

Progress report on the TUAC project on the Implementation of the OECD Guidelines for Multinational Enterprises

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Introduction

The TUAC project on the implementation of the OECD Guidelines for Multinational Enterprises has been running for slightly more than one and a half years. It has been funded outside the regular TUAC budget through contributions from affiliates, other trade union organisations and other donors. The project has principally focused on raising awareness of the Guidelines in adhering and non-adhering countries, getting National Contact Points (NCPs) to function properly, help affiliates and other trade union organisations to raise and process cases and promote linkages to other policy areas.

It is too early to draw final conclusions of the project and the usefulness of the Guidelines as it takes time to raise awareness and the implementation procedures are slow, especially considering that the majority of NCPs are yet to handle their first case. However, the results so far point to both some positive development as well as lack of development in some cases. On the one hand, trade unions are increasingly becoming aware of the Guidelines as a tool to protect workers' rights, cases are being raised and significant changes relating to NCPs have been achieved. On the other hand, progress is slow and there are still problems with several NCPs.

Awareness-raising activities

There is a growing interest in the Guidelines among trade unions in non-adhering countries. The Russian trade union centre FNPR has translated both the Guidelines and the TUAC Users' Guide, which they have made available both to the government and the employers' organisation. Trade unions in both Romania and Peru have also indicated that they want their governments to sign up to the Guidelines.

TUAC has participated in and co-organised a number of seminars in adhering and non-adhering countries to disseminate the Users' Guide and help trade unions to use the Guidelines in order to resolve specific cases and facilitate a social dialogue with multinational enterprises. For example, TUAC took part in the second workshop on the Guidelines held by the ICFTU-APRO in Malaysia in June this year, where also the chair of CIME, Marinus Sikkel, was present. In connection with the world summit on sustainable development in Johannesburg, TUAC organised a parallel event on corporate social accountability and the Guidelines. In co-operation with the Friedrich Ebert Stiftung (FES), two seminars on the Guidelines were held in Argentina and South Africa in November 2002.

Workshop on the Guidelines in Argentina

This workshop was held on Wednesday 13 November 2002 in Buenos Aires. About 25-30 participants mainly from trade union organisations in Argentina, Brazil and Chile took part in the workshop. Both speakers and participants were at a senior level as the local FES office had targeted key representatives from the trade unions. The NCPs of the three countries were also represented. This was important both as a way of putting pressure on the NCPs in

Argentina and Brazil, that up to now have been passive, but also as a way of learning from the experience of the Chilean NCP, which could serve as a model for the Latin American countries. The workshop also provided the opportunity to exchange information on the cases that have been raised with the Brazilian and Chilean NCPs.

The workshop was in many ways a first step to raise awareness of the Guidelines, which needs to be followed up. The majority of the trade union representatives from Argentina did not have any prior knowledge of the Guidelines. They did not know that their country has a relationship with the OECD nor that it has an NCP with which they can raise cases. The Guidelines therefore have to be discussed internally within the CGT and CTA. There was a considerable interest to make use of the NCPs and raise cases, eg in the Argentinian banking sector. Some trade unionists from Chile were also unaware of the Guidelines. In the Chilean case however, it seems to be more a question of lack of information and co-ordination between the national trade union centre and its affiliates.

The TUAC's Users' Guide to the Guidelines was distributed both in Spanish and Portuguese together with some material from the Instituto del Mundo del Trabajo put together by the FES office in Buenos Aires.

Workshop on the Guidelines in South Africa

The other FES/TUAC workshop was held in Johannesburg on 28-29 November 2002. The workshop was held in conjunction with the annual FES regional labour symposium to ensure high level participation from the whole region of Southern Africa and the Global Union Federations. About 40-50 participants from trade unions in South Africa, Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe, the ICEM, the IFBWW, the IUF, the UNI, the Dutch and German embassies, South African universities, NALEDI and some NGOs took part in the workshop.

The first day of the workshop focused on the Guidelines, their contents, the implementation procedures, their relevance for non-adhering countries, how to raise cases etc. Afronet described the case in Zambia that was raised in the Canadian NCP and the recent case concerning MNE activities in Congo. On the second day, the department of Labour in South Africa together with NGOs and trade unions gave their view on the relevance of the Guidelines to Southern Africa. The workshop was terminated with group work around social accountability and how to make use of the Guidelines. The proposals and conclusions originated from the group work will be summarized by NALEDI. One point that was raised several times by trade unionists was the need for capacity building. Without capacity building it is difficult for trade unions in Africa to take advantage of the Guidelines. It was also suggested that trade unions should use SATUCC, the Global Union Federations, ICFTU-AFRO and TUAC, eg when raising cases.

