
POLICY BRIEF

Health Impacts of Transnational Corporations

Background

- Health Impacts of Transnational Corporations (TNCs) briefing paper draws on a body of work on the ways TNCs act as commercial determinants of health.
- The research adapts health impact assessment (HIA) methods to apply a *Corporate Health Impact Assessment (CHIA)* framework which we developed with a network of academics in Australia and overseas.
- The methodology has been used to assess the health impacts of individual TNCs both domestically and internationally. We have conducted studies on McDonald's fast food corporation in Australia, and the Rio Tinto extractive industry corporation in Australia and Southern Africa.
- Our research shows that a CHIA framework can be applied successfully to identify the health and health equity impacts of TNCs' policies, products and practices; at an international, national and local scale.
- Research using a citizens' jury on the findings of the McDonald's CHIA showed that a deliberative democracy process is an effective means for developing community-informed policy recommendations in response to the findings of a CHIA.
- Research with civil society actors who were respondents in the two projects identified that civil society action challenging the negative health impacts of TNCs is crucial for health promotion, and that governments should support rather than impede such initiatives.

Key recommendations for policy makers

- Adopt clear government policies / guidelines / legal frameworks for detecting, preventing and managing conflicts of interest by TNCs.
- Regulate for more equitable corporate tax rates.
- Develop and impose an international agreement to ensure that all taxes are paid in the country of profit generation, and close loopholes on the use of tax havens.
- Restrict the lobbying of government by TNCs which has the potential to undermine the democratic process.
- Counterbalance fiduciary duty to shareholders with social, health and environmental obligations within all countries where operations are conducted.
- Prevent the use of voluntary codes by TNCs to undermine or prevent legislation to support public health.

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- Develop an independent auditing process to ensure that TNCs comply with their stated commitments.
 - Regulate the use of labour hire practices by TNCs such as third party contracting to ensure these do not erode employment conditions of workers.
 - Cease inequitable taxpayer funded extractive industry subsidies.
 - Regulate for more explicit information on food quality through public education and on product packaging, and better resource regulatory bodies monitoring food and advertising standards.
 - Tax unhealthy food to raise revenue for health promotion.
 - Mandate greater environmental controls including a reduction in the level of greenhouse gas emissions from TNCs.
 - Endorse the proposed UN Binding Treaty on Business and Human rights to support workers across the full scope of TNC supply chains.

Key findings from the research

Health impact assessment of McDonald's in Australia

- Positive and negative health impacts of McDonald's operations were identified.
- Workplace conditions were more favourable than in many other countries; reflecting compliance with Australian employment regulations.
- McDonald's is a low-cost venue for social and family interaction.
- Food outlets are slightly more likely to be located in low-income areas with implications for health equity.
- Actual and potential negative health impacts are linked to the corporation's ultra-processed food and sugar-sweetened beverages.
- Strategic industry alliances facilitate corporate influence over food and advertising regulation primarily through the lobbying practices of peak industry groups
- Taxation avoidance and minimisation strategies reduce government revenue for health and welfare provision.
- Health and environmental costs are often externalised to government and the community.

Health impact assessment of Rio Tinto in Australia and Southern Africa

- Positive and negative health impacts of Rio Tinto's operations were identified.
- Provision of direct employment for workers provides good working conditions but more recent use of labour hire firms lead to more precarious forms of work.
- The level and rates of illness and injury for direct employees in Australia is reducing.
- Commitments are made to sustainable development but undermined by limited site remediation and environmental impacts.

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- Environmental costs are often externalised to governments and communities.
 - Positive contributions to national and local economies are undermined by business practices including taxation strategies that reduce government revenue.
 - Government lobbying by Rio Tinto and peak industry bodies results in legislation favouring Rio Tinto's financial position ahead of community need.

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For further information about the Southgate Institute's work visit:
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