



Trade Union
Advisory Committee
to the OECD
*Commission
syndicale consultative
auprès de l'OCDE*

Bringing accountability to the boardroom – what the OECD should do

TUAC breakfast meeting, 29 October 2019
8.30 – 10.00 | Room CC.15, OECD Conference Centre

Coffee will be served from 8.15 am.

Please register at tuac@tuac.org 18 October 2019

OVERVIEW AND AIM OF THE MEETING

As noted by the OECD in the 2019 Business and Financial Outlook, “trust in business and institutions is at an all-time low, yet trust is critical to long-term economic growth, innovation and social well-being”. Corporate-led initiatives trying to address deteriorating confidence and reputational risks are multiplying. Global investors proclaiming their commitment to a long-term approach as “purpose and profit are inextricable”, CEOs questioning the shareholder-value model, recognising their fundamental commitments to all stakeholders, etc. These initiatives are a belated recognition that corporate short-termism is deeply affecting economy and society as a whole. The initiatives are coming at a time where the OECD predictions for the global economy are negative. Inequalities continue to deepen, fuelling economic resentment and populism.

What’s next? A grave mistake would be for policy-makers to take these declarations at face-value and continue putting the emphasis on corporate self-regulation.

SPEAKERS

Dr **Sigurt Vitols**, Senior Fellow, Berlin Social Science Center (WZB)

Dr **Stan De Spiegelaere**, Researcher, European Trade Union Institute

Panel moderated by **Séverine Picard**, Senior Policy Advisor, TUAC

A fundamental rethinking of corporate governance frameworks is needed.

A first, essential, step when discussing the responsibility of businesses towards society is to secure transparency and corporate accountability on all the activities of a global company group. Legal personality allows corporations to enjoy the legal status, including limited liability, that they need to do business. But when a multinational enterprise is split into a myriad of formally distinct legal personalities, liabilities are blurred. Responsibility is shifted from one entity to another until the victims of misconduct are left without recourse to secure their rights.

The objective of this breakfast meeting is to engage a discussion between the OECD and TUAC on the duties and responsibilities of corporate boards for the activities carried in global company groups. Dr Sigurt Vitols will share concrete illustrations of complex company group structures and their impacts on workers, tax contributions and society in general. Dr Stan De Spiegelaere will present his recent research on the role of workers’ participation on the sustainability, innovation and productivity of company groups.

These presentations will be followed by an exchange with the participants on the extent to which corporate governance frameworks need to be reformed in order to increase corporate accountability and sustainability.