

# Analysis of NCP's responses to Alleged Breaches of OECD Guidelines by MNEs

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# Preface

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The data shown in this presentation has been retrieved from the OECD online database, which contains all the officially reported cases of violations of the OECD guidelines to multinational enterprises.

The cases reported in the following analysis have also been selected by restricting the whole data range to only those cases who violated the human rights provision of the guidelines. However, each case violates several provisions at the same time, for this reason it is possible to conduct more specific analysis.

The database can be consulted for additional information at:  
<http://mneguidelines.oecd.org/database/>




# Data description

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Each reported case has been classified based on:

- Country (and continent) whose enterprise violated the guidelines
- Country (and continent) in which the violation has occurred (host)
- Industrial sector in which the violation took place
- Year of report of the case
- Party who reported the violation
- Current status of the case

In the spreadsheet additional information is available including a description of the case, links (if available) to public reports issued on the case, and links to the different National Contact Points (NCPs)



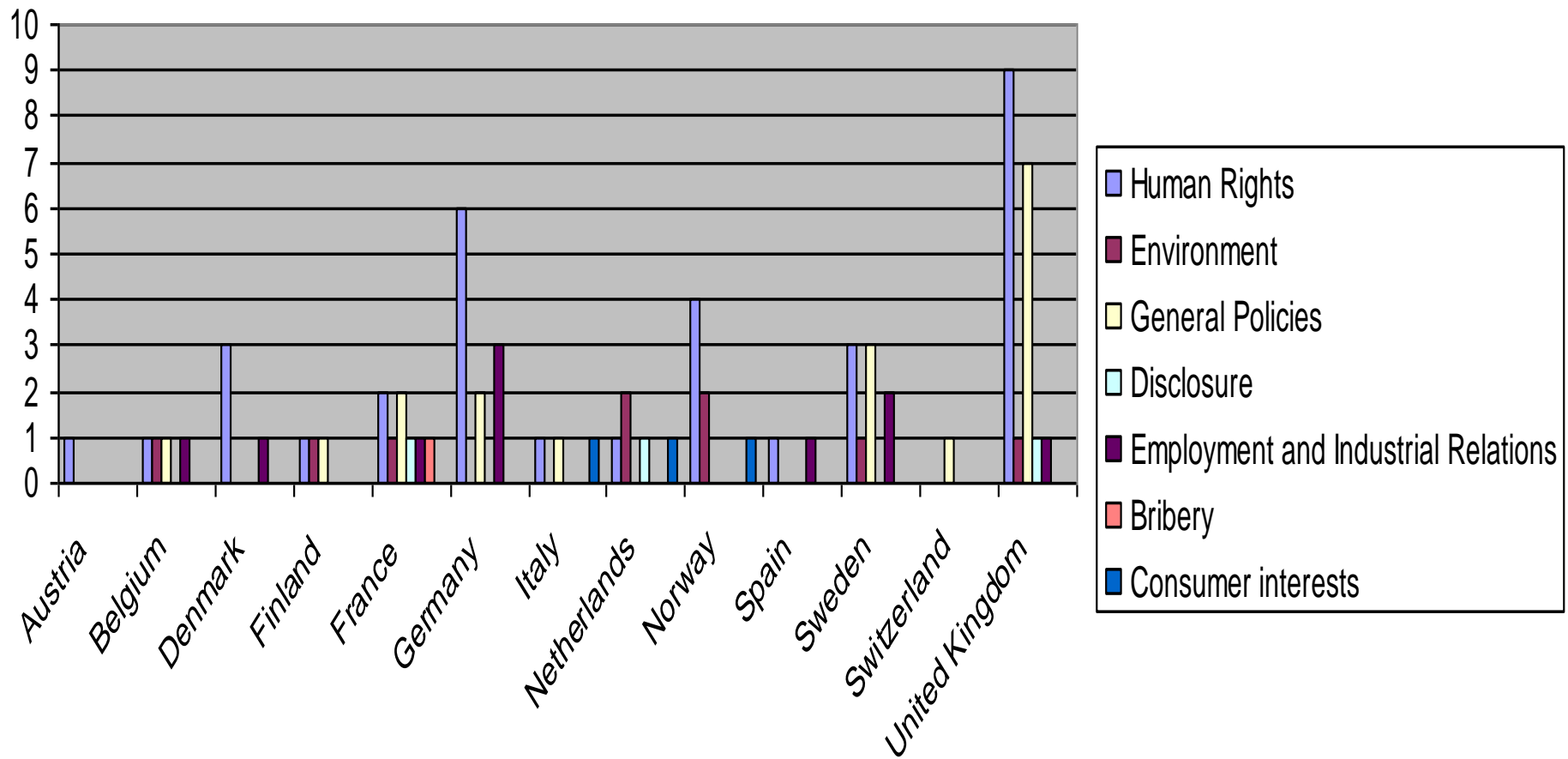
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It is important to notice to better understand the whole presentation that each case brought to attention violates more than one provision of the guidelines (i.e. human rights, general policies, and disclosure at the same time). For this reason the number of violations is different from the number of reported cases. If a chart reports the violations and not cases, one can have an idea of the number of cases by checking the number of human rights violations (because of the restriction used in the OECD database, the vast majority of the cases violates at least human rights)

