

# People's Tribunal on European Transnationals and the power of corporations in Latin America and the Caribbean

The EU-LAC Bi-Regional Network and the Permanent People's Tribunal<sup>1</sup> (PPT) will hold a Tribunal on human rights violations in Latin America and the Caribbean (LAC) perpetrated by transnational companies based in the European Union (EU) and their subsidiaries. The Tribunal is designed to go beyond specific cases and examine the power of transnational corporations, as well as strategies and actions for dismantling that framework.

The PPT follows in a tradition that began in 1967 with the Bertrand Russell Tribunal sessions I and II on international war crimes in Vietnam. Building on this tradition, the PPT was established in 1979 as a permanent structure to address violations against the Rights of Peoples. Since its beginning, the PPT has heard 30 cases.

The first stage of this Tribunal will be held in Vienna, Austria, in May 2006, as part of the "Linking Alternatives 2" Social Encounter Forum.

Emblematic cases will be selected for presentation to a jury consisting of well-known intellectuals, legal experts, writers, trade union leaders and activists, who will hear evidence on the conduct of transnational companies.

We invite groups from across the civil society spectrum to present possible cases.

## Why a Tribunal on transnational corporations?

Transnational corporations wield enormous power that affects everyone's life. These companies have spread throughout the world, facing off with workers, communities and even entire regions and countries, and creating merciless competition that undermines human rights everywhere.

Transnationals are undisputed promoters of neoliberal ideology, which is a staple of the current model of globalization. Latin America and the Caribbean are two regions of the world that have suffered most from their devastating consequences: unemployment and increasingly precarious employment conditions, greater poverty and disenfranchisement, the destruction of agricultural systems to benefit monopoly agribusiness, the violation of the rights of indigenous peoples and small farmers, the plundering of natural resources, the privatization of public services, deindustrialization, and the shrinking of opportunities for nations and governments to regulate their economies.

The list is long and challenges any democracy that claims to be "real," as these companies expand throughout the "developed world." One of the clearest indicators is the growing gap between rich and poor.

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<sup>1</sup> <http://www.grisnet.it/filb/filbspa.html>

## Why EU-based transnationals?

The European Union is one of the main centers of political and economic power in the world today and one of the driving forces behind the globalization that is characterized by the omnipresence of transnationals.

Over the years, most attention has focused on US-based transnationals and their imperialistic role in Latin America and the Caribbean. Less attention has been paid to the role of transnationals headquartered in the EU.

In the 1990s, however, the EU became the foremost investor in Latin America, far outpacing foreign direct investment from the United States. Because of this flood, EU companies overtook US-headquartered corporations in many parts of Latin America, especially in certain sectors and countries. By 2001, seven of the 10 largest companies and five of the 10 major banks in LAC were from the EU. Foreign direct investment from the EU currently far exceeds that of the United States in the Southern Cone of Latin America. Many strategic sectors, such as services and infrastructure, are led by European companies (energy, petroleum, water and sanitation systems, telecommunications, finance, distribution, etc.).<sup>2</sup>

New paradigms, new tools and new partnerships are needed to achieve real control over the actions of transnational companies and to dismantle their power. The Tribunal will highlight the role played by EU-based transnationals in economic, social and political life in Latin America and the Caribbean and will call for them to be held democratically accountable for their actions.

## What is the purpose of this Tribunal?

The vast power of transnational companies places them beyond the reach of national governments. Transnationals have the money to shape political and social rhetoric, influence politicians and set the development agenda through their influence with multilateral lenders and large countries or blocs such as the United States and European Union. They can also transfer or threaten to transfer — or “delocalize” — jobs and investments to any other country at their whim, placing conditionalities on even the most progressive governments.

Taking the first steps toward the creation of a global economic framework necessary for regulating transnationals is a task for everyone.

The PPT Session to be initiated in Vienna will examine cases of transnationals involved in the violation of integral, indivisible human rights and will evaluate steps to be taken.

This is the first phase in a long process aimed at helping to:

Determine standards for acceptable conduct, recommend new laws and regulations, and demand compliance with existing regulations.

Gradually but urgently raise the issue of and collective awareness about jurisprudence and binding norms rooted in the rights of peoples.

Challenge and denounce the system of dominant “legalities” that are clearly unjust and that favor transnationals, such as free trade agreements as currently proposed, bilateral investment agreements, WTO negotiations, etc.

Expose the role played by transnationals in the configuration of the global economy and their relationship with governments, social stakeholders and international organizations.

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<sup>2</sup> Foreign Direct Investment in Latin America and the Caribbean, ECLAC, 2001.

Raise awareness and provide tools to enrich the strategies of organizations and movements that are confronting the dominance of corporations and seeking alternatives to dismantle their role and power in world economics and politics.

### How will the Tribunal work?

- There will be an **introductory session** to present the background of and rationale for the tribunal, its nature, the reasons for its creation, etc.
- This will be followed by the **presentation of evidence** against selected EU-based transnational corporations in Latin America and the Caribbean. Witnesses will present their testimony in each case (through technical reports and/or presentations using various audiovisual media, etc.).
- Based on the evidence presented, the jury will decide whether there are sufficient grounds to press "**charges**," based on international law, national legislation, international conventions and universally accepted standards of conduct.
- If the decision is made to bring charges, an indictment will be made and the case will go forward to "**trial**", in a follow-up Session of the PPT, with representatives of the accused transnationals invited to participate.
- The "Vienna phase" will end with a **reflection and final discussion** on issues such as popular jurisprudence, the objectives of the movement that is focusing on transnationals, new paradigms based on key areas in which transnationals play a key role, etc.

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