50 years of the OECD Guidelines: raising awareness, building capacity, strengthening advocacy

Regulation of multinational enterprises is under pressure and workers' rights risk being eroded. The 50th anniversary of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct next year must be an opportunity to mobilise trade unions to defend past achievements and fight for better standards, says TUAC policy adviser, Andrea Fromm.

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct will mark their 50th anniversary in 2026. They were the first instrument for cross-border regulation of multinationals in the field of workers' rights and, later, corporate due diligence, and they have made a significant contribution. Nevertheless, workers and the environment continue to be exploited in the search for the cheapest sources of labour and materials. Strong international regulatory instruments for trade unions therefore remain absolutely essential to persuade multinationals to make a positive contribution to social and environmental progress and to prevent harmful impacts on communities.

At present, companies around the world that trade with the United States are facing high tariffs. Imports to and exports from the US have become significantly more expensive.Often these additional costs are offset by suppliers through cost savings. This cost pressure puts already vulnerable workers at increased risk of human rights and labor rights violations. Wages fall, working hours and work intensity increase, collective bargaining is undermined and anti-union sentiment spreads further. Combined with years of post-COVID-19 inflation, this race to the bottom has already had devastating consequences for workers and communities and has exacerbated inequality worldwide.

In Europe, in February 2025 just six months after the adoption of the Corporate Sustainability Due Diligence Directive, the European Commission proposed to simplify sustainability reporting and due diligence obligations – and the directive is set to be weakened further (see pp. 2–3 in this issue). Since September, a draft bill to amend the German Supply Chain Act has been on the table. It would abolish reporting obligations for multinational enterprises and remove the possibility of sanctions for most human rights violations committed by multinational enterprises. When international rules and standards are weakened, there is a risk of a race to the bottom, leading to division, inequality and further violations of labour rights. At the same time, it restricts the ability of national governments to protect human and labour rights and to remedy violations.

By contrast, the arguments for and benefits of international regulation are compelling. Standards create shared expectations and conditions, and in so doing they provide greater security, stability and predictability. They ensure fair competition based on respect for

human and labour rights and support upward social convergence. And they secure access to public funds for companies that contribute to productive activities, investment and coherent expectations and policies.

Because there are significant setbacks in legal obligations for multinational enterprises, the OECD Guidelines are becoming all the more important. Trade unions can use them to hold companies to account by identifying, preventing violations of labour rights and mitigating risks. In cases where rights are violated, they can help workers gain access to remedy.

The 50th anniversary is an opportunity for the international community to reaffirm its commitment to the Guidelines. At the Trade Union Advisory Committee (TUAC) to the OECD, together with our member organisations and partners, we work to highlight the role of workers' rights and the importance of international regulation such as the OECD Guidelines and National Contact Points.

National Contact Points (NCPs) have been set up by all governments whose country adheres to the OECD Guidelines. One of the most important functions of an NCP is to act as a complaint mechanism in cases of alleged breaches. Trade unions have used this mechanism in the past to encourage persuade companies or investors to strengthen industrial relations, review the practices of their suppliers, improve their due diligence and raise labour standards. Trade unions also advocated for the reporting of results to the relevant government agencies so that companies that violate the Guidelines or are unwilling to participate in mediation can be excluded from public funding.

Respect for and protection of workers' rights as well as the remedying of violations also depend on political will and commitment. The anniversary is therefore also an opportunity to strengthen advocacy for trade union participation in policymaking by national governments and in corporate affairs. TUAC, for example, is pushing for coherent policy on responsible business conduct, based on legislation and on the labour rights and standards of the International Labour Organization. TUAC also demands that corporate violations of the Guidelines must have consequences, and for procedures to be fair and accessible and to lead to concrete results within a reasonable timeframe. Pressure from trade unions is crucial to achieving this. To raise awareness and build capacity – including for effective advocacy – TUAC is currently developing a practical trade union guide.

Box

Instruments such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, as well as legislation such as the German Supply Chain Act (Lieferkettengesetz, LkSG) and the EU Corporate Sustainability Due Diligence Directive (CSDDD), protect, among other things, fundamental human, trade union and labour rights. As the trade union movement, we want to strengthen in particular the following points from the OECD Guidelines:

- Respect for workers' right to form and join trade unions
- Respect for workers' right to have their union recognised for the purpose of collective bargaining
- Effective abolition of child labour
- Elimination of all forms of forced or compulsory labour
- Respect for equal opportunities and treatment in employment; non-discrimination
- Provision of a safe and healthy working environment
- Promotion of consultation and co-operation between employers and workers and their trade unions, etc.

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