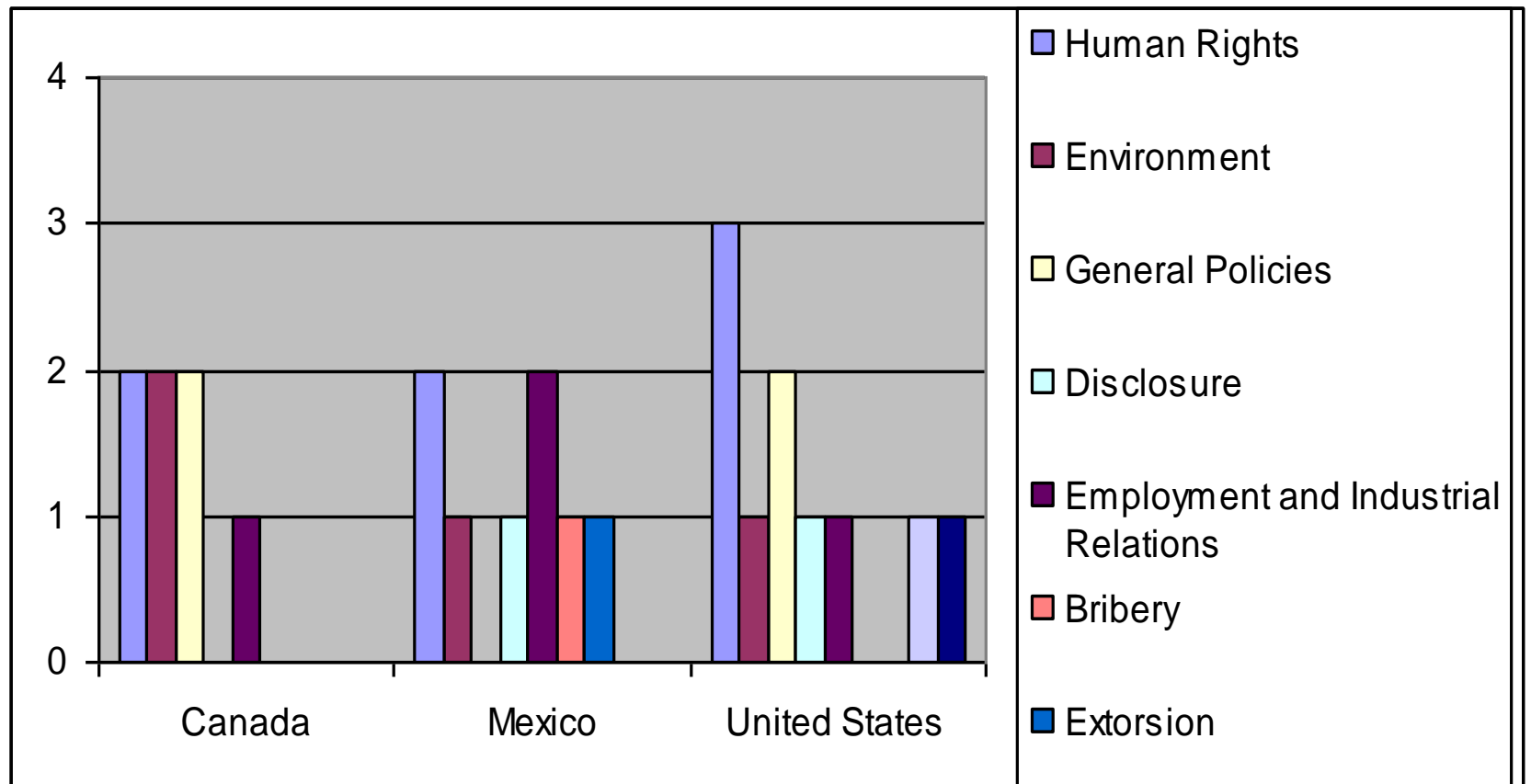
Moreover, one must pay attention to the fact that the numbers shown refer to reported cases, meaning that some countries have a tendency to report more than others but it does not mean that their enterprises violate human rights more than other countries’.

We can start our discussion with a look at some charts regarding types of violations per enterprises’ country and continent.

