

# Reducing the impact of Trans-National Corporations on non-communicable disease: the nutcracker effect

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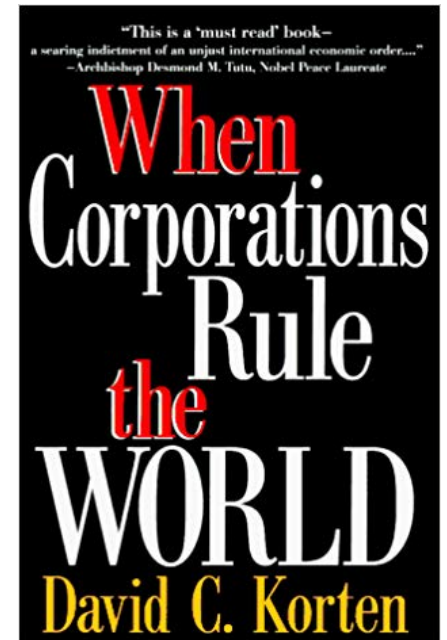
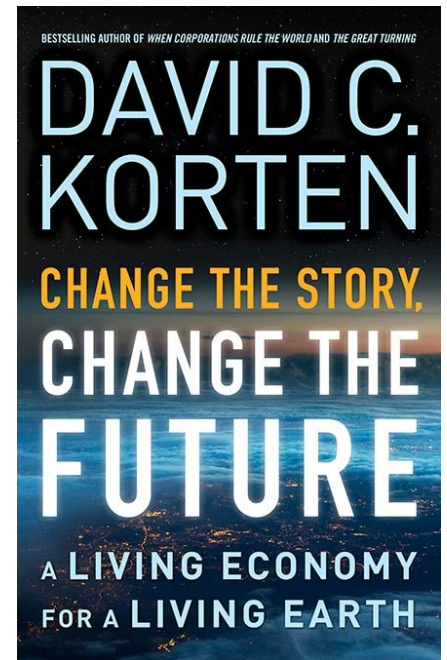
# Scale of transnational corporations

- In 2015 of the world's largest 100 economies 31 were countries and 69 were corporations (World Bank Group, 2016).
- Value of the top 10 corporations is US\$285 trillion, equal to combined value of the economically smallest 180 countries (Global Justice Now, 2016)
- TNC operations are facilitated by a neoliberal policies and a global trading regime that operates in their favour



# The New Feudal Overlords

- TNCs ruling world like feudal overlords
- Obsession with economic growth (which fuels TNCs and unhealthy consumption and extraction)
- Ignores the fact that “humans are part of an interconnected web of life – dependent for our well-being upon one another and the living earth” (Korten)





2,208 Billionaires

Together they have US\$9.1

Trillion in wealth

# THE 2018 LIST



#1 Jeff Bezos



#2 Bill Gates



#3 Warren Buffett



#4 Bernard Arnault & family



#5 Mark Zuckerberg



#6 Amancio Ortega



#7 Carlos Slim Helu & family



#8 Charles Koch



#8 David Koch



#10 Larry Ellison

# Unequal world

- Jeff Bezos – richest man in the world
- Amazon
- Net worth US 150 billion
- (1 billion = one thousand million)

- **Malawi:** mean wealth US\$114

Bezos's wealth is equivalent to that of  
**8,771,930** Malawi people



# Force for health...???

- Provide: essential medicines, resources, cheap food
- Employment
- Fuel the economy (if you accept Korten's great growth con)
- Corporate social responsibility

# Or force fuelling NCDs .....

- Adverse health and environmental impacts: eg unhealthy food, impact of extractive industries, occupational injury
- Advocate against public health and environmental legislation and policy
- Influence and shape international trade and investment
- Avoid Tax and so reduce funding for public good by restricting Governments' fiscal space for education, health, environmental protection, social welfare
- Discourage trade unions so reduce empowerment and control
- Corporate practices that frustrate their customers

Some examples from  
research on health impacts  
of Rio Tinto and McDonalds

.....