This workshop was the first TUAC/FES seminar on the Guidelines in Africa (not counting the TUAC event in connection with the World Summit on Sustainable Development in Johannesburg in August 2002) and as such an important starting-point to raise awareness of the Guidelines in Southern Africa.

TUAC is planning to have a joint meeting on corporate accountability with the ICFTU in April 2003 to discuss a strategic approach to cases.

Training materials

The TUAC Users' Guide to the Guidelines has been translated from English into 16 languages: French, Italian, Spanish, Portuguese, Korean, Japanese, Thai, Hungarian, Czech, Russian, Estonian, Latvian, Lithuanian, Georgian, Romanian and Croatian. Additional languages are forthcoming. The Spanish and Portuguese language versions have been printed in the same format as the English and French Guides, and will shortly be posted on the TUAC website (www.tuac.org). TUAC has also produced other training materials in the form of a modified table of cases, a power point presentation of the Guidelines and an example of a submission to a NCP.

Table of cases raised with National Contact Points

A table of the cases that have been raised by trade unions since the review of the Guidelines was concluded in June 2000 has been put together (attached). More than 20 cases have so far been raised by trade unions, but only a handful have been resolved or led to recommendations by NCPs. The reasons for this are that too many NCPs do not follow the procedural guidance, are slow to respond and reluctant to convene meetings with the parties involved.

The table contains a brief summary of every case regarding which organisation that has raised the case, the name of the company and the nature of the case, what steps the NCP has taken to resolve the case, if any other related activities have been carried out, if the case has been raised in other fora and the outcome of the case.

Power point presentation of the Guidelines

A power point presentation of the Guidelines has been developed. It describes the Guidelines, what they are, how they work, their background and history, the last review 1998-2000 and the implementation procedures (the setting up of NCPs, the OECD Procedural Guidance and how to raise a case with a NCP). The power point presentation can provide a basis for more general presentations by trade union trainers on the Guidelines.

Submission to a National Contact Point

In order to help trade unions and others to raise cases with NCPs, an example of a submission to an NCP has been developed. This submission was drafted by TUAC in December 2001 for a case concerning the violation of the workers' right to organise in two textile plants in Guatemala owned by a Korean company.

The submission has been supplemented with headlines to explain what kind of information a submission should include: introduction, facts about the company (name of company, name of management, where the company is headquartered and contact details), description of the case, quotation of the paragraphs in the Guidelines that have been violated, suggested action for the NCP to take, reference to other NCPs or parties concerned, and supporting evidence.

Linkages

Apart from linkages to export credits and public subsidies, TUAC is seeking to ensure that the Guidelines become a benchmark for framework agreements between Global Union Federations and corporations. The Guidelines have also started to be used as a benchmark

criterion for pension fund trustees and in connection with shareholder resolutions. This is an area that will be further explored. TUAC is together with the Shareholder Association for Research & Education in Canada planning to hold a seminar next year to take stock of these issues.

Future steps

In November 2002, TUAC submitted DG Trade with an application for a project on the Guidelines for 2003, as the European parliament has written a line into the DG Trade budget to assist non-adhering countries to establish “National Contact Points” to handle Guidelines issues. In short, the purpose of the project would be to raise awareness of the Guidelines in Central America, Northern and Southern Africa and Asia through a succession of workshops. These would primarily be aimed at trade unionists, but representatives of governments, business organisations and NGOs would also be invited in order to strengthen a dialogue between these groups. The project would encourage more governments to adhere to the Guidelines and to establish NCPs on their own initiative.

In summary, in 2003 the TUAC project on the implementation of the Guidelines will primarily focus on:

- Continuing efforts to raise awareness of the Guidelines through seminars and workshops particularly in developing countries;
- Increasing pressure on governments and NCPs to effectively manage cases;
- Helping affiliates and other trade union organisations to raise and process cases in a more strategic manner; and
- Promoting linkages to other policy areas, including working together with pension fund trustees and/or shareholder associations to use the Guidelines as a benchmark.