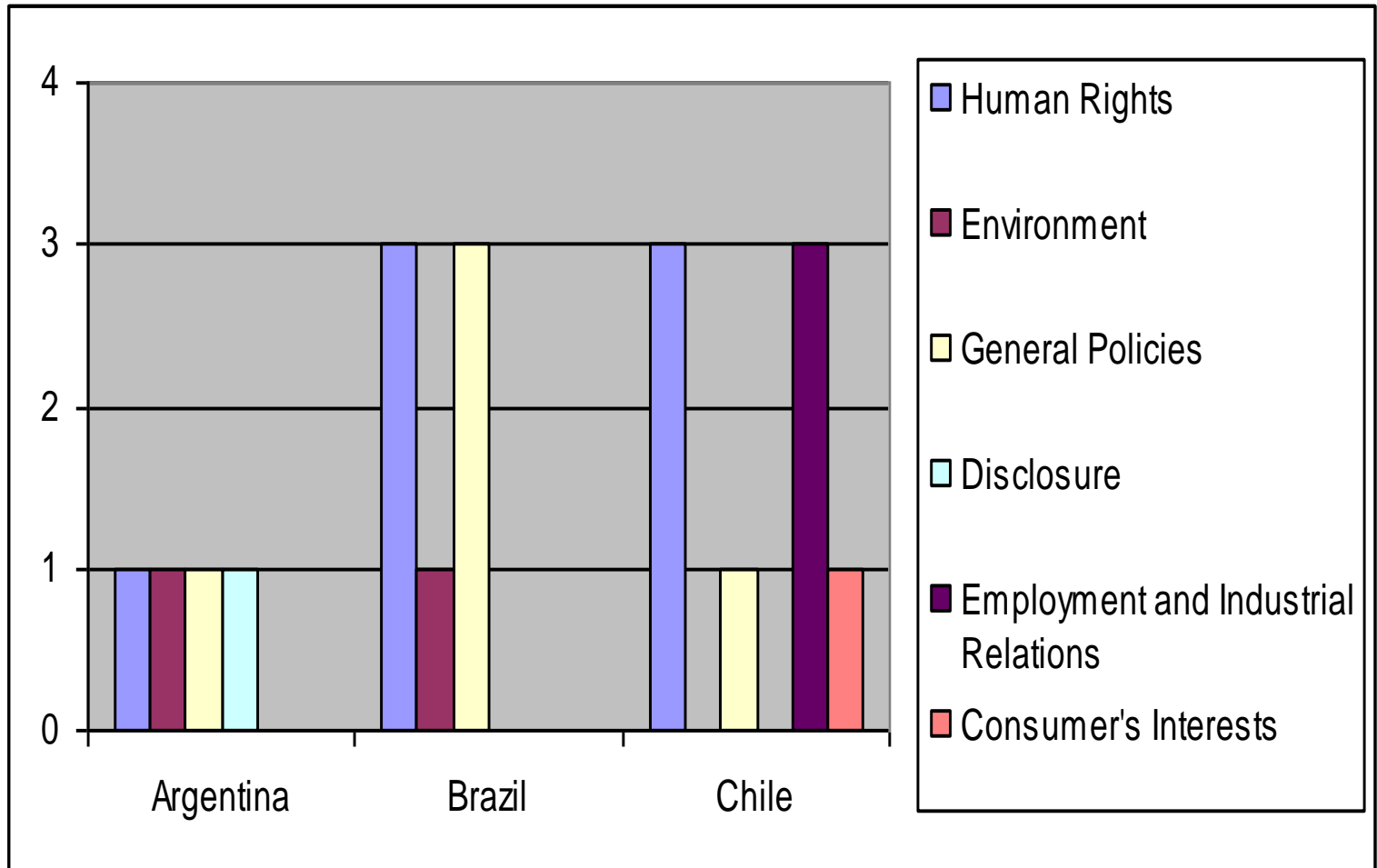
# Europe



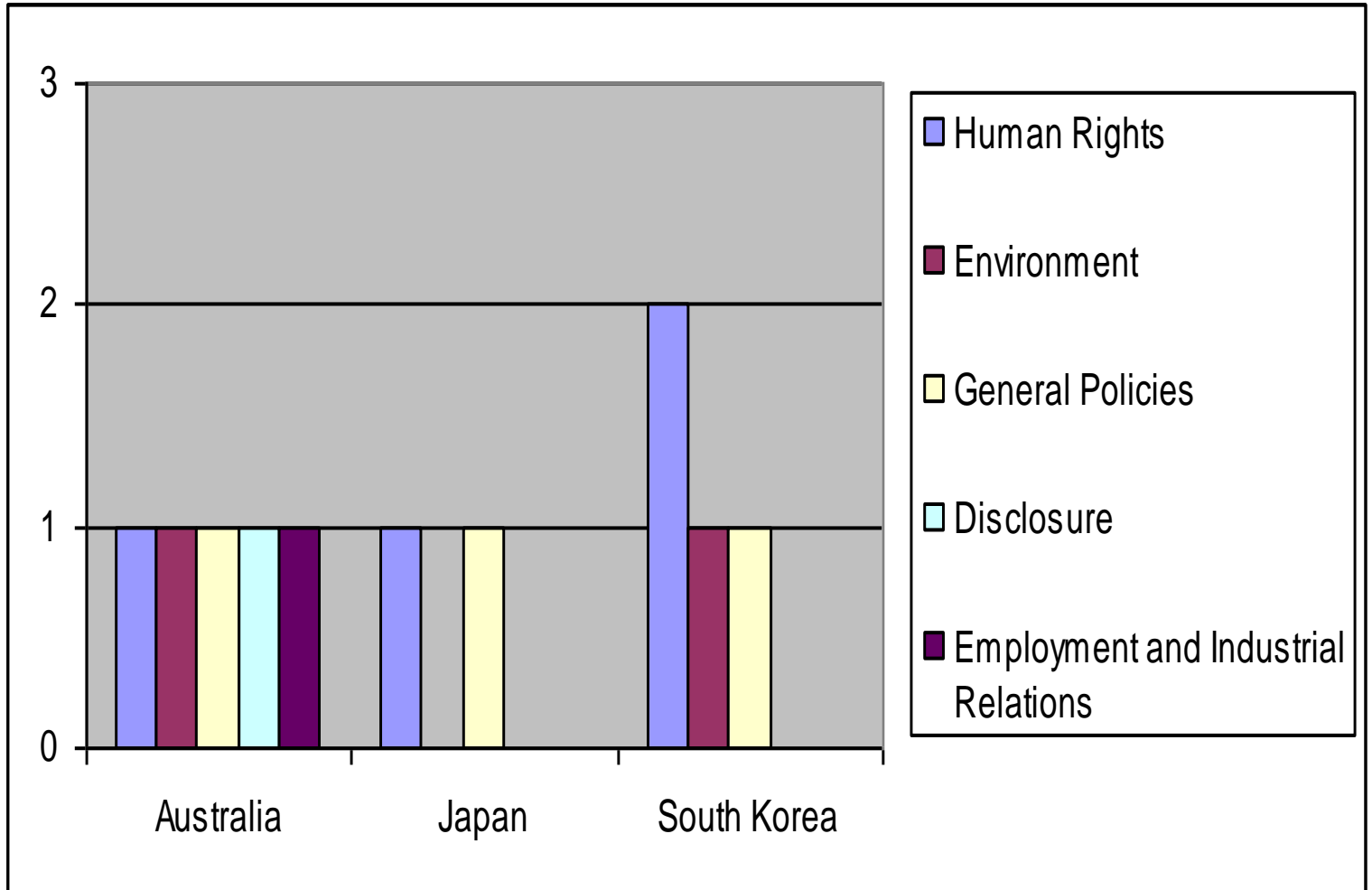
# North America



# South America



# Asia - Australia







# Violations per country

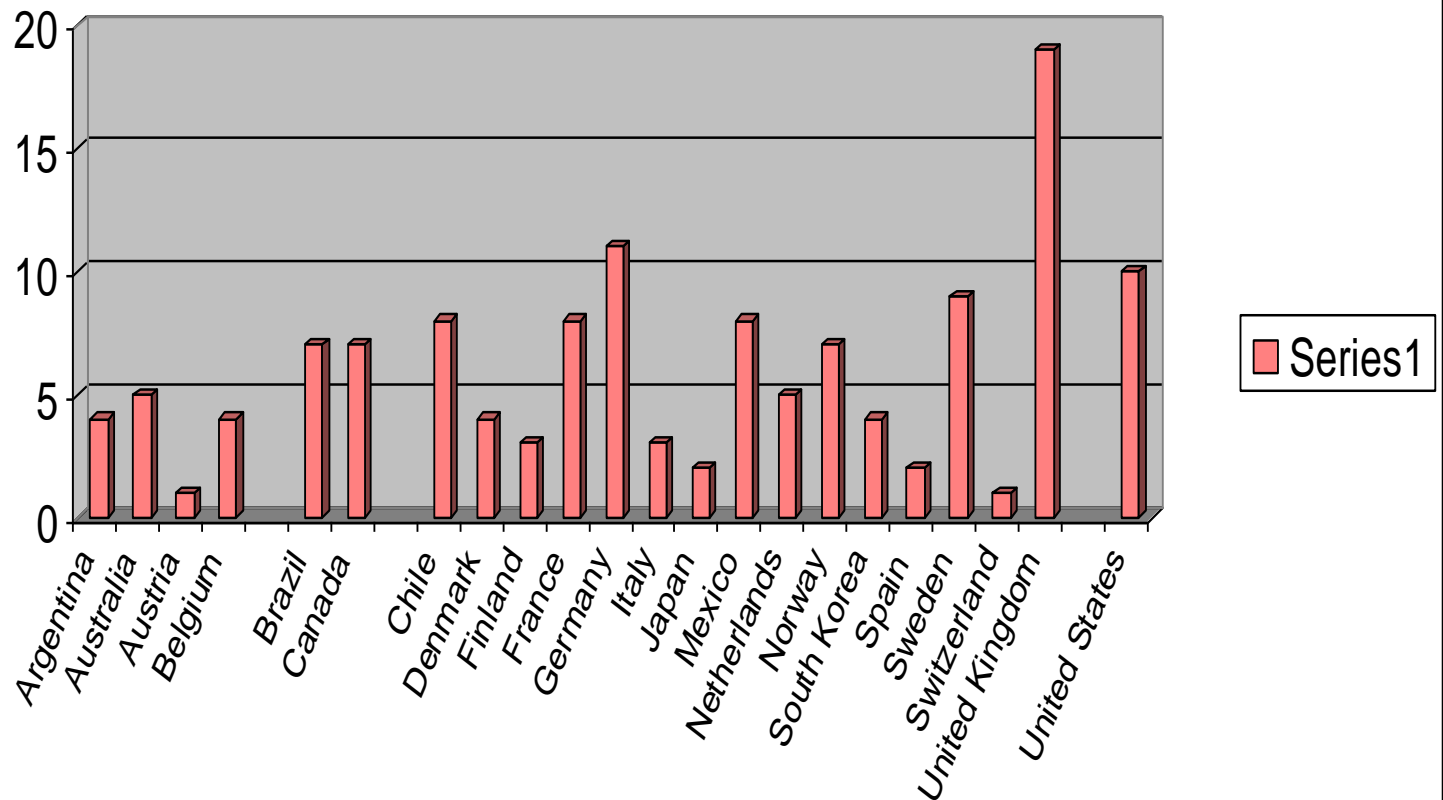
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From these first four charts we can have an idea of the number of cases and violations per country, as well as the types of violations involved in the cases analyzed.

One can also see that the majority of enterprises violating the guidelines come from Europe, but probably because European NGOs, trade unions and individuals report more cases than American and Asian counterparts. One can also see a small number of cases from developing countries since most breaches are related to enterprises from developed countries trying to produce at cheaper cost or attempting to use resources from developing economies.

# Number of violations per country

Number of (reported) violations per Country





# Reported Cases

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From this chart one can have a more clear interpretation of the number of violations per country. It does not specify which kind of violation but it sums all the violations reported within the cases to National Contact Points.

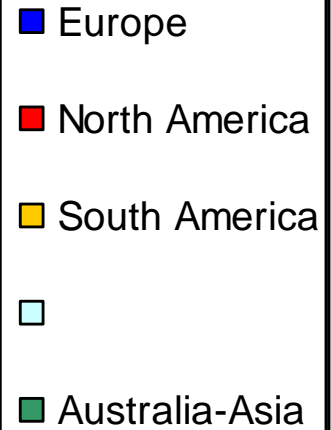
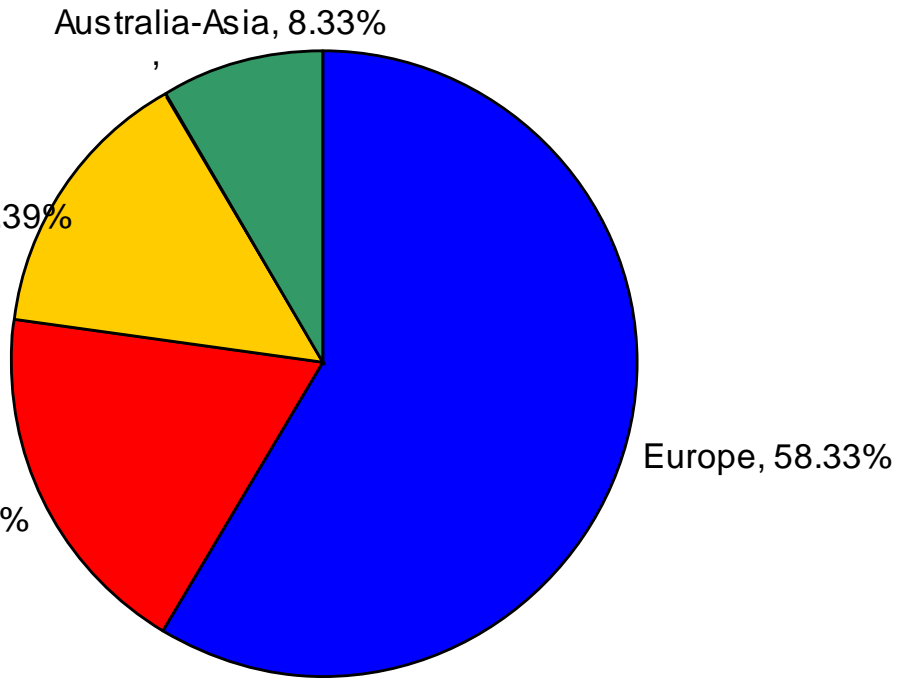
It is interesting to see that the United Kingdom is the country which reported the highest number of violations, followed by Germany and the United States.

In the next slide one can have a final division of countries violating the guidelines based on their belonging to a respective continent.

# Violating Continents

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**Continents violating guidelines**





# Violations by continents

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One can conclude the discussion on violating countries by grouping them based on continents. As can be seen, Europe is the continent which reported the highest number of cases (and consequently violations), but again this doesn't mean that European countries violate human rights more than North America's but that they report cases. For this reason, it is hard to have a reliable measure of the proportion of cases worldwide. However, this chart gives anyway interesting information regarding reported cases.



# Violations

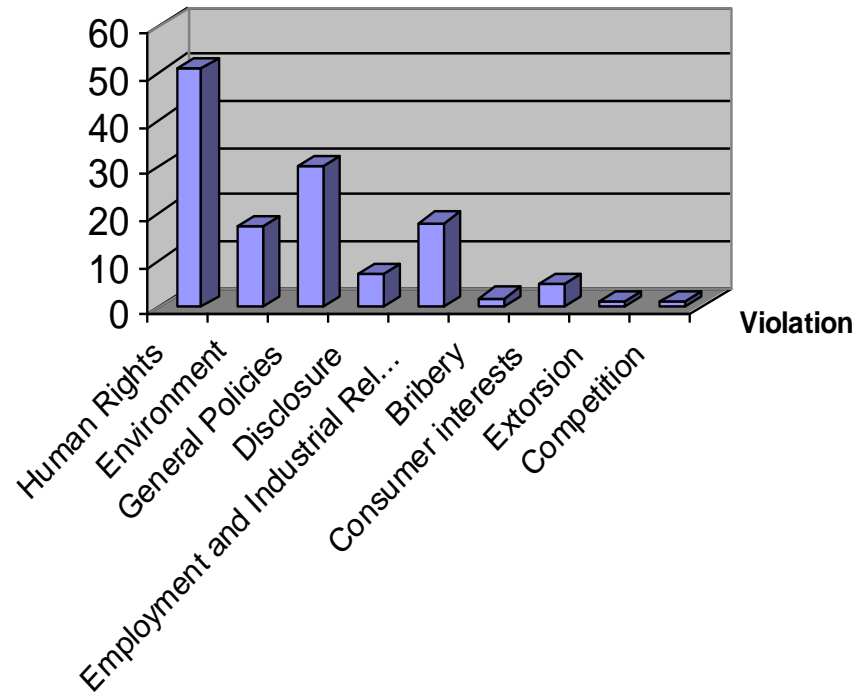
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After focusing on countries whose enterprises commit violations, once can have a closer look at the violations and cases themselves and reach some possible conclusions

# Total Violations

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## Total Number of Violations





# Total violations

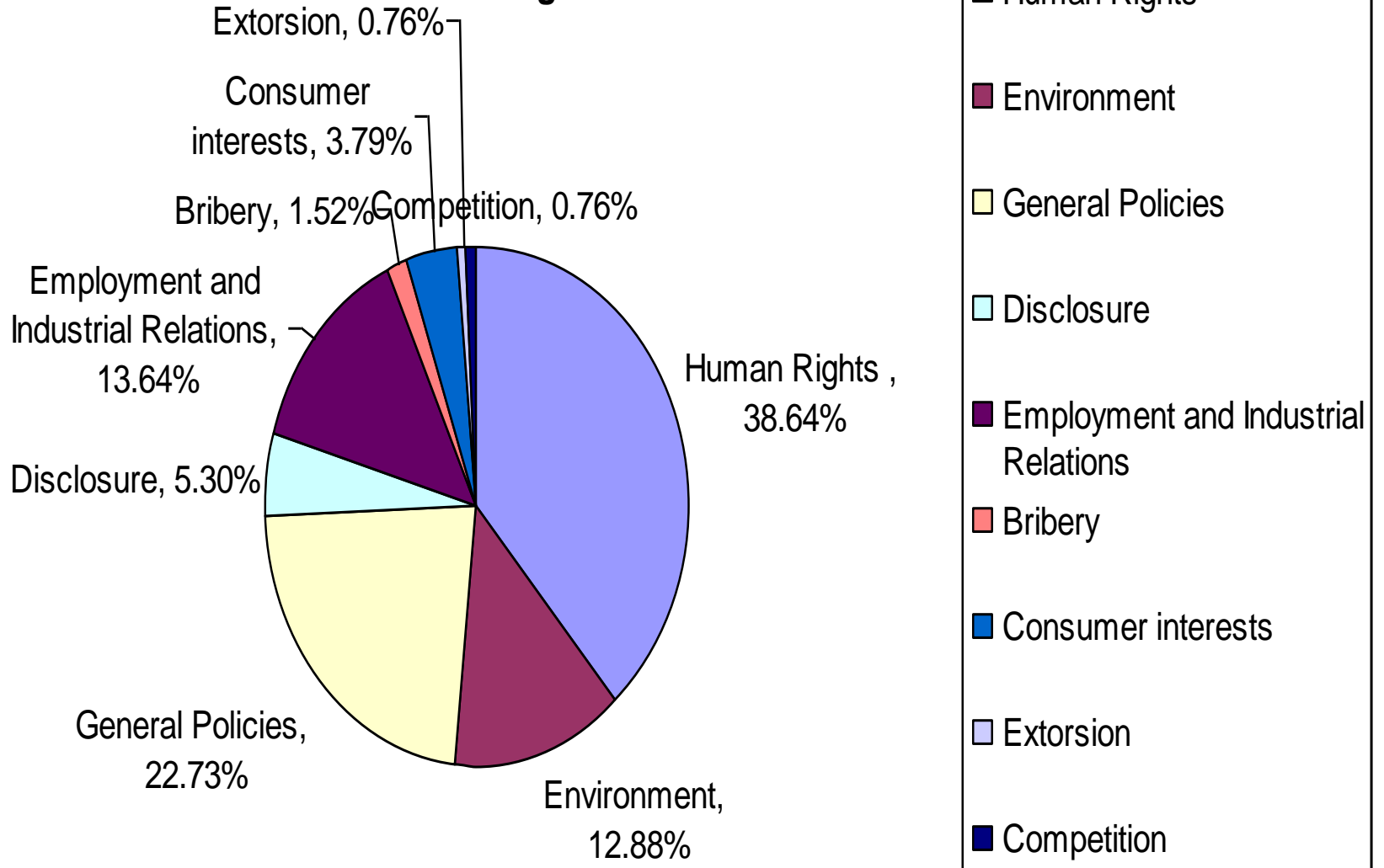
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From this slide one can see that Human Rights is the most recurrent violation, but this is due to the restriction that was applied to the original database. A more interesting conclusion is the high number of general policies which are violated in cases along with human rights, and the number of violations regarding the environment, and the employee relations. Not surprisingly other violations regarding issues more economic related (i.e. competition and consumer interests) are less common.

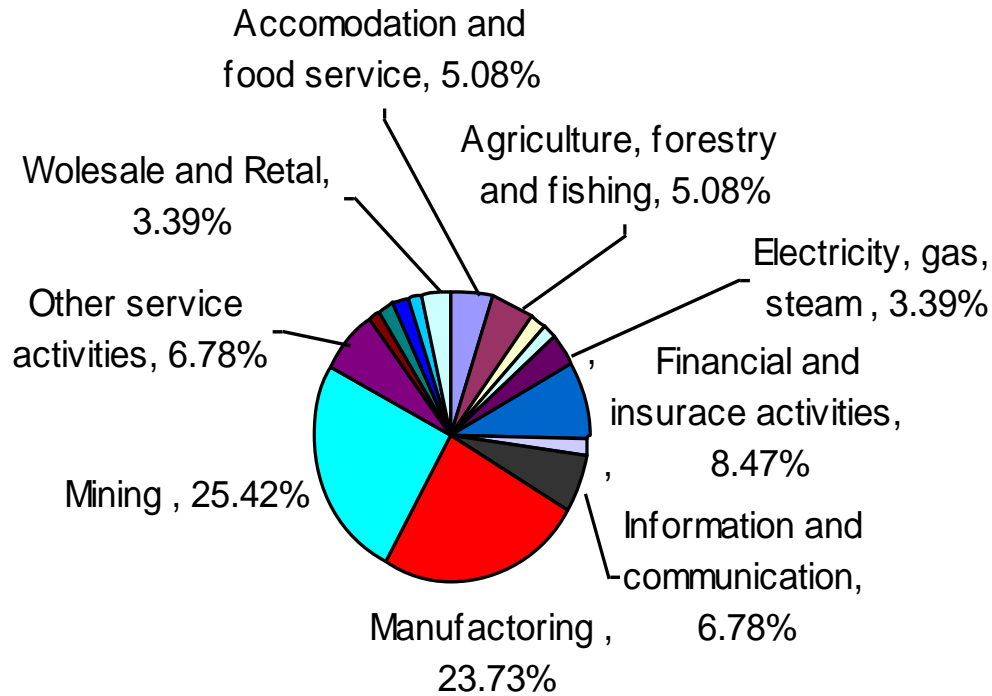
One can see this relations better in the next chart that shows the percentage of each kind of violation over the total number.



### Percentage of Violations



## Violations by Sector



- |                                     |   |                                      |
|-------------------------------------|---|--------------------------------------|
| ■ Accomodation and food service     | ■ Agriculture, forestry and fishing                 | ■ Arts, entertainment and recreation |
| ■ Construction                      | ■ Electricity, gas, steam                           | ■                                    |
| ■ Financial and insurace activities | ■ Human health and social working activities        | ■                                    |
| ■ Information and communication     | ■ Manufacturing                                     | ■ Mining                             |
| ■ Other service activities          | ■ Professional, scientific and technical activities | ■ Trade Union                        |
| ■ Transportation and Storage        | ■ Water supply, sewerage, waste management          | ■ Wolesale and Retail                |



# Violation by sector

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From this second chart, one can see the different sectors in which violations have occurred. Some sectors such as mining and manufacturing can influence human rights considerably due to working conditions and the danger of the supply chain operations. However, one can see violations in many other fields that could be considered less risky such as information and communication, wholesale and retail, financial and insurance activities etc.



# Violation by hosting countries

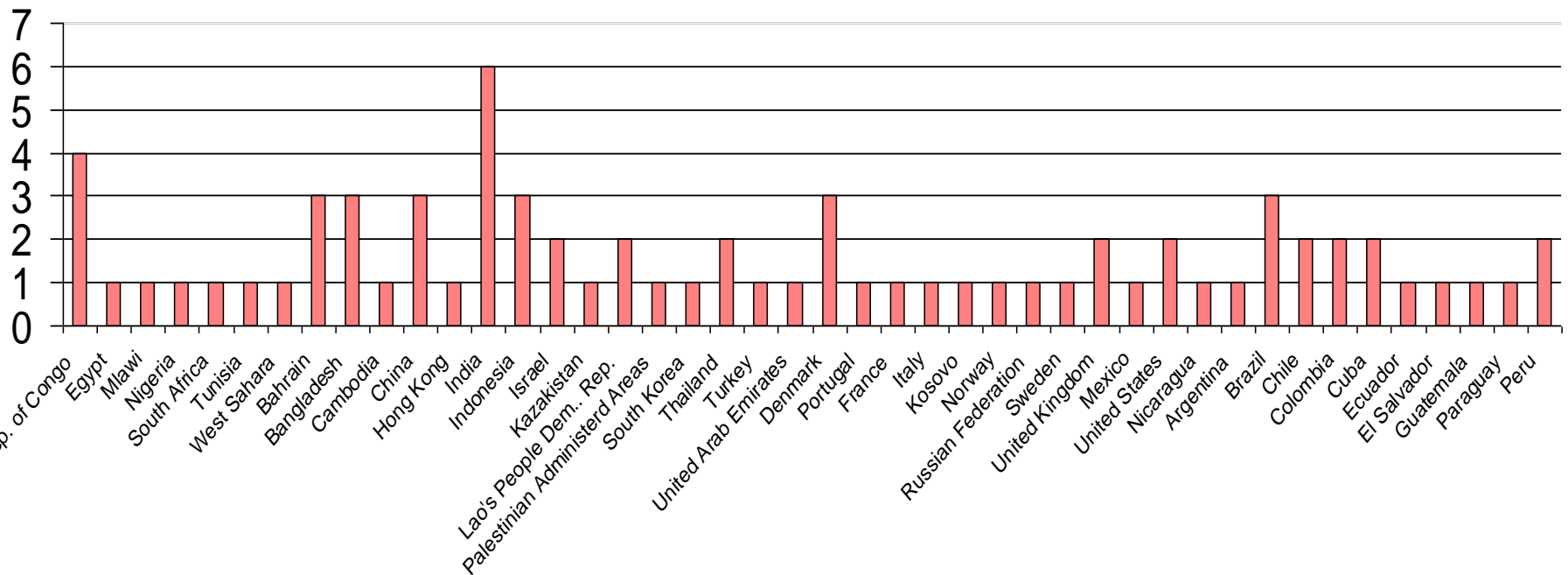
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Continuation of analysis of the violations of the guidelines in relation to countries by focusing on the countries who hosted the violation

# Host Countries

Number of Cases per Host Country

N. of Cases





# Country samples

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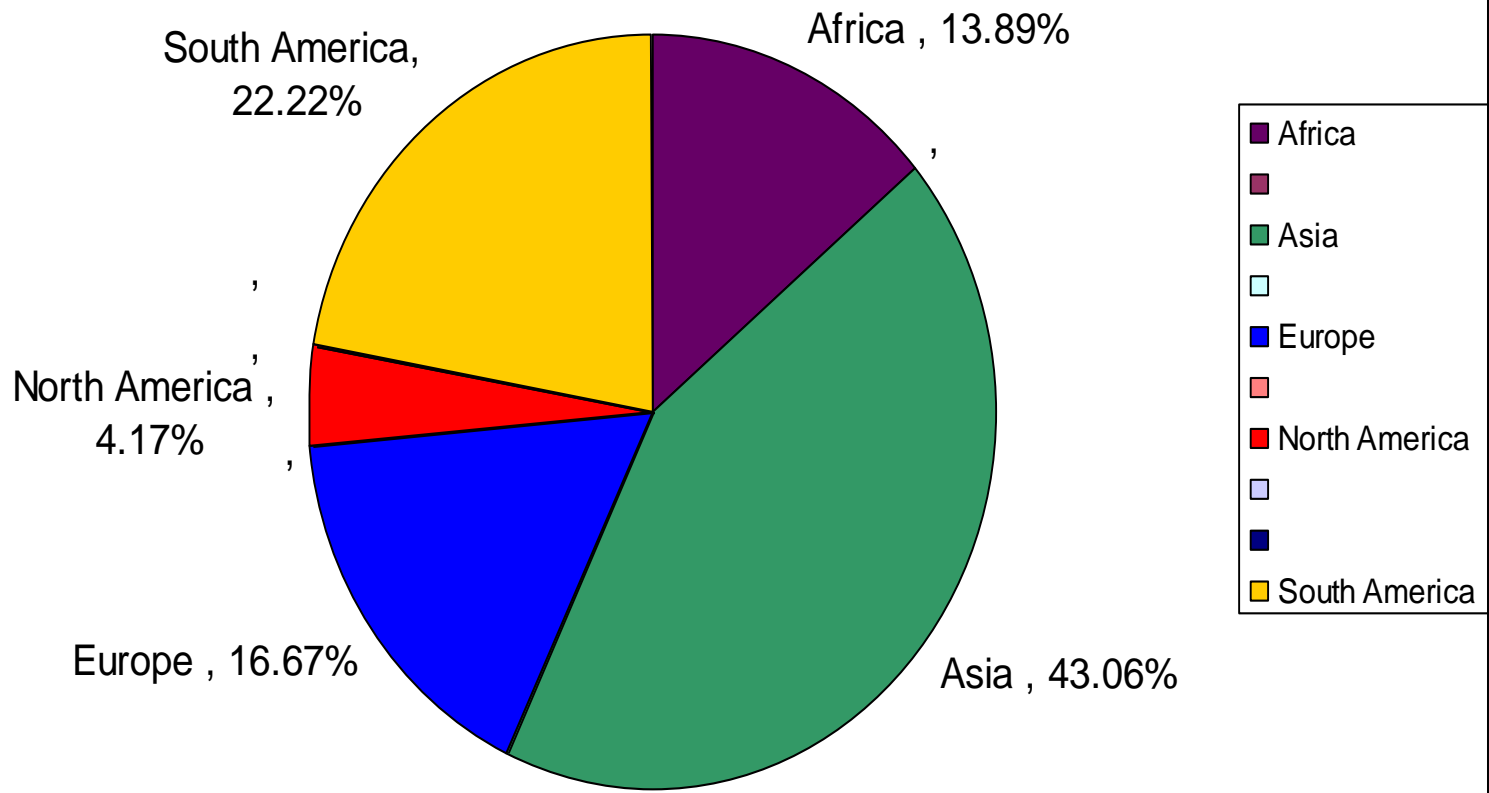
From this chart, one can see the countries where violations have taken place and the number of cases per country.

One can see that India is the country with the highest number of reported cases dealing with human rights. It is followed by the Democratic Republic of Congo (facing many violations in its mining and quarrying sector), Bahrain, Bangladesh and China. An interesting case is Denmark, which reported many cases that violated the OECD guidelines (specially regarding human rights) within its boundaries.

One can again divide the countries based on their continent and a broader view of the distribution of the violations world wide.

# Hosting Continents

Continents hosting violations





# Majority of cases

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From this last slide, one can easily notice that the majority of the cases take place in Asia. This is probably caused by the size of the continent but also by countries like India, China, Bangladesh and Bahrain that host a great number of violations.