# Rio Tinto's political and business practices

- Pays US lobby groups US\$1.2million annually (Center for Responsive Politics, 2017)
- Differential injury rates depending on national laws
- Australian lobbying helped overturn Mineral Resources Rent Tax ('mining tax') with estimated loss of revenue of Au\$6.5 billion over forward estimates
- Lobbying maintains fuel subsidies costing taxpayers Au\$4.5 billion p.a. (ATO, 2016; ABC News, 2014)
- Member MCA and BCA with executives on both boards. BCA facilitates client access to the policy making process (BCA website)
- Identified conflicts of interest in links to universities (The Australia Institute, 2007; Fossil Free Universities & 350 Australia, 2017)
- ATO investigating both Rio Tinto and BHP concerning profit shifting through Singapore (Khadem, 2016; Aust Financial Review, 2018)

# Widespread critique of McDonalds marketing and 'philanthropy'



From "Clowning Around with Charity: How McDonald's Exploits Philanthropy and Targets Children"

## Example

Only twenty percent of the cost of Ronald McDonald's Houses comes from McDonald's and the other eighty percent is raised elsewhere

# McDonald's products

- High levels of, sugar, saturated fat and sodium contributing excess energy leading to overweight or obesity
- Risks for chronic diseases - diabetes, cardiovascular disease, high blood pressure, osteoarthritis, some cancers. Saturated fat is associated with raised cholesterol and heart disease



( Mehta, K, 2016, citing WHO 2003, WHO 2016, ABS 2015, ABS 2013; Brownell et al. 2015; AIHW, 2014)





# Diabetes is shaped by global TNC forces

Previous UN Secretary-General Ban Ki-moon on World Diabetes Day Nov 2013 “the condition is largely driven by unhealthy lifestyles, which are due to the globalization of marketing and trade of unhealthy food...”



# Existing weak regulation

- Range of discretionary guiding principles, norms, fiduciary obligations, corporate responsibility measures e.g. OECD Guidelines for Multinational Enterprises, UN Global Compact
- Lack mandatory and verifiable reporting systems; mechanisms for monitoring corporate activity and compliance on an ongoing basis; and enforcement mechanisms effective beyond national boundaries
- Varies between countries: e.g. Rio Tinto rates of occupational injury between Australia and South Africa
- **Contrasts with legally binding trade regimes of World Trade Organisation and IMF**

# **Some suggestions to create global governance regime**

- **Regulation:**
  - **Formal, enforceable international agreements**
  - **Revision of international/national laws**
- **Improved monitoring of TNC activity**
- **Ensuring conflicts of interest are reduced**
- **Regulatory support for alternative economic forms to TNCs**
- **Intensify civil society and other advocacy for fair economy**



# Formal, enforceable international agreements/revision of laws

EN ES PT FR

**DISMANTLE CORPORATE POWER**



**AND STOP IMPUNITY!**

RESOURCES PEOPLES TREATY BINDING TREATY (UN) PERMANENT PEOPLES TRIBUNAL

f

WHO WE ARE CALL TO



**STOP THE PLUNDER**

SEARCH

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GLOBAL MOVEMENT FOR A BINDING TREATY  
MOVIMIENTO GLOBAL POR UN TRATADO VINCULANTE

[#StopCorporateAbuse](#)  
[#BindingTreaty](#)

<http://www.treatymovement.com/>

SIGN THE NEW STATEMENT



We call States to participate actively in upcoming negotiations of the international treaty to ensure protection of human rights from the activities of transnational corporations and other business enterprises

THIS STATEMENT IS ALSO AVAILABLE IN  
SPANISH, FRENCH, ARABIC, PORTUGUESE, BAHASA, HUNGARIAN A



# Tax justice

- Shut down tax avoidance strategies by TNCs and very rich
- Use progressive taxes to redistribute wealth
- Promote taxes as necessary for public goods and services vital to health



Embargoed until 6am, Monday 25 November

**SACOSS launches "pro-taxes" campaign:**  
*Without taxes, vital services disappear.*

SACOSS will today launch a campaign in the lead up to the state election, highlighting the threat posed by declining government revenue and calling on all parties to commit to restoring revenue to pre-GFC levels.



