

**The OECD Guidelines for Multinational Enterprises**

# **Experiences in Asia and South East Asia**



Tokyo – 25<sup>th</sup> of February 2008

Trade Union Advisory Committee  
to the OECD

# Summary

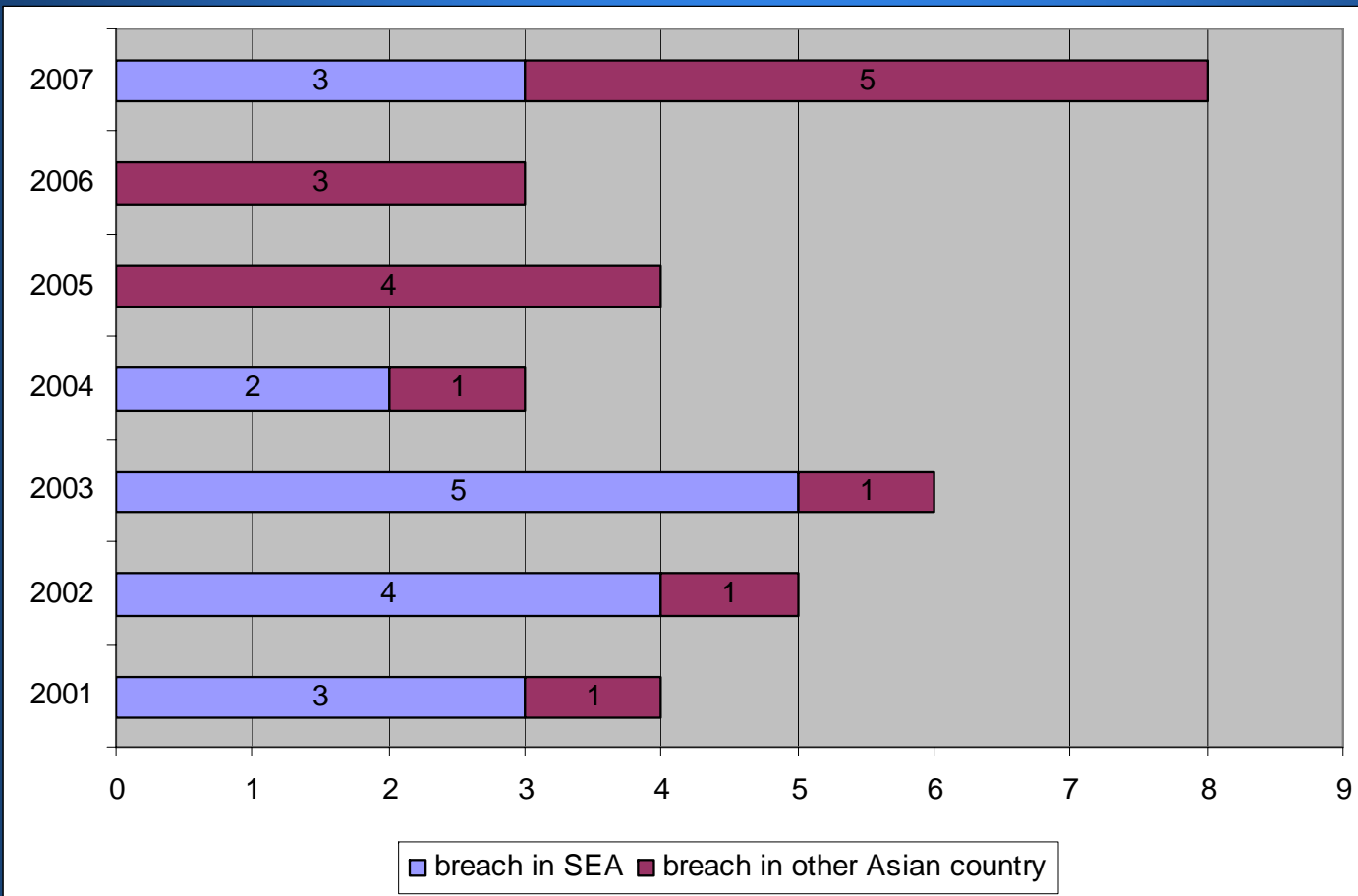
- Experiences
- Conclusion
- How to strengthen the OECD Guidelines for MNE

