

Norway vetoes ethical ban on Monsanto over child labour links

Government says Norges Bank should continue engagement with biotech company.



by Hugh Wheelan | September 9th, 2008

The Norwegian government has gone against a recommendation by its own Council of Ethics that it should ban Monsanto, the US biotech company, from the €267bn investment portfolio of the Government Pension Fund over allegations of "the worst form of child labour" in India. The government said it would continue working with Monsanto after lobbying by Norges Bank, which runs the Government Pension Fund's assets, contributed to a significant drop in the use of child labour at Monsanto's hybrid cotton seed operations in the country. It said extending the corporate engagement could further help reduce the alleged child labour problem. The Norwegian Government Fund fund invests approximately NOK657m (€82m) in Monsanto. However, the country's Council of Ethics, which advises the government on its investment exclusion decisions, has backed up a previous decision to blacklist the company. In a letter dated 10 June, 2008 to the Ministry of Finance, it said: "The Council's assessment is that the detected violations in this case must be considered ongoing and, seen in isolation, deemed to count as the worst forms of child labour, and thus as grave violations which, in principle, qualify for exclusion from the Fund's investment universe." The Council on Ethics, said Monsanto had achieved "considerable improvements", however, in reducing child labour use. It first made its recommendation to boycott Monsanto in November 2006.

At the time, the Norwegian Ministry of Finance decided, based on plans presented by Norges Bank in spring 2007, that it should lobby the company for a limited period of time to establish whether this might reduce child labour. Kristin Halvorsen, Norwegian Minister of Finance, said this week: "We take the view, based on new assessments of the Monsanto case from both the Council on Ethics and Norges Bank this spring, that there is reason to believe that Norges Bank's continued exercise of ownership rights in Monsanto will be an important contribution to achieving actual improvement in conditions. I therefore want Norges Bank to continue, as an active owner, to continue to engage with Monsanto for purposes of combating the worst forms of child labour within the company's hybrid cotton seed production in India." The Council of Ethics, which visited Monsanto operations in India in November, 2007, alleges that subsidiaries, including Mahyco and Mahyco Monsanto Biotech, license hybrid cotton seed cultivation licenses to other Indian companies, which in turn sign contracts with local farmers, many of which use child labour to help them pay off land-rights debts. Norges Bank has established a co-operation between several multinational companies within the hybrid cotton- and vegetable seed production in India with the aim of enhancing standards relating to the use of child labour. An initial meeting between several companies, including Monsanto, was held in June this year.

[Link to Council of Ethics report on Monsanto](#)