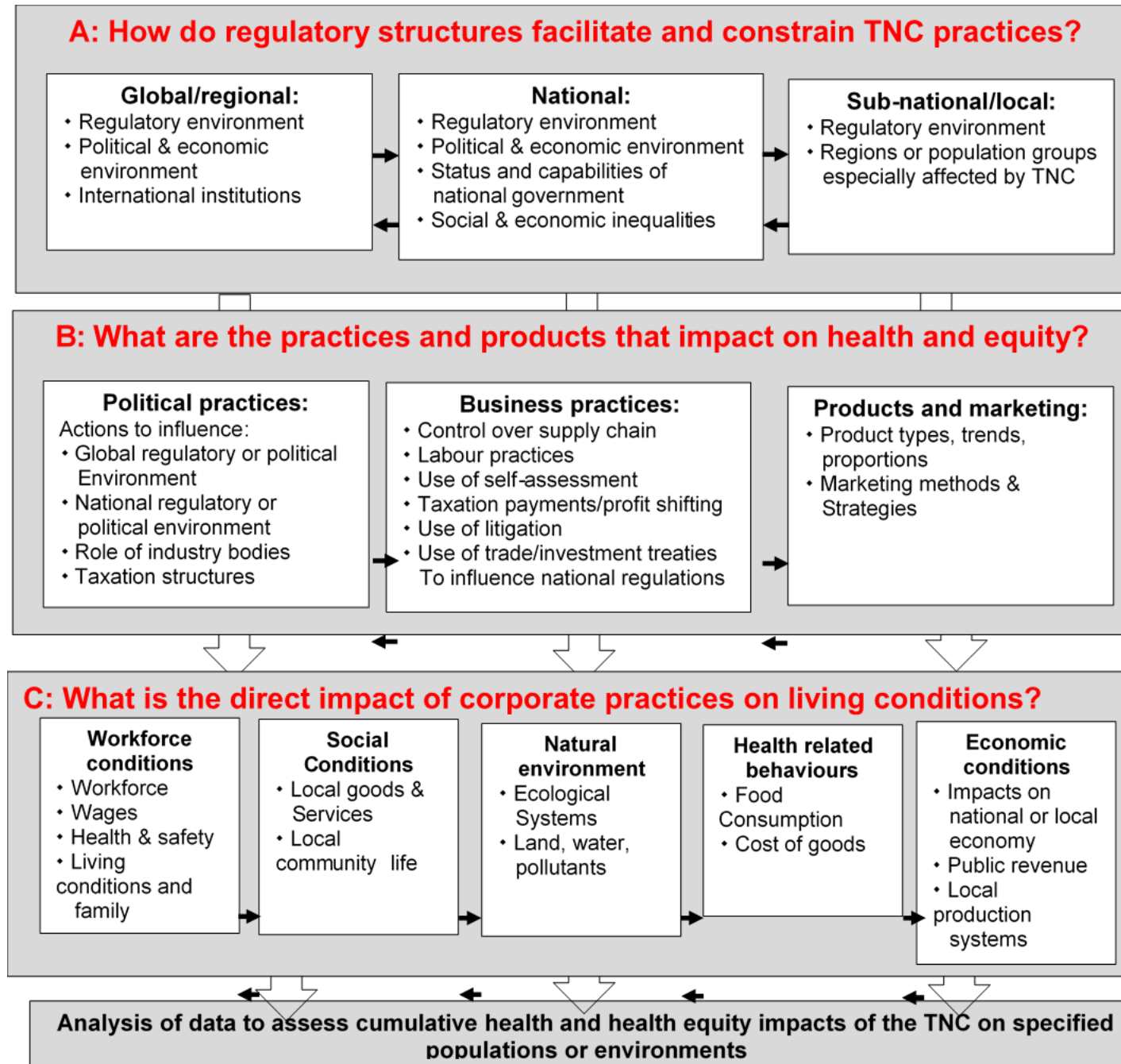
# Improved monitoring of TNC activity

- Improved internal auditing of TNCs (e.g. abolishing artificial structures that enable tax avoidance)
- Auditing of corporate social responsibility initiatives
- Mandatory corporate health impact assessment
- Government inquiries into business practices with recommendations for and implementation of improved regulation e.g. Australian Banking Royal Commission



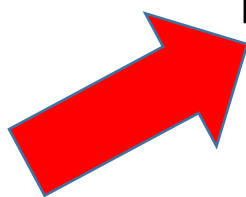
# Framework for Corporate Health Impact Assessment

(Baum et al, Globalisation and Health 2016)





Mental health and other  
NCD impacts as a result of  
bank malpractice



**BEEN RIPPED OFF  
BY A BANK?**

Click here to tell your story to the  
Banking Royal Commission.



## Banking royal commission: all you need to know – so far

The inquiry into banks and financial services firms has revealed malpractice that in some cases has ruined lives

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### What have we found out so far?

We've heard evidence of appalling behaviour by Australia's major banks and financial planners from the past decade, including **alleged bribery**, forged documents, repeated **failure to verify customers' living expenses** before lending them money, and misselling insurance to people who can't afford it.

In this week's hearings, AMP admitted to **lying to regulators**, and the Commonwealth Bank admitted some of its financial planners have been **charging fees to clients who have died**.