# Experiences

- Of the 90 cases raised by TU since 2001:
  - 33 cases (1/3) concern breaches in Asian countries
  - 17 cases concern breaches in South East Asian countries
- In 2007: sudden increase of raised cases by TU concerning breaches in Asian countries

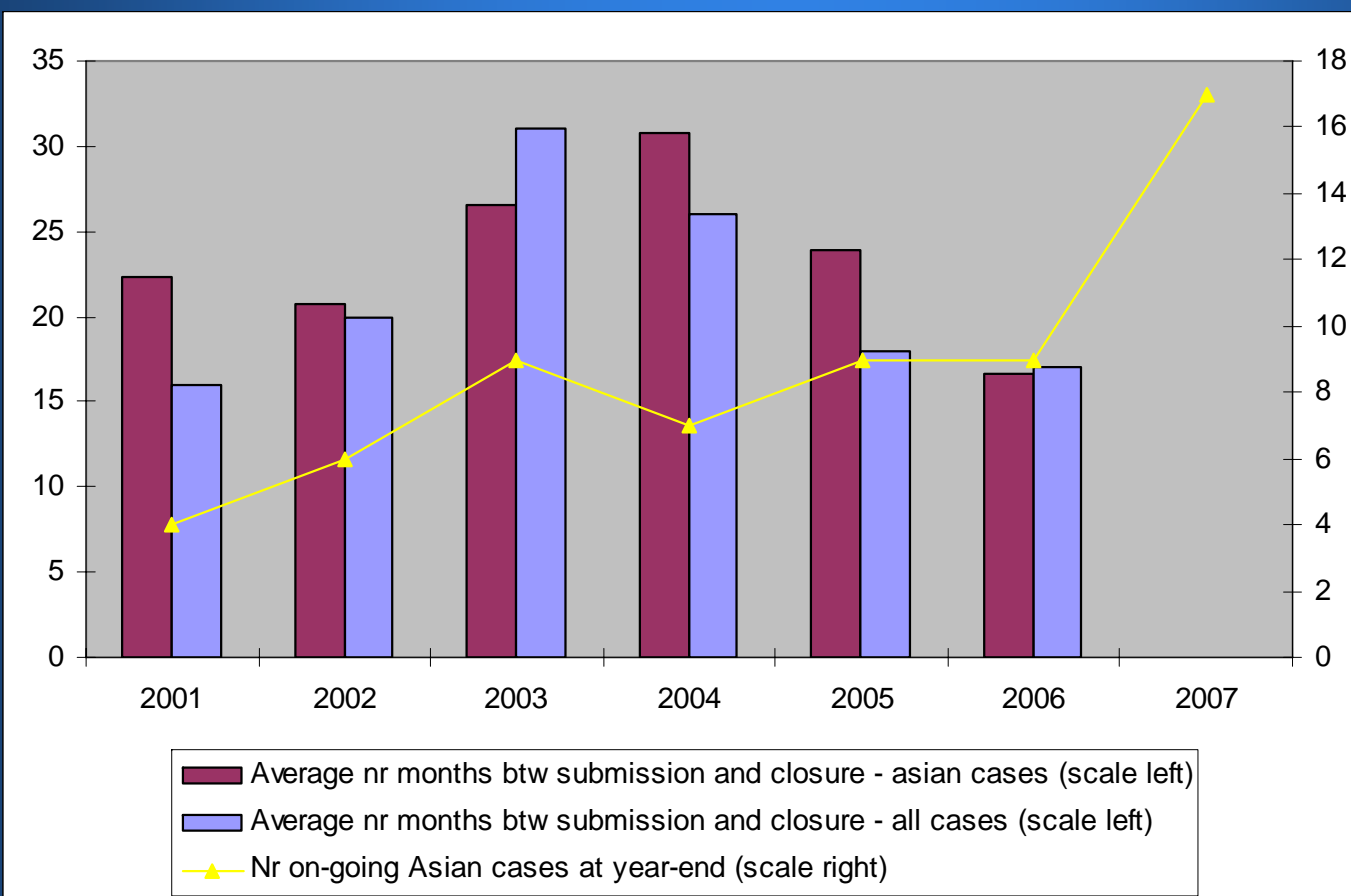
# Experiences

- Cases raised by TU since 2001 concerning breaches located in SEA and other Asian countries:



# Experiences

- Average length in months between submission and closure of a case
  - Only Asian cases (24 months) > All cases (21 months)



# Experiences

- Longest length in months before an Asian case is closed:
  - Of closed cases: 48 months (raised at German NCP)
  - Of on-going cases: 60 months (raised at Japanese NCP)
- Out of the 16 on-going Asian cases:
  - 8 were raised in 2007
  - 8 were raised before 2007
  - 5 are on-going for > 2 years
    - 2 are on-going for
      - 27 months – breach in Bangladesh raised at UK NCP
      - 31 months - breach in Japan raised at Jap NCP – blocked because of PLL
    - 3 are on-going for > 3 years
      - All concern breaches in SEA: Indonesia, Philippines, Malaysia
      - All concern anti-union behaviour
      - All raised at the Japanese NCP
        - All are blocked because of Parallel Legal Proceeding

