

## **The power of Transnational Corporations.**

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Last decades have been occupied by crucial events which mark a new time: the time for the Empire of Transnational Corporations, TNC's. Those corporations have taken this role within the framework of the following phenomenon we highlight: (i) Collapse of the Soviet Union, that only meant a wrong attempt to socialism. (ii) Disappearance of the **Welfare State**. (iii) Decline of the role of the United Nations as controlling organism of international affairs and (iv) the emergence of the unilateralism imposed by the United States and, simultaneously, the empowerment of the dogmatism of the market, and trade rules as regulators of policies and social relationships.

In this context, TNC's are positioned in the middle of the concerns of both, the environmental and labouring world. The reasons are mainly the following:

1. In the peak of planet inequity are TNC's. The growth of TNC's businesses in the last decade contrasted with the growth of misery. In 2001, TNC's, **with 54 million workers in their overseas branches, sold 19 billions???** dollars. This figure is higher than the total exports of the world. Of these exports, TNC's themselves took a third part. Telecommunication group Vodafone, from the United Kingdom, General Electric and EXXON - MOBIL, from USA, represented in 2000 more than a half of the total world sales and the number of jobs of overseas branches. And if we add to those three corporations Vivendi, General Motors, Shell and British Petroleum, the total national and overseas sales were 868.880 millions in 2001. At that time, the value of the FOB exports of goods, at average prices, for 25 countries of Latin America and the Caribbean were 357.134 million dollars, equivalent to almost a third of the whole sales of the biggest seven corporations. Certainly, these companies are economically more powerful than many countries altogether. It would be shameful to compare these figures with those of Africa.

The enormous wealth and power concentration of a tiny little group of transnational companies and their owners is very obvious. TNC's multiply their profits by domination and appropriation of three means: biological and geologic diversity which include the whole planet, global work force, and the development of every time smaller and more immaterial technologies.

2. Recent proving of inappropriate countable and financial management by some of the big corporations, particularly from North American. Questioning to these corporations is notorious everywhere, and not for free: to Enron because of corruption; to Occidental due to the destruction of Uw'a culture and their direct participation in Colombian war, which was demonstrated in the case of the village of Santo Domingo where private aircrafts were used to guide a bombing operation that affected civil population; to Coca Cola because of its support to human rights violations; to Shell for environmental damage in the delta of the river Niger and for massacres of local tribes; to Monsanto and Novartis for the use of Genetically Modified Organisms and Glifosato fumigation in the Colombian Amazonia; to Ford and Firestone for low quality products; to Nike for its pro-slavery work in Asia; in general to the oil industry as causative of global warming; to the Spaniard Unión Fenosa for the violation to energy consumers rights; and so on.

3. Increasing power of corporations in the definition of global policies in both commercial and United Nations spheres, which before were reserved only to nations. These facts are proven in the importance of TNC's role in commercial agreements of the OMC and the Global Compact and the weakness of Protocols of Kioto and Biodiversity in addition to other multilateral scenarios, due to the capacity of incidence and coercion of the TNC's in these groups of decision.

Corporations control strategy of global market combines different types of instruments, amongst them: the Global Compact, Kofy Anan's enterprise who claims for a less excluding and unsustainable economy regarding the impacts of globalisation. However, we are afraid that multilateral organisms can not reach beyond the *Green Wash* or the *Blue Wash* which just would reduce environmental impacts without stopping concentration and economic polarisation. We recognise that there is a tendency of some TNC's to divulge their information, without modifying their orientations and policies. These calls can stay, and it seems that they have stayed already, in fruitless calls for cleaner production and a reduction of operative costs, without any deepening in respect to human rights and in economic and ecological justice.

4. The main role that TNC's have and have had in current environmental and social frictions. Examples are everywhere. Let us mention some:

- ✍ It is known that TNC's, most of them North American, control 85% of the world food market and have caused a commercial war for the control of production and distribution, which affects the food sovereignty of the nations that are subjected to buy and trade transgenic products. Meanwhile so-call junk food, made in USA, is a national plague. In the book *What Are We Feeding our Kids*, Workman Publishing, New York, 1994, it is pointed out that companies like Mc Donald's sell cholesterol rich products, animal proteins, salt, sugar and chemical preservatives that cause a higher tendency to obesity, hypertension, hyperkinetic, gastrointestinal and cardiovascular illnesses, and even some types of cancer. In the rank of the 10 worse food for children sodas, chips and hamburgers are included -in fact the three items of Mc Donald's happy boxes. Nevertheless this company seeks to finance campaigns for child health with the revenues of its products.
- ✍ In Ecuador, peasants and natives waited for 10 years after they sued Chevron-Texaco on a court of New York so that the judge arranged an Ecuadorian court to take the case. Communities were victims during several years of oil activities with neither control nor protection, which leded to serious environmental and health damages. Huge extensions were destroyed and polluted, and amazon indigenous towns were exterminated and impoverished.
- ✍ Recently in Peru, the Constitutional Tribunal, acting according to the laws that allow regional authorities to look after the environment and the autonomy and the sovereignty of the nation, prevented the company Yanacocha (Newmont) to expand its activities in Cerro Quilish. This mining concession was a long debated topic amongst authorities of the State, local government and Cajamarca population for which Cerro Quilish is their main source of water.
- ✍ In some other places TNC's has generated problems, certainly not less painful. Recently, Europe have lived the biggest disaster ever seen. A badly conditioned oil tanker ,belonging to the most convenient flag, collapsed in the Spanish coasts. The owner of the oil was a Swiss company called Crown Resources that