AMP's chief executive became the first high profile casualty of the commission **announcing he was standing down from the company** with immediate effect.

# Need to regulate free markets – there is no benevolent free hand

What we have seen this past fortnight with the banking royal commission . . . is what happens when so-called free markets operate without, or with no fear of, regulatory control. There is no benevolent invisible hand leading companies to produce optimal outcomes for the economy—merely a hand that drives action towards higher profits at whatever cost” (Jericho, 2018 The Guardian)







## Royal Commission

into Misconduct in the Banking, Superannuation  
and Financial Services Industry

# Put people 's health before profit

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The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established on 14 December 2017 by the Governor-General of the Commonwealth of Australia, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd).

The Governor-General issued Letters Patent which formally appoint the Royal Commissioner and outline the Terms of Reference for this inquiry.

The Commissioner, the [Honourable Kenneth Madison Hayne AC QC](#), submitted an interim report to the Governor-General on 28 September 2018. The report was tabled by the Government on the same day (28 September 2018) and is available on the [Interim Report](#) page.

[Public submissions in](#)

### *Why did it happen?*

Too often, the answer seems to be greed – the pursuit of short term profit at the expense of basic standards of honesty. How else is charging continuing advice fees to the dead to be explained? But it is necessary then to go behind the particular events and ask how and why they came about.



## Interim Report

Royal Commission into Misconduct in  
the Banking, Superannuation and  
Financial Services Industry

# Government Scrutiny impacts on Corporations

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Now reading: AMP slashes dividends after profits crash



Friday

January 25, 2019

## AMP slashes dividends after profits crash

### BUSINESS

AMP has flagged a 96 per cent drop in full-year profit and a drastically smaller final dividend after confirming it will set aside another \$200 million to cover the cost of customer remediation related to issues heard at the banking royal commission.

# Ensuring conflicts of interest are reduced

- Restrict employment of former politicians and public servants in TNCs using insider knowledge for corporate benefit
- Transparent registration of lobbyists to governments and international organisations (industry organisations)
- Prevent “front” NGOs
- Strict restrictions on political donations
- Scrutiny of donations to University and research institutes

# Regulatory support for alternative economic forms to TNCs

- Split up and reduce size of TNCs (like US anti-trust legislation of early 20<sup>th</sup> century)
- Support small and medium sized enterprises
- Support co-operative forms of ownership

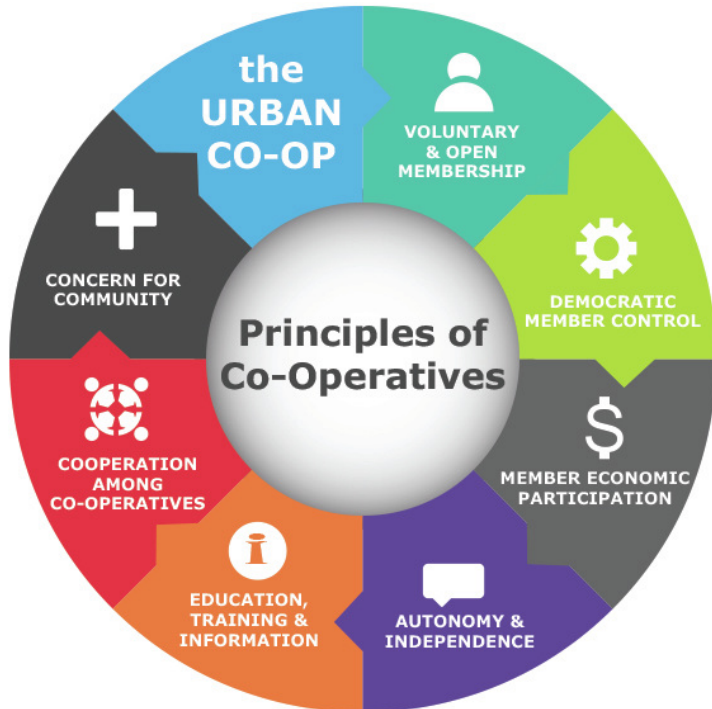


# Local economic activity and Co-ops

Business with local links and responsive to local communities and their concerns

Workers' participation in management

Governance regenerative and distributive in design



**Australian Co-operative Links**  
Co-operative Development Services Ltd

Page Updated December 2017

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## Top 20 Australian Co-operatives

Australian co-operatives range in size from small not-for-profit organisations with 5 members to multi-million dollar commercial enterprises serving national and international markets.

