, policies promoting minority hiring, and specially targeted subsidies, credit programs, and grants. Small, minority-owned businesses would also be forced to compete on equal terms with giant transnational corporations.

***The MAI weakens the position of organized labor.***

The MAI would establish and consolidate extensive rights for investors and corporations while curtailing or eliminating existing labor protections. The MAI would also facilitate global corporate mobility which, in turn, would undercut wage and labor standards and the ability of unions to organize.

***The MAI endangers the economic development of the world's poorest countries.***

The MAI would hamstring attempts of developing countries to limit foreign ownership of strategic industries and resources such as land, oil, and minerals. In addition, the MAI would hold developing countries financially liable for investment losses due to war, states of emergency, and “civil disturbances” such as strikes, protests, and boycotts.

***The MAI threatens national sovereignty.***

The MAI would empower foreign corporations to sidestep national governments and make vital policy decisions in their own interest. If the MAI is adopted, governments could become virtually powerless to protect citizens and resources from corporate exploitation, and decisions made by citizens through democratic processes could be nullified by corporate maneuvers. Not surprisingly, the MAI has been described as a “coup d’etat against democratic governance.”

**The proposed MAI is the final pillar in a system designed to promote unregulated economic globalization. In clear violation of Catholic Social Teaching, the MAI gives precedence to marketplace values over values of social and economic justice, priority to profits over people and the earth.**



## What can we do?

- **Join the growing international anti-MAI movement.** National and international campaigns have been very effective in bringing the dangers of the MAI to light. Significant victories have been won, including the defeat of MAI-like provisions in the revised IMF Charter and in legislation regarding U.S. fiscal policy. Get in touch with the organizations on the back panel to learn more about the MAI. Add your voice to those opposing MAI and its global implications.
- **Contact government officials.** Let your government officials know that you strongly oppose the MAI and the MAI-like provisions that are beginning to appear in other arenas (e.g., World Trade Organization Rules, GATT negotiations, proposed U.S. trade and fiscal legislation). Ask them what they know about the MAI and its implications for your country. Ask what they are planning to do about the MAI. If you are a U.S. citizen, contact your Senators, Congressional Representative, State Attorney General, and state legislators. Specifically ask your Senators NOT to ratify the MAI should it ever reach the U.S. Senate.
- **Involve your community.** Share this information with friends, co-workers, and local community groups. Ask them to pass it along through their networks and contacts. Together you can write letters to local newspapers, place action-oriented articles in newsletters and church bulletins, lobby your elected officials, organize press events, and host public debates.
- **Respond to Congregationally-sponsored actions to defeat the MAI.** Watch for more information and action suggestions on the MAI in Congregational publications.
- **Contact the Sisters of the Holy Cross Congregation Justice Coordinator** for more MAI action suggestions.  
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### Sources:

*MAI: Democracy for Sale?* Published by the Ad Hoc Working Group on the MAI in association with the Apex Press, New York. 1998.

Public Citizen's Global Trade Watch publications  
(<http://www.citizen.org/pctrade/MAI>)

Backgrounder on the MAI

Everything You Wanted to Know About the MAI

MAI and Human Rights

Oblate Conference Justice and Peace Office, Paper on the Multilateral Agreement on Investment, May 1998.



## Resources

The following groups have useful educational resources on the MAI. Contact them and get involved!

### **Public Citizen's Global Trade Watch**

215 Pennsylvania Avenue SE  
Washington, DC 20003  
Tel: (202) 546-4996  
Fax: (202) 547-7392  
E-mail: [mstrand@citizen.org](mailto:mstrand@citizen.org)  
<http://www.citizen.org>

### **The Preamble Center for Public Policy**

1737 21st Street NW  
Washington, DC 20009  
Tel: (202) 265-3263  
Fax: (202) 265-3647  
E-mail: [preamble@preamble.org](mailto:preamble@preamble.org)  
<http://www.preamble.org>

### **Third World Network**

228 Macalister Road  
10400 Penang  
Malaysia  
Tel: 60-4-373-511  
Fax: 60-4-368-106  
E-mail: [tw@igc.apc.org](mailto:tw@igc.apc.org)  
<http://www.twinside.org.sg>

### **Friends of the Earth**

1025 Vermont Ave., NW, Suite 300  
Washington, DC 20005-6303  
Tel: (202) 783-7400  
Fax: (202) 783-0444  
E-mail: [FOE@foe.org](mailto:FOE@foe.org)  
<http://www.foe.org/ga/loot.html>  
(Provides international NGO contacts,  
including Mexico, India, and Ghana)

### **MAI-Not! Project**

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Ottawa, Ontario K1S 5B6 Canada  
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E-mail: [opirg@carleton.ca](mailto:opirg@carleton.ca)  
<http://www.mai.flora.org>



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