

INTRODUCTION

The debate on corporate responsibility for human rights captured broad public interest worldwide in 1997. Local activists at the point of production, supported by advocacy groups in the United States, Canada, the European Union (EU), and Asia spurred a steady stream of reports, counter-reports, articles, and press releases.

The debate, while still centered in the apparel, footwear, food, and drug industries, expanded beyond these sectors to touch the multinational oil

May, following reports of worker abuse and child labor in the textile industry in South Asia, members of the European Parliament adopted a resolution calling on the European Commission to adopt EU legislation to ensure that clothes, shoes, and carpets imported from developing countries would be labeled to indicate that worker rights had been respected. A high-profile, tripartite attempt occurred in the United States with the work of the White House-convened Apparel Industry Partnership.

HUMAN RIGHTS WATCH 1998 WORLD REPORT:

Corporations and Human Rights

companies. Feeling the sting of allegations of complicity in rights violations and their effect on corporate image, a few of the oil giants made general commitments to human rights without the programmatic steps to implement them.

THE APPAREL INDUSTRY

Across the globe, corporations and their critics debated monitoring. In May, the director-general of the International Labour Organisation floated a proposal for a "global social label" to tag goods produced according to core labor standards. He suggested that specific country labeling would be a more effective check on labor rights violations than voluntary codes of conduct. In

The partnership, a group of US-based apparel and footwear manufacturers, labor unions, and non-government organisations, was launched by President Clinton in 1996 to formulate a global code of conduct to eradicate sweatshop practices in the companies' operations, both in the US and abroad. After eight months, on 18 April, the partnership issued an interim report. Its "Workplace Code of Conduct" consolidated and advanced the best of the existing US voluntary company codes of conduct on freedom of association and expression.

The appeal of voluntary codes of conduct and the debate over their implementation spread in 1997. The export

manufacturers association in Guatemala, VESTEX, announced the promulgation of its own voluntary code of conduct and the Guatemalan subsidiary of the US accounting firm, Ernst & Young, conducted several audits of its implementation. In contrast to this auditing, during 1997, a coalition of Guatemalan religious, human rights and labor groups had formed a committee to monitor corporate codes of conduct. Parallel efforts were also underway in El Salvador, where working conditions and hiring practices of multinational corporations and their subcontractors had received bad publicity.

Responding to the calls for transparency in monitoring, the world's largest accounting firms, such as Ernst & Young and Coopers & Lybrand, presented themselves as independent monitors able to perform social audits. While Ernst & Young did a commendable job in documenting egregious health and safety violations at a Nike contractor in Vietnam, the competence of accounting firms to conduct sensitive human rights investigations, combining testimonial evidence with statistical analysis, was doubtful.

While several US footwear and apparel companies were actively exploring the possibility of independent monitoring as of November, the only functioning—and quite effective—locally-based independent monitoring program in existence was the program implemented at the Mandarin factory, a supplier to Gap Incorporated, in El Salvador.



News from IRENE

NIKE

The sharpest and most persistent controversy over corporate responsibility of human rights and independent monitoring of company codes of conduct swirled around the practices of Nike contractors in Vietnam, China, and Indonesia. In the face of repeated allegations by international and regional investigators of abusive labor practices at subcontractor facilities in those three countries, Nike hired former US Ambassador to the United Nations, Andrew Young, and his consultancy firm, GoodWorks, to conduct an audit of Nike facilities in all three countries. The methodology employed by Ambassador Young was disturbingly flawed: he spent very limited time at each facility; interviewed workers at random on company premises; and conducted the interviews with the assistance of company-supplied translators. Ambassador Young's report, released in June, found that Nike facilities were generally respectful of human rights and that there was "no evidence or pattern of widespread or sys-

tematic abuse or mistreatment of workers" in the factories he had visited.

Ambassador Young recommended that the company should more actively publicise its code of conduct in supplier factories, implement an independent monitoring system, and organise a committee of "distinguished individuals" to perform spot-checks at their factories abroad.