# Nutcracker needed: top down regulation and popular demand from below

- Governments need to govern for health not profit
- Advocacy required at multiple layers to ensure issue of TNCs impacts on health is on policy agenda







# The People's Health Movement



Global Network for Health Activists with focus on social, economic and environmental determinants of health and advocating against practice of TNCs which damage health especially in Extractive and Food industries

[www.phmovement.org](http://www.phmovement.org)

Global Co-ordinator Bridget Lloyd – South Africa

[globalsecretariat@phmovement.org](mailto:globalsecretariat@phmovement.org)

Global Co-Chairs

David Sanders [sandersdav5845@gmail.com](mailto:sandersdav5845@gmail.com)

Sulakshana Nandi [sulakshana.nandi@gmail.com](mailto:sulakshana.nandi@gmail.com)

# Civil society protest and analysis



Health for All Now!  
**People's Health Movement**

[About Us](#)

## Changing track: putting people before corporations

August 27, 2018 by Anneleen

Every year, governments are diverting \$1 trillion dollars away from people and public services into the hands of big companies, whilst across the world, hundreds of millions of people are denied their basic rights.



<https://www.healthpovertyaction.org/wp/wp-content/uploads/2018/08/Changing-track-corporates-report-web.pdf>



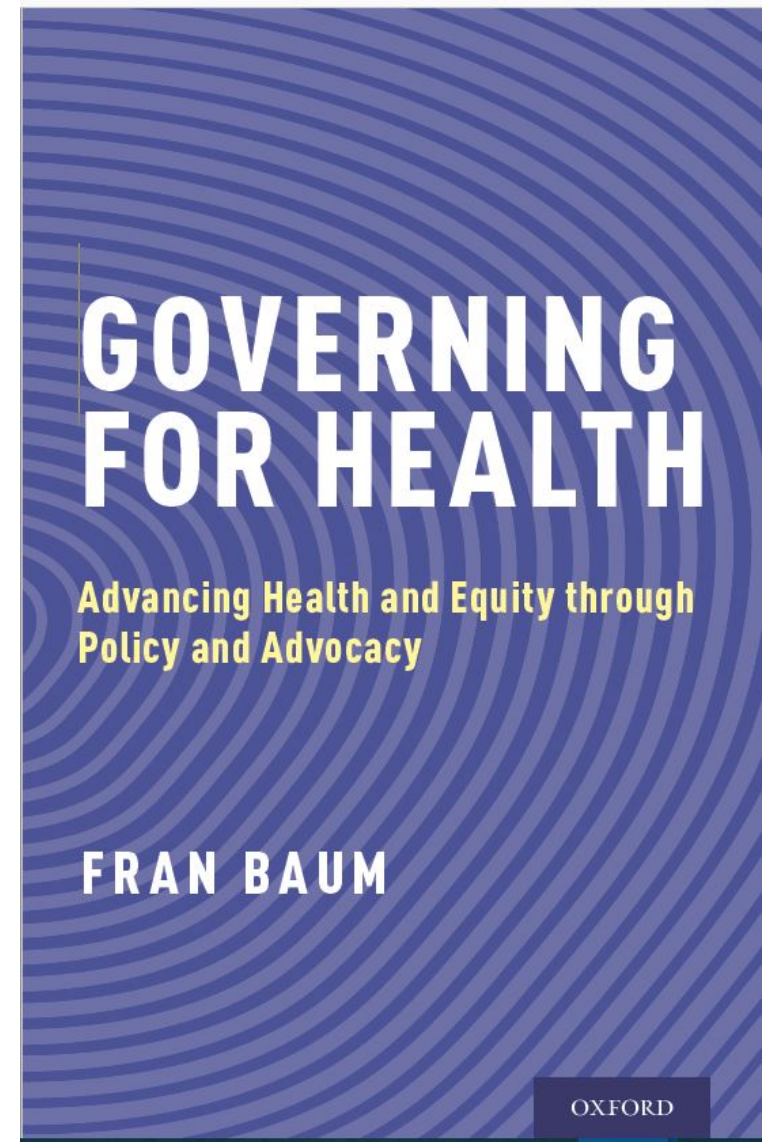
# Corporate subsidies: \$1 trillion p.a.



That money  
could be used  
to improve  
health and  
equity

# Conclusion

- TNCs have major often invisible impact on NCDs
- Protected by global neo-liberal trading regime
- Growing pressure on governments and UN to regulate their practices
- Nutcracker action will be required to change regime to one that promotes health above profits



@baumfran

# The Lancet-University of Oslo Commission

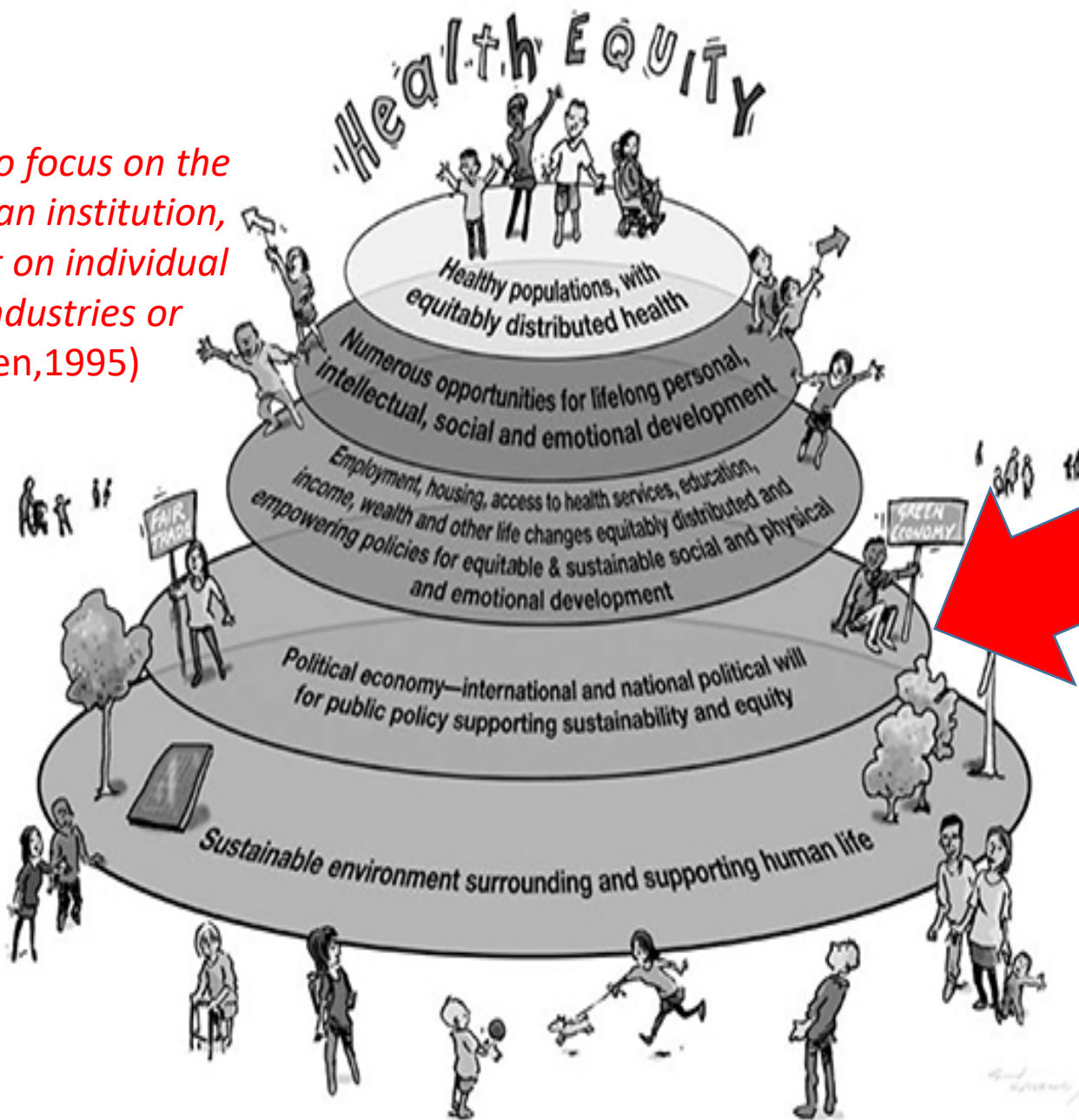
- “Global governance for health must be rooted in commitments to global solidarity and shared responsibility; sustainable and healthy development for all requires a global economic and political system that serves a global community of healthy people on a healthy planet” (p. 630).
- Commission didn’t say how this would be done



Global Governance *for* Health  
THE LANCET – UNIVERSITY OF OSLO COMMISSION



*Reforms need to focus on the corporation as an institution, rather than just on individual corporations, industries or products. (Korten,1995)*



- Global trading relations
- National laws
- Closing tax loopholes
- Col managed
- Holding TNCs to account for social and environmental impacts