

**Response by Patricia Feeney & Colleen Freeman (RAID) to
letter by Thomas Vant (Business and Industry Advisory Committee to the OECD)**

This letter by Patricia Feeney & Colleen Freeman of Rights & Accountability in Development (RAID) was sent to the *Financial Times* in response to the letter by Thomas Vant, Secretary General, Business and Industry Advisory Committee to the OECD, "Business from OECD countries not the problem", 29 June 2005. The link to Thomas Vant's letter is here:

<http://www.business-humanrights.org/Links/Repository/341154>

30 June 2005

Sir,

Thomas Vant's letter ("Businesses from OECD countries not the problem", 29 June) is a deliberate obfuscation of the issue at hand, namely, too many multinationals are simply not adhering to OECD governments' expectations for responsible corporate conduct in developing countries, thus the need for binding corporate accountability frameworks.

Instead, Mr. Vant offers up a classic "do as we say, not as we do" argument that developing countries must improve their governance. Meanwhile, it is widely known that one of the most powerful multinationals in the world, Wal-Mart, is in flagrant violation of Chapter IV, §1a of the *OECD Guidelines for Multinational Enterprises*, which instructs companies to respect the right of their employees to be represented by trade unions.

Wal-Mart is just one example. In the five years since OECD governments updated the *Guidelines for Multinational Enterprises*, 106 complaints have been submitted by trade unions and NGOs to governments against companies alleged to be in breach of their principles and standards.

It's a pity that the Business and Industry Advisory Committee to the OECD did not pay closer attention to the views of speakers from China, India, Ecuador, South Africa and Zambia at a recent Roundtable in Paris on the relevance of the OECD Guidelines to developing countries. Without exception, they rejected the self-serving argument put forward by Mr. Vant that the OECD Guidelines are an imposition on governments in the South.

It is notable that Mr. Vant's letter does not at any point acknowledge that OECD-based multinationals have a moral – if not a legal – obligation to adhere to established, international norms and standards for responsible corporate behavior, including the *OECD Guidelines for Multinational Enterprises*.

Yours sincerely,

Patricia Feeney and Colleen Freeman

Ms. Feeney is the executive director and Ms. Freeman a policy analyst for Rights & Accountability in Development (RAID), a UK-based NGO, part of OECD Watch, the NGO counterpart to the Business and Industry Advisory Committee (BIAC) at the OECD's Investment Committee.

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