In contrast to Ambassador Young's findings, the Hong Kong-based Asia Monitor Resource Center and the Hong Kong Christian Industrial Committee released a report drawn from their investigations of Nike (and Reebok) contractors in south China. Highlighting the different findings that emerge from widely varying orientations and methodologies, this investigation documented very different conditions than those reported by Ambassador Young.

That report concluded that conditions in the Chinese facilities were in gross violation of the Nike (and Reebok) codes of conduct, the Apparel Industry Partnership's "Workplace

Code of Conduct," and Chinese labor law.

Nike management severed relations with four Indonesian contractors on the grounds that they did not meet the company's code of conduct requirements.

In October, a coalition of US-based women's groups, including the National Organization for Women, the Ms. Foundation for Women, and the Feminist Majority, launched a campaign against Nike in order to highlight the problems female workers faced at Nike's Asian contractor facilities.

PHILLIPS-VAN HEUSEN

Another example of the critical importance of independent monitoring, this one involving Human Rights Watch, was demonstrated in the controversy at the Phillips-Van Heusen (PVH) factories in Guatemala. Starting in September 1996, PVH was confronted by allegations from union organisers and international labour rights activists that its workers' rights to free association, specifically their right to engage in collective bargaining, at PVH's Camisas Modernas factories, was being suppressed.

THE OIL INDUSTRY

Increasingly, multinational oil companies, expanding exploration and drilling operations to states ruled by governments that are serious human rights violators, were criticised for the human rights consequences of partnering with those governments. Operations in such human rights trouble spots as Colombia, Nigeria, and Burma repeatedly received press attention.

COLOMBIA

In 1997, faced with an increase in guerrilla attacks and paramilitary activity, multinational oil companies operating in the Casanare and Arauca regions of Colombia found themselves deep in controversy

PRESSURE MOUNTED BY GRASSROOTS ORGANIZATIONS, THE PRESS, AND THE PUBLIC AT LARGE WAS PLAYING AN IMPORTANT ROLE IN HOLDING CORPORATIONS ACCOUNTABLE FOR COMPLICITY IN GOVERNMENTAL HUMAN RIGHTS AND LABOR RIGHTS VIOLATIONS.

over the human rights implications of their security arrangements with the Colombian Defense Ministry.

Controversy over the companies' relations with Colombian military and police was particularly active in Britain.

NIGERIA

In the case of Shell, human rights concerns were not limited to company operations in Colombia. In March, following two years of criticism for its partnership with the Nigerian government and the role the company had played in events leading to killings in Ogoniland, Shell announced that it would explicitly acknowledge respect for human rights and the environment in its revamped internal code of conduct. The announcement was hailed as a breakthrough in that Shell had acknowledged that its operations had a significant impact on human

rights.

On 14 May, at the annual general meeting of the Shell Transport and Trading Company in London, management soundly defeated a resolution brought by a socially responsible investment organisation, Pensions and Investment Research Consultancy (PIRC), to conduct an independent audit of its human rights and environmental policies.

BURMA/THAILAND

The Burma operations of California-based UNOCAL and French-based TOTAL Explorative en Productie Maatschappij B.V. (TOTAL) continued to draw fierce criticism and became the focus of an important lawsuit in a US federal court. The suit was brought on behalf of a number of unidentified citizens of Burma and a California resident.

On 25 March, Judge Richard Paez declined to dismiss the lawsuit against UNOCAL and TOTAL and ruled that they could be sued in a US federal court, under the Alien Tort Claims Act, for abuses committed by the State Law and Order Restoration Council.

NON-GOVERNMENT ORGANIZATIONS' INITIATIVES

Advocacy and grassroots campaigning spread to more countries in 1997, and it was clear that pressure mounted by grassroots organizations, the press, and the public at large was playing an important role in holding corporations accountable for complicity in governmental human rights and labor rights violations.

Source: *Human Rights Watch*