One can also see that Africa does not report many cases, which is interesting because it is considered probably the continent more vulnerable to international corporations. However, it might just be caused by a lower production industry in the continent (since most of the global trade takes place in Asia) as opposed to the extractive sector, which even if big is not comparable to the size of the Asian productive capacity.

One can finally also see a considerable number of violations in South America and in Europe while on the other hand North America has an extremely small share of the cases. Again, the reason of this difference between the two industrialized continents is probably due to the attitude that they have towards reporting cases.





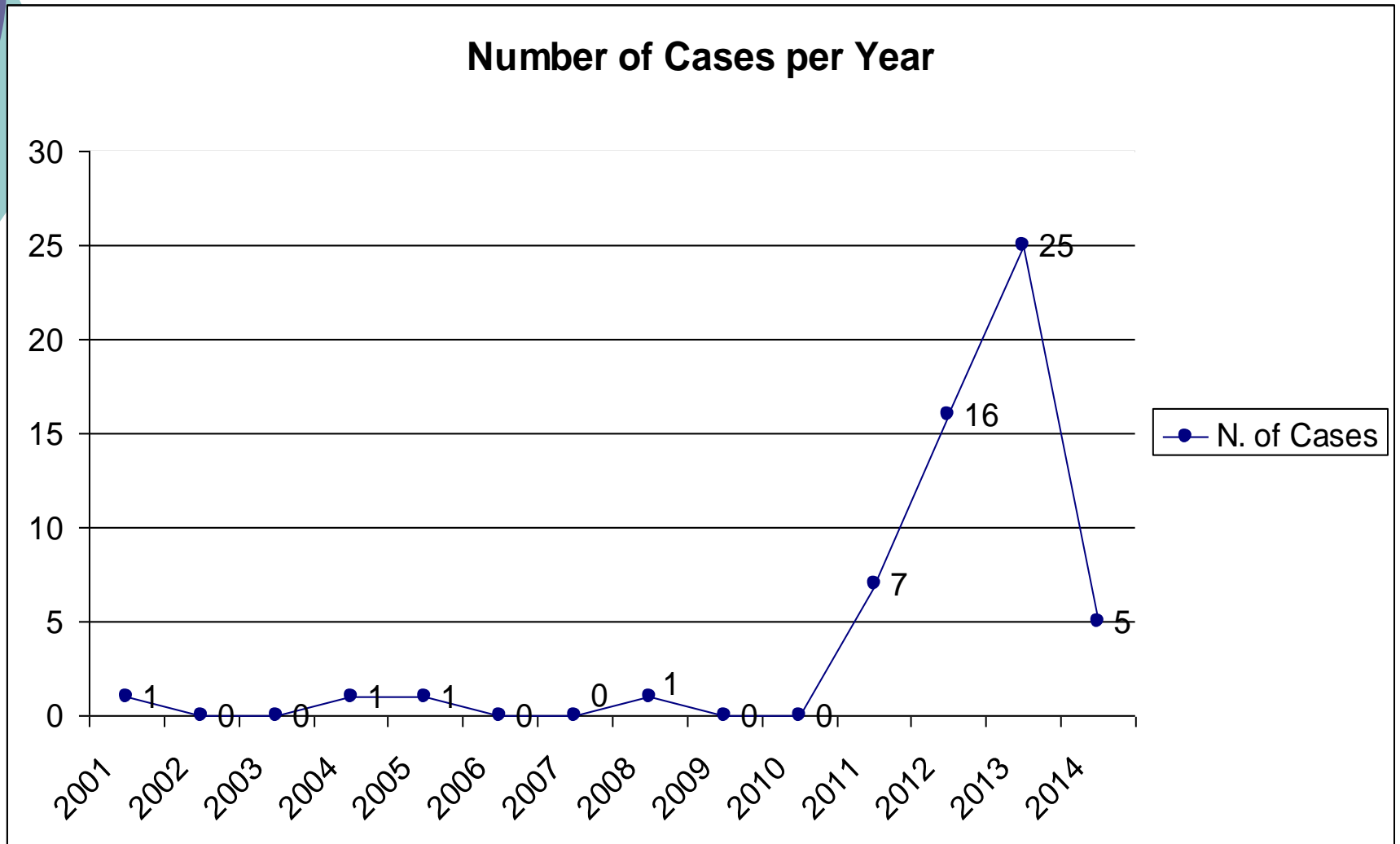
# Violations based on violation of HRs

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One can conclude this discussion by analyzing cases and violations focusing on the number of reports regarding human rights over the years, the parties that reported cases and violation to NCPs and the current status of these violations that we have seen in this presentation.

# Trend of reports

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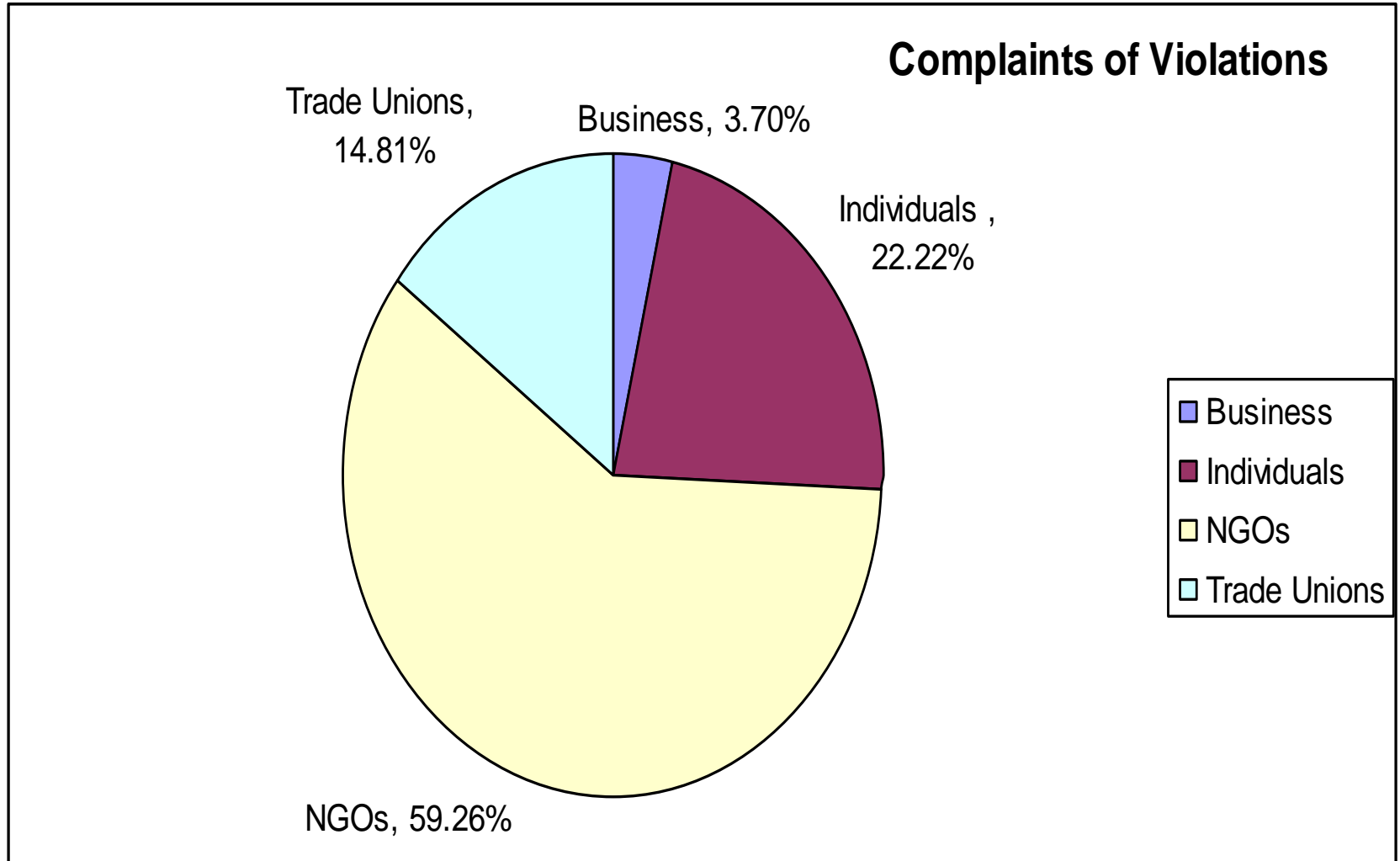
# Trends of reporting

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The trend of the graph shows the number of cases reported to National Contact Points (NCPs) since the development of the OECD guidelines.

One can see how the number of reports has increased sharply over the last 3-4 years probably due to an increase of awareness by individuals and organization in regards to violations of human rights. The development of new media along with other factors might also have been a cause of increasing denounces over the last years.

# Complaints





# Source of complaints

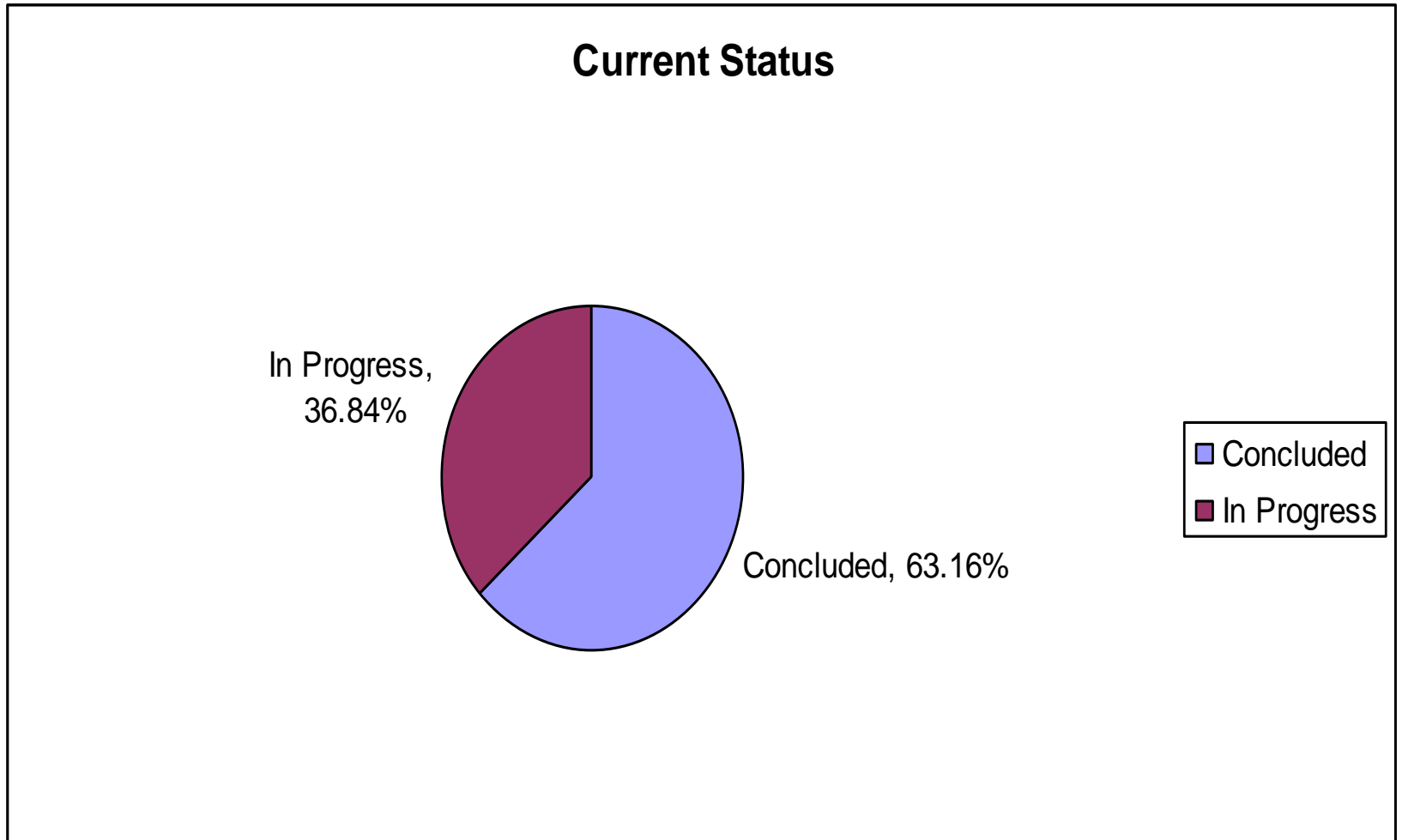
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As the pie chart shows, the vast majority of the cases has been brought to attention of a NCP by Non-Governmental Organizations, underlining the importance of these institutions in defending human rights.

One can also see almost a fourth of the cases brought up by individuals and another nearly 15% reported by trade unions (probably advocating the rights of their members).

# Current Status

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# Increase of reporting over last 3 years.

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This last chart concludes this presentation and gives an idea of the current situation of the reported cases

63% of the cases reported over the last 14 years have been analyzed and concluded with appropriate measures as needed. One can believe that this is an encouraging sign because as was shown, most of the cases has been reported over the last 3 years, meaning that cases are analyzed on a quite efficient way without being slowed by bureaucracy or other obstacles. This way, it is possible to prevent firms from breach of guidelines in a relatively short period, avoiding reoccurring abuses.



# Conclusion

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There are many conclusions that can be reached from this presentation. One can see where human rights (along other issues) are mostly violated. One can also have an idea of what countries commit the abuses, even though this part of the analysis is not very accurate due to the fact that some countries have the tendency to avoid reporting many cases. The charts show us a precise picture of what abuses take place in cases dealing with human rights violations, and in what sectors and industries the violations take place. One can see the trend of reports dealing with human rights since the implementation of the OECD guidelines and a snapshot of the current status of the analyzed cases. Finally, one can also see the organizations that have worked to denounce the cases and prevent the reoccurrence of such abuses.