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Unions accuse OECD governments of dragging their feet on enforcing corporate rules

More than two years after the review of the OECD Guidelines for Multinational Enterprises, TUAC is deeply concerned about the lack of progress in their implementation. Governments adhering to the OECD Guidelines are expected to ensure that companies operating in their countries observe the Guidelines. In order to do this, governments must establish National Contact Points (NCPs), whose responsibility it is to deal with cases raised in an efficient and timely manner.

Trade unions have raised more than 20 Guidelines cases on corporate conduct with NCPs. A majority of the cases concern violation of trade union rights. More than half of the cases have been raised in the US, Dutch and French NCPs. But only a handful of these cases have been resolved or led to meaningful conclusions by NCPs. Some of the most serious involve Korean companies.

The US NCP stands out as most passive. Not one of the five cases raised has had a satisfactory outcome. The case on the Liberian International Ship and Corporate Registry (LISCR) has, after 11 months, been removed on the pretext of the case “being effectively addressed through other appropriate means”.

A United Nations Security Council panel of experts revealed in October 2001 that LISCR, which is registered as a US company, had been used to transfer money to buy weapons for the Liberian government in violation of the UN arms embargo.

In the light of this, the International Transport Workers’ Federation requested the US NCP to investigate whether the conduct of LISCR was also in breach of the OECD Guidelines. The US NCP has clearly neglected its responsibilities by rejecting the call to examine whether LISCR has violated the OECD Guidelines. The fact that it has taken almost a year to draw this conclusion is further proof of its neglect.

Furthermore, 85 companies (of which nine were from the US) were recently listed in the report by the UN Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of Congo as being in breach of the OECD Guidelines. TUAC supports the panel’s conclusion that governments failing to take remedial measures are guilty of complicity.

The TUAC Plenary Session at their meeting in Paris on 22 November called on governments to honour their commitment to the OECD Guidelines and to look seriously into the behaviour of corporations believed to violate those Guidelines.

TUAC has consultative status with the OECD and represents 70 million workers in 56 affiliated organisations in the 30 OECD countries. Website: www.tuac.org.

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