hides the real owner, a Russian company from the Alphe Group, presided by Mijail Gorbachov, and from which Vladimir Putin is a former employee. These events bring to our minds the date December 3, 1984 when, at Bopal, India, the Union Carbide Corporation released a chemical component used in the production of pesticides. Thousands of people died and many others still show effects of the collateral damage of this release.

- ✍ More recently, a study on cotton-Bt in commercial plantations in Colombia showed the negative impacts of this crop, which started in 1997 and includes 35% of the total cotton area of the country. However, Colombian government still refuses to understand the risks of this situation and authorised the commercial launch of the same genetic material a few days ago. Monsanto company, the same company that provides the chemicals used to fumigate the Colombian rainforest trying to get rid of coca and poppy crops, is behind this deal.
- ✍ At the same time this is happening, Greenpeace denounced the danger of the so-called “*Transgenic Pharma-Crops*”. In Nebraska (United States), November 21 2002, two cases of human and animal consumption restricted transgenics were discovered. Consumer and environmental organisations demanded to the Government prohibition of them. There are no rules in USA which still regulate transgenic production for industrial use in rice, wheat, corn and barley, which risks people’s health and the environment itself. These transgenic “*Transgenic Pharma-Crops*” comes from ProdiGene, a biotechnical company based in Texas that already has a similar background.
- ✍ In December 2002, it was known that a Nicaraguan judge, Mr. Helliker, ordered some USA companies to pay \$490 million dollars as a compensation to the collateral effects of the use of Nemagon pesticide on the health of its workers. This fine relapsed on Dow Chemical, Shell Oil Co. and Standard Fruit Co. which used Nemagon in its banana tree plantations since 1998.
- ✍ In 2002, USA government requested the Congress 100 million dollars in order to fit out a brigade of the Colombian Army which nowadays is exclusively dedicated to protect Caño Limón-Coveñas pipeline, used by USA transnational Occidental, and for which exploitation Colombia receives royalties. Colombia is in the eye of the storm, as demonstrated in the United Nations Defense of human rights High Commissioner's 2003 report on Colombia. In Colombia “*union leaders continued to be victims of murdering, threats, attacks and forced disappearances; most of those denouncements remain in impunity. According to the Central Unitaria de Trabajadores (CUT), from 1<sup>st</sup> January to 15<sup>th</sup> October 2002, 118 union leaders were killed, 18 were victims of attacks and 32 were kidnapped or forcedly disappeared*”. In Colombia, multilateral organisations actions have been tested, free trade agreements and new rules of global trade are experienced, and TNC’s anti-union leaders operations have been legitimated. Within the context of social and political conflict, physical elimination processes of political opposition and social leaders has been undertaken. Many of these cases are framed by TNC’s operations, as denounced by union organisations.

5. The great political inference of TNC's which, one could say, dictate dispositions to the governments to protect their interests, is evident in Colombia as well as in Iraq. In order to maintain a global system where economic power is held in few countries, few Corporations and very few hands, a militarised global system is required. Military industry is the one called to get the benefits from the adjustment of economic, political and social disorders.

As verified in plenty of figures, the extraordinary magnitude of mobilisation of economic resources made by TNC's in the last decades did not bring any improvement to economic stability of the majority of the Planet. The economic growth of these corporations is not accompanied by social responsibility, because it is inherent to accumulation and erosion of life. That is the reason for poverty to grow hand by hand of the revenues of the big corporations. As transnationals increase their economic power, they subtract political power to the nations.

Economic and political power of TNC's brings the deepening of wealth disparity, impoverishment of work conditions, corruption, pollution, health and productive process damages, staff reductions which affect many workers in the world, violation of human rights and, moreover, protests and detention as we witnessed in 1999 at Seattle, USA, during the WTO conference.

That is the reason why organisations like ours, group together in order to look for solutions leading to alter the behaviour and perspective of TNC's and their parts, so that respect to Human Rights can be guaranteed and our societies can take the road to sustainability, justice and equity. This is the essence of our task and our compromise.

