

23 September 2013

National Contact Point statement – Swedwatch's complaint regarding Electrolux

The matter

On 9 April 2013, Swedwatch filed a complaint against Electrolux with the Swedish National Contact Point. In the complaint, Swedwatch claims that workers and trade union members at Electrolux's factories in Thailand were dismissed or suspended from their jobs following what the company claims were illegal strikes. According to Swedwatch, the company has not respected the OECD Guidelines, Chapter V, Employment and Industrial Relations (points 1, 3, 4 and 7) and Chapter I, point 2 (see attached link to the complaint).

According to Electrolux, the complaint contains incorrect information (see attached link to the company's reply). A clarification from Electrolux (see attached link) also points out that the company has cooperated with IndustriALL and IF Metall to find a solution. All dismissed or suspended employees have been offered re-employment. As of 2 August 2013, the company has either re-employed or reached a settlement with the other dismissed or suspended employees. In an agreement with IndustriALL and IF Metall, Electrolux has agreed to conduct joint training activities for the local management and the local union representatives (see attached link, Appendix 1).

The complainant

Swedwatch is a voluntary association and non-partisan research organisation which aims to reduce social and environmental anomalies connected with the activities of Swedish enterprises in developing and low-income countries. Swedwatch is not a direct party in the complaint in that it does not formally represent the employees, but on the basis of its activities considers that it has an interest in principle in the events between Electrolux and the company's employees in Thailand.

Assessment of the National Contact Point (NCP)

The National Contact Point has decided to not formally take on the complaint, since the parties, i.e. the company and the trade unions, have initiated a dialogue to find a solution to the conflict. At this stage, the NCP considers that this should continue. The NCP encourages the parties to continue this dialogue and believes that it is primarily up to the social partners to find a solution to the conflict. In this context, it may be mentioned that IF Metall, which is one of the trade unions represented in the Swedish NCP, has played a role with the aim of facilitating the dialogue between the parties, i.e. trade unions and employers in Thailand, and has helped Electrolux in updating the company's code of conduct. Even if the NCP does not formally take on the case, it will follow developments ensuing from this dialogue. At the present, however, the NCP feels that the parties themselves should follow through on the work that has been initiated. The NCP looks forward to a report from Electrolux during the autumn on how the dialogue has evolved. Regarding Electrolux's future work with the social dialogue, the NCP wishes in particular to emphasise Chapter V, point 2 (a–c) of the Guidelines, which concern industrial relations and the conditions for trade union activities and a good social dialogue:

- 2(a) Provide such facilities to worker's representatives as may be necessary to assist in the development of effective collective agreements;
- 2(b) Provide information to workers' representatives which is needed for meaningful negotiations on conditions of employment; and
- 2(c) Provide information to workers and their representatives which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole.

The focus of the NCP's work is primarily forward-looking in nature with the aim of arriving at a constructive solution. In this context, however, the NCP wishes to emphasise how important it is that the OECD Guidelines for Multinational Enterprises are respected and that awareness of the Guidelines is increased, not least at local level. Enterprises and trade unions can play an important role in this.

According to the Guidelines, multinational enterprises have a responsibility to comply with the principles and norms of the Guidelines and to avoid and redress any adverse impacts on issues covered by the Guidelines. The multinational enterprises should 'know and show' that they are not involved in negative impacts by conducting due diligence risk analyses that highlight the risks of

negative impacts and that allow them to deal with these. Here as well, good social dialogue can contribute to combating an adverse impact and finding forms for possible measures.

Background: National Contact Point

All countries adhering to the OECD Guidelines for Multinational Enterprises undertake to support and promote the Guidelines by setting up National Contact Points. The Swedish NCP is a three-party cooperation between the State, the business sector and employee organisations. The State is represented by several ministries at the Government Offices.

Meetings of the NCP are convened by the Ministry for Foreign Affairs. The business sector is represented by the Confederation of Swedish Enterprise and the Swedish Trade Federation, and employee organisations by the Swedish Trade Union Confederation, the Swedish Confederation of Professional Associations, the Confederation of Professional Employees, Unionen and IF Metall.

The NCP cannot reconsider court decisions, has no legal authority and cannot impose sanctions. The main task of the Contact Point is to promote company compliance with the Guidelines and to contribute to solving problems in individual cases through dialogue and discussion.