The OECD Guidelines for Multinational Enterprises Report on the activities of the Polish National Contact Point June 2001 - May 2002

Institutional arrangements

Since April 2001, the Polish National Contact Point is located in the Polish Agency for Foreign Investment (PAIZ). The decision was based on the conviction that PAIZ – as a reputed institution which has close relations with the foreign investors - can strongly influence the improvement of the reception of foreign direct investment in Poland by general public.

That is why NCP in Poland attaches great importance to the labour, environment, consumer protection and other standards of the multinationals and consequently the Polish companies.

Responsible person for the National Contact Point is the Director of Research Department of PAIZ, Ms Joanna Cygler Ph.D.

Polish Agency for Foreign Investment Al. Róż 00-559 Warsaw, Poland Phone: (48 22) 334-98-71 Fax: (48 22) 334-99-99 e- mail: jcygler@paiz.gov.pl

Information and promotion

There were generally four types of the information and promotion activities: creating website and information about Polish Contact Point, making presentation on Guidelines at key events and seminars, informing inward investors and potential investors about that instrument and responding to inquiries.

NCP has created a link on the PAIZ website (<u>www.paiz.gov.pl</u>) to Polish Contact Point.

There is a possibility to find there Polish translation of the OECD Guidelines for Multinational Enterprises and direct link to the English text of the Guidelines on the OECD website.

Information about Polish Contact Point are available in both English and Polish. The full text is also available on the website of Polish Ministry of Economy, Economic Strategy Department (<u>www.mg.gov.pl</u>).

Polish NCP contacted with NCPs in Japan, Italy, United Kingdom, Portugal and Germany in order to share experiences in promotion and information activities.

Promotional and Information Events

1) In September 2001 the press conference took place, informing that since April 2001 NCP is located in PAIZ. During the event President of PAIZ, representative of Polish NCP and two representatives of Ministry of Economy made their presentation for gathered journalists.

The conference focused on three main areas:

- The need of locating Polish National Contact Point in PAIZ,
- OECD and PAIZ experience,
- Guidelines for Multinational Enterprises.
- Due to recommendation of TUAC the newsletter concerning violation Guidelines for Multinational Enterprises by Burma and recommendation not to undertake or continue business contact with Burma was located on the website.
- 3) In October 2001 NCP representatives gave a presentation on the Guidelines during training organized by PAIZ for representatives of local governments and representatives of Investors Assistance Centers.
- 4) In November 2001 the seminar 'Guidelines for Multinational Enterprises' took place in the Center of Public Partnership – