

United Nations Meeting: Time to stop big corporations from ruling the world

Tuesday 24 October 2017, by [Global Justice.org](http://GlobalJustice.org), GUERRERO Dorothy Grace (Date first published: 24 October 2017).

The Third Session of the United Nations Meeting on the Binding Treaty on Transnational Corporations and Human Rights is taking place in Geneva from 23 - 27 October 2017.

Social movements from around the world are in Geneva this week to push the United Nations to adopt a binding treaty on corporations and human rights. Dorothy Guerrero explains why it is a crucial fight.

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From the richest countries to the very poor ones, big corporations that operate in multiple countries (the transnational corporations or TNCs) have huge influence over people's lives, the environment and even their democratic processes. Helped by the terms of trade treaties, TNCs now even have their own special access to the 'law', and can bring governments to special courts if a government's action threatens their profits.

Over the years, TNCs have steadily acquired more and more power. Their co-optation of governments allowed them to change the rules of taxation to enable them to avoid their taxes which are vital to our ability to create a fairer society. They have huge power in the media and therefore influence the information we receive, structuring the way we think and how we view the world. Most important, they exercise excessive influence in national policy, as well as in global decision-making.

Advanced economies like the UK are home to many of the richest, biggest and powerful corporations that operate right across the world. According to Fortune Global 500's 2017 list, the following are the ten biggest UK TNCs in terms of revenues:

1. BP - \$186,606m
2. Legal and General Group - \$105,235m
3. Prudential - \$96,965m
4. HSBC Holdings - \$75,329m
5. Aviva - \$74,628m
6. Tesco - \$74,393m
7. Lloyds Banking Group - \$65,208m

8. Vodafone Group - \$58,611m

9. Unilever - \$58,292m

10. SSE - \$37,813m

Last year we highlighted that the revenues of big corporations are often bigger than the gross national product of developing (or even developed) countries [see below].

Although the UK has higher social, labour and environmental standards than many developing countries, we also experience some of the impacts that affect poorer countries in terms of corporate influence. As one example, without parliamentary oversight the new trade treaties that the UK signs after Brexit could chip away at our public services and impact on our right like access to health services and medicines [1].

Impacts of Transnational Corporations in Poor and Developing Countries

The level of impunity for TNCs in developing countries is already deep. By granting transnational corporations and industry further rights over community lands, water, and natural resources through bilateral investment treaties and lease agreements, big corporations are increasing their powers. This violates the rights of both their workers and local communities and pollutes the environment without regard to the future. In collusion with local authorities, big corporations often deny workers their human rights and dignity by paying very low wages, make them work long hours and neglect their duty in providing protection for worker's health and benefits for old age.

Why do governments let this happen and why do they accept the 'race to the bottom' which is often built into global trade and investment regimes? Why do they enter into trade and investment treaties that allow corporations to bring them to special courts, while there is no equivalent mechanism for states or affected communities when foreign corporations violate national laws and people's rights?

State officials often view corporate investment as an opportunity to increase national income through the extraction of raw natural resources, energy production, and the large-scale cultivation of food commodities for export. This perspective creates conflicts and perpetuates the idea that money is more important than people, culture, tradition or laws.

Foreign investment is equated with development and those who oppose TNCs are deemed anti-development. This characterisation gives states and corporations the license to threaten, intimidate, and even commit violence against activists, trade unions, indigenous populations, environmentalists, right defenders and farmers, that challenge foreign corporations. Those protecting their rights are portrayed as opponents only of the companies, but also of their own governments.

The Need for a Universal and Binding Treaty on TNCs and other Big Business

Last year, we approached the UK government backed by 90,000 signatures from citizens to encourage the UK government to support the efforts to establish a binding UN Treaty on TNCs. Traditionally the UK has played an obstructive role - often opposing the need for such a treaty. We are now calling on the UK to join other governments that are trying to end the criminalisation and violence of those who are defending their rights against corporate power and impunity.

In March this year, the French parliament legislated a law on the 'duty of vigilance' of parent and

subcontracting companies, which could serve as a major step forward in the fight against the impunity of transnational corporations worldwide. This was brought about by years of tireless campaigning by French campaigners. It is the first law which recognises the legal responsibility of transnationals towards the behavior of their subsidiaries, subcontractors and providers in cases of environmental and human rights abuses. The law is a very positive development in a country that has many TNCs that are operating in developing countries. It shows the need to go further with an international binding treaty.

From October 23 to 27, hundreds of human rights defenders, trade campaigners, environmentalists, indigenous peoples, women's organisations and frontline communities fighting extractive industries, are in Geneva to press for the next stage in the ongoing process of crafting a binding treaty to make TNCs accountable for their wrongdoings and protect human rights. The draft treaty, which will be discussed at the UN, represents a unique opportunity to produce a global and a stronger version of the French law. It is also a historic moment for governments to prove that they value people's lives and the health of our planet as more important than rich corporations.

Dorothy Grace Guerrero, 24 October 2017

10 biggest corporations make more money than most countries in the world combined

Monday, 12 September, 2016

69 of top 100 economic entities are corporations not countries

Walmart, Apple, Shell richer than Russia, Belgium, Sweden

British government told: stop supporting your corporations, support your people
Corporations have increased their wealth vis-à-vis countries according to new figures released by Global Justice Now. The campaign group found that 69 of the world's top economic entities are corporations rather than countries in 2015*. They also discovered that the world's top 10 corporations - a list that includes Walmart, Shell and Apple - have a combined revenue of more than the 180 'poorest' countries combined in the list which include Ireland, Indonesia, Israel, Colombia, Greece, South Africa, Iraq and Vietnam.

The figures are worse than last year, when 63 of the top economic entities were corporations. When looking at the top 200 economic entities, the figures are even more extreme, with 153 being corporations.

Global Justice Now released the figures in order to increase pressure on the British government ahead of a UN working group, led by Ecuador, established to draw up a binding treaty to ensure transnational corporations abide by the full range of human rights responsibilities. Campaigners are calling for the treaty to be legally enforceable at a national and global level. Britain doesn't support the process, and has repeatedly vetoed and opposed such proposal in the past.

Nick Dearden, director of Global Justice Now, said:

"The vast wealth and power of corporations is at the heart of so many of the world's problems - like

inequality and climate change. The drive for short-term profits today seems to trump basic human rights for millions of people on the planet. These figures show the problem is getting worse.

“The UK government has facilitated this rise in corporate power – through tax structures, trade deals and even aid programmes that help big business. Their wholehearted support for the US-EU trade deal TTIP, is just the latest example of government help to big business. Disgracefully it also routinely opposes the call of developing countries to hold corporations to account for their human rights impacts at the UN. That’s why today we’re joining campaigns from across the world to tell the British government to stop blocking this international demand for justice.”

>>> *Check out the full list comparing the revenues of countries and corporations:*

http://www.globaljustice.org.uk/sites/default/files/files/resources/corporations_vs_governments_final.pdf

>>> *Read our campaign briefing:*

http://www.globaljustice.org.uk/sites/default/files/files/resources/controlling_corporations_briefing.pdf

* These figures have been taken from a direct comparison of the annual revenue of corporations and the annual revenue of countries. Sources: CIA World Factbook 2015 and Fortune Global 500.

Global Justice.org

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<http://www.globaljustice.org.uk/news/2016/sep/12/10-biggest-corporations-make-more-money-most-countries-world-combined>

P.S.

* <http://www.globaljustice.org.uk/blog/2017/oct/24/time-stop-big-corporations-ruling-world>

Footnotes

[1] <http://www.globaljustice.org.uk/campaigns/trade>