

Transnational Corporations (TNCs) Factsheet & Current Campaigns for Change

TNCs are companies that have branches in a number of different countries. They often bring huge amounts of investment and modern technologies to the countries in which they operate, and so are usually welcomed. But there are lots of negative impacts too.

- Almost 1,000 companies – including some of the world’s best known brands – have chosen Ireland as their European headquarters, such as the TNCs Facebook, Google, Paypal and eBay. Many TNCs locate in Ireland because of the low tax rate for corporations (i.e Corporation Tax).
- TNCs are often wealthier than entire countries. Of the 100 wealthiest governments and corporations in the world today, 69 are corporations while only 31 are governments.
- Most of the profits made by TNCs in poor countries are sent back to their “base” country.
- As countries compete with each other to attract **foreign investment**, many have relaxed their **minimum wage** protection, i.e they are not always offering a guaranteed minimum way to their workers. There are also sometimes **weak trade-union rights** and lack of **social insurance** provision (such as sick leave, maternity leave), which helps to keep down **labour costs** and creates vulnerability.
- If it becomes cheaper to operate in another country, the TNC can **relocate** their factories making local people redundant (without a job).
- Protestors at the Glastonbury music festival in England in 2011 inflated a 20-foot balloon that read “U Pay Your Tax 2” during U2’s performance. U2 as a business is registered in Holland, and pay taxes there. Some people feel they should pay all their taxes in Ireland. Why do you think they may be based in Holland?

WHAT IS HAPPENING TO CHANGE THE POWER TNCs HAVE (for better or worse!)?

- There are **UN negotiations** happening to try and create a **treaty** (a formal agreement between countries) that will make **TNC’s accountable** for human rights abuses they commit overseas. This means they will be held responsible. Many countries who house the TNC’s head office have voted against this (e.g USA, UK and many European Countries). Campaigns are happening by many organisations and groups to support the treaty.
- The **Comprehensive Economic and Trade Agreement (CETA)** is a free-trade agreement between Canada and the European Union. It has been provisionally applied in Ireland until it is voted on to be fully applied. The deal includes a part which will allow corporations to sue governments in special courts if they change policy (environmental, social, health) which could negatively impact their profits. What do you think about this?

POSSIBLE ACTIONS: WHAT CAN BE DONE?

The UN Treaty on Transnational Corporations and Human Rights

- Send your government the **open letter** of the global campaign (see link below to find the open letter).
- Ask your government representatives to support the binding treaty(see link below for more details)
- Sign and spread the latest letter of the treaty alliance (who are campaigning to support the treaty - see link below for more details)

More Information & ways to take action

Friends of the Earth (2018) “The UN Treaty on Transnational Corporations and Human Rights” Access at: <https://www.foei.org/un-treaty-tncs-human-rights#herramientas>

CETA

- Do some research and get in touch with your local politicians to ask questions
- Facilitate discussion in your local community - Invite along local TD's, parents and community members and start a discussion on CETA.
- Reach out to civil society and NGO's who are already working on this and join their campaigns
- Organise activities and demonstrations to raise media awareness on CETA
- Raise awareness - CETA is still not very well known. Talk with your friends, family and community about CETA. Use social media to share information - #StopCeta will guide you to existing posts.
- Have you heard any debates on the radio or news? If not, contact radio and TV broadcasters to ask for the debate to be publicised.