**Accountability of Agri-TNCs**

Agri-Transnational Corporations (TNCs) are the drivers of the current accelerated phase of globalisation process, particularly in the domination of the agricultural sector. In developing and under-developed countries, especially, globalisation translates into corporate control over local enterprises, local agricultural production and domestic economies. The extent of such control extends from the provision of technology to raw material sourcing and access to markets.

The concentration of corporate power in the area of food and agriculture is enormous. Just six corporations (Bayer, Syngenta, BASF, Dow, Monsanto and DuPont) control 75 percent of the global pesticides market[[1]](#footnote-1). **10 companies control 73% world’s proprietary seed market of US27.4 billion in 2009. Monsanto, accounts for 27% of the global proprietary seed market. Monsanto, Dupont, Syngenta are the lead seed companies.** Three companies (Monsanto, DuPont and Syngenta) control 97 percent of the world’s genetically engineered (GE) seed market.[[2]](#footnote-2) This handful of corporations wields excessive power and influence, and in many cases determines the trajectory of community, national and international food and farming policies and practices.

**Agri-TNCs commit human rights violations in their regular course of business – every day, year after year.** Throughout Central America, thousands of banana plantation workers suffered from sterilization due to their exposure to the pesticide Nemagon, a product of Dow from 1970s to 1990s. In India, Monsanto and Bayer hire more than 400,000 children each year to grow genetically modified cotton. These children work long hours, get paid less than the legal minimum wage, and are exposed to highly hazardous pesticides produced by these same companies. In 2007, guards from the security company hired by Syngenta, in Brazil shot and killed one activist and injured many who were peacefully protesting the land grabbing of the company to grow genetically engineered crops. **In 2006, Bayer announced that its genetically engineered rice, Liberty Link—not approved for human consumption—had contaminated US rice production and rice exports to Europe and many other countries in the world.**

There were many contributing factors for the food crisis in 2008 that was accompanied by food riots and increased numbers of hungry and malnourished. However one major contributing factor was the market manipulation of agri-TNC and financial speculators, cashing in on a decline in global food stock reserves and the conversion of food crops to agrofuels for cars. This added about 150 million, mostly women and children to the ranks of the world’s hungry bringing the total headcount to over a billion in 2009. Ironically, while the world was lamenting food shortages, the giant agri-TNCs such as Cargill and Archer Daniels Midland increased their profits from commodity trading in the first quarter of 2008 by 86% and 67%, respectively[[3]](#footnote-3).

**Overall, the impact of global corporate control over land, agriculture, food production and marketing is devastating. Corporate agriculture creates environmental, health and social trauma in every corner of the world, causing hunger, disease and ecosystem collapse. Corporate-controlled industrial food and farming systems deny communities control over their own food and future in many ways such as grabbing their land; forcing upon them unsustainable and unsafe farming practices; making them dependent on the corporate package of high-cost inputs (seeds, chemical pesticides and synthetic fertilizers) that also expose them to poisonous chemicals, degrade their land, pollute their environment; making them grow food that is not culturally acceptable to them; and robbing them of their ownership of seeds. In the process of doing all this, they violate the human rights and food sovereignty of these farming communities.**

The over-use of synthetic fertilizers marketed by agrochemical companies has degraded precious water and land resources. The IAASTD report (2008) unequivocally concluded that the toxic model of (corporate) agriculture has resulted in the degradation of 1.9 billion hectares of land worldwide. The introduction of GE crops by TNCs is increasingly narrowing the agro-biodiversity in the fields and reports of health impacts and environmental contamination of GE crops are nothing less than alarming.

TNC dominance over seeds and germplasm through the intellectual property rights regime is destroying farmer’s local knowledge, skills and innovation; hampering farmer innovation in seed conservation; and perpetuating the cycle of dependency and debt. It has eroded the role of women in farming in particular as they were originally the custodians of seeds in traditional farms. TNC influence has enabled and facilitated the patenting of genetic resources by corporations and encouraged biopiracy and thus protecting corporate breeders and marginalizes the small farmers who have selected, bred and conserved genetic resources for centuries. For example, worldwide, TRIPs now commits 150 governments to an ever-tightening IPR system.

One result of the food crisis has been the intensification of large-scale land investments or land grabbing where a foreign company or investors buys or leases huge tracts of land from developing and poor countries for their own food production and access to natural resources including water. The idea is to produce food for export to their home countries for consumption and around the worlds who banking on future profits. An estimated 15 and 20 million hectares of farmland in developing countries have been subject to transactions or negotiations involving foreign investors since 2006. A recently released report from CSO, GRAIN indicates more than 400 such land deals exist for example, in Ethiopia one such deal includes around 300,000 hectares of land was leased to an Indian agribusiness. In Cambodia around 25,000 hectares and the Philippines around 1 million hectares of land worked by the peasants were given to a private company/investor – and the list goes on. The Special Rapporteur on the Right to Food, Olivier de Schutter has also documented this phenomenon – for example, an Asian country is reported to have acquired 2.8 million hectares in the Democratic Republic of Congo to create the world's largest oil palm plantation[[4]](#endnote-1).

Another growing trend by agri-TNCs is directly controlling the farming system through contract farming or going into farming themselves which is leading to an increasing vertical integration of the food supply chain[[5]](#footnote-4). Farmers caught in this system find it highly exploitative. They are held to ransom at every step of production and are reduced to becoming cheap farm labour with no security or say in their farms, trapped in a system which keeps them in debt and poverty.

TNCs have also harassed and discredited scientists and activists who have been critical about their corporate products and exposed the agri-TNCs violations of rights of people’s and communities. There have also been numerous reports of TNCs bribing government officials to allow their product into the markets.

This corporate control over food and agriculture undermines the people’s right to food and deprive peasants and small food producers around the world of their rights to life, livelihood, food, health, resources and self-determination, thus further impoverishing and disempowering them while the TNCs continue to reap huge profits. These TNCS have also compromised the integrity of state and agriculture policies especially in the South, undermining the food and national sovereignty of developing countries.

The mechanism of making TNCs accountable for their human rights violations are weak or non-existent both in the national and international arena. Corporate legal accountability mechanisms have not kept pace with the rapid global economic interdependence and related social and political impacts, and the growth of the enormous economic and political power that TNCs wield. Self-regulation initiatives such as the OECD Guidelines for Multinational Enterprises are non-binding and there is no legal liability if TNCs do not comply with them and there is no redress for the survivors of the human rights violations[[6]](#footnote-5). Meanwhile, the whole concept of ‘corporate social responsibility’ has reduced the issue of TNC accountability and their compliance merely to a showcasing of so-called “best practices”.

Recommendations:

1. Agri-TNCS should stop the production and propagation of harmful technologies such as chemical pesticides and the genetic engineering of food/crops.
2. All assessments of potential harm should be based on the precautionary principle and intergenerational equity.
3. Patenting of all life forms, biopiracy and private/corporate control and ownership of genetic resources should be stopped.
4. Genuine agrarian, fisheries, forestry and pastureland reforms should be implemented. The grabbing of land owned and/or occupied by rural communities by TNCs or any other third party should be stopped immediately.
5. Implement strict controls to prevent the price manipulation of food and agricultural products by businesses.
6. As suggested by various law researchers, an “*International Tribunal designed to effectively address human rights violations committed by TNCs and provide redress to victims of such violations*”[[7]](#footnote-6) should be developed and effectively implemented.
1. “Who owns Nature? Corporate power and the Final Frontier in the Commodification of Life”, ETC group, November 2008 [↑](#footnote-ref-1)
2. 3. Agrow, 2008. [↑](#footnote-ref-2)
3. Making a killing from hunger: **We need to overturn food policy, now!, GRAIN, 2008. http://www.grain.org/articles/?id=39** [↑](#footnote-ref-3)
4. **www.agricorporateaccountability.net** [↑](#endnote-ref-1)
5. Global agribusiness: two decades of plunder, Seedling, GRAIN, July 2010. [↑](#footnote-ref-4)
6. Natalya s. Pak and James P. Nussbaumer, “Beyond Impunity: Strengthening the Legal Accountability of Transnational Corporations for Human Rights Abuses”. Hertie School of Governance – Working Papers, No 45 November 2009. [↑](#footnote-ref-5)
7. Ibid [↑](#footnote-ref-6)