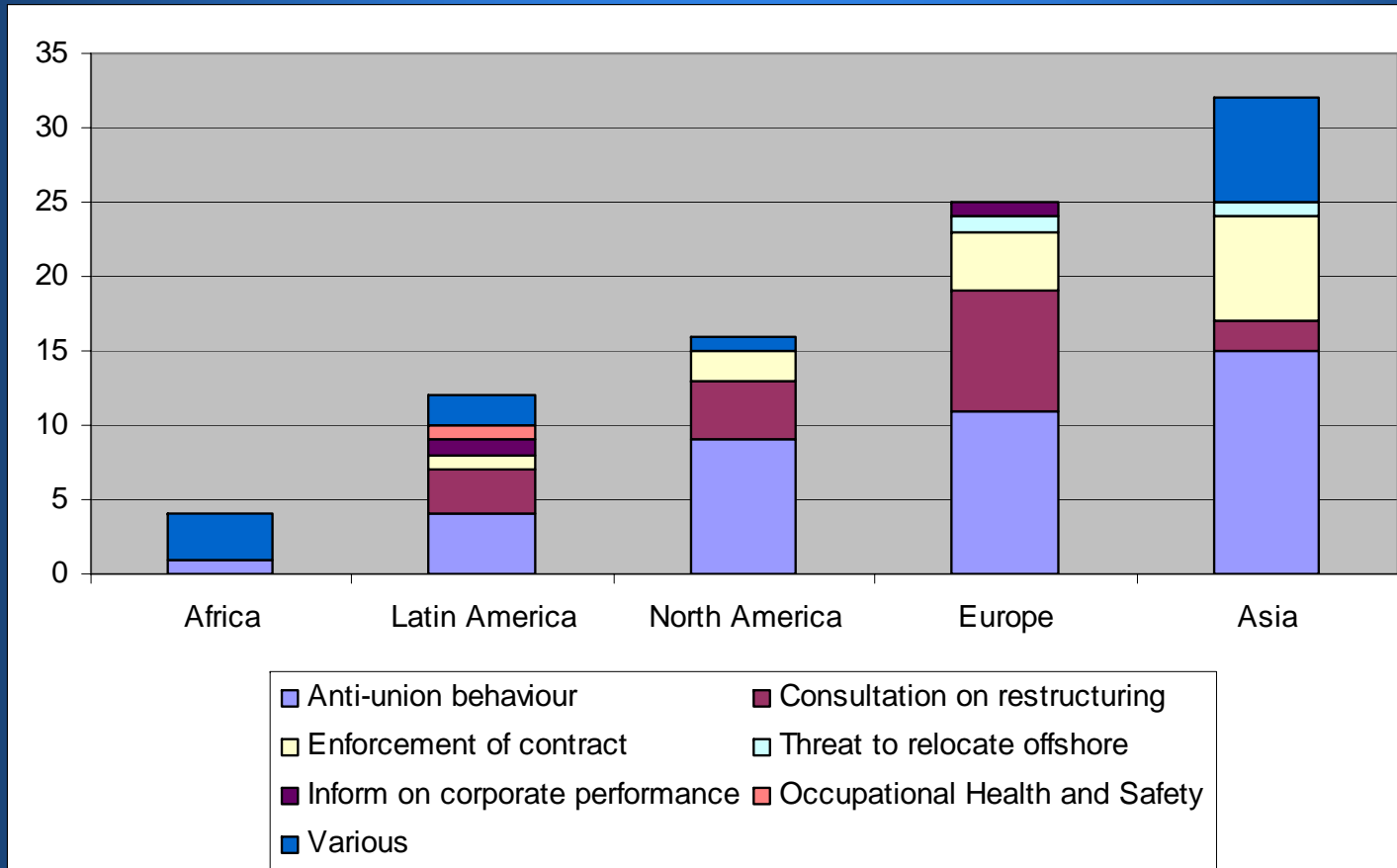
# Experiences

- Types of leading breaches:

	SEA	Other Asia	All cases
Anti-union	53%	44%	45%
Consultation on restruct.		13%	19%
Enforcem. of contracts	12%	31%	16%
Threat to relocate		6%	2%
Various	35%	6%	15%

# Experiences

- Types of leading breaches looking at all raised cases by TU / Region:
  - Anti-union behaviour: most frequent in Asia



# Experiences

- Types of leading breaches:
  - Main reason for TU to raise a case is the threat to its very existence
  - Looking at types of leading breaches per region:
    - ANTI-UNION behaviour is the most frequent leading breach in Asia
  - Leading breach “various” concerning breaches in SEA all refer to operating European or American companies in Myanmar
    - Forced labour
    - Child labour

# Experiences

- Of all closed cases concerning breaches in Asia:
  - In SEA: of all closed cases (11/17), in half of them (5) we have at least some positive outcome
    - In 3 cases: Intermediation of NCP was helpful
  - In other Asian countries: of all closed cases (6/16), in a third of them (2) we have at least some positive outcome
- This proves the importance of the Guidelines although its effectiveness still needs to be improved seriously

# Conclusion

- In 2007: sudden increase of raised cases by TU concerning breaches in Asian countries
- The average length in months between the submission and closure of a case is for cases concerning breaches in Asian countries longer than the average of all raised cases
- Of the on-going Asian cases:
  - 3 are still pending for more than 3 years
    - they are all raised at the Japanese NCP and
    - they are all blocked by Parallel Legal Proceeding
- ANTI-UNION behaviour is the most frequent leading breach in Asia

# Strengthen OECD Guidelines for MNE

- There is a need for:
  - More OECD resources
  - More political will to increase effectiveness
  - More NCP capacity building
  - Peer review process
- More specific to the South East Asian Region, we need:
  - The promotion of the OECD Guidelines for MNE in the ongoing OECD-APEC policy dialogue programme
  - More regional focus
    - Now there exists only an OECD Annual Meeting of NCPs in Paris once a year
    - Take aim at existing regional OECD Round Table Programmes on
      - Corporate Governance (Latin America, Asia, Russia, ...)
      - Governance of State-owned Enterprises (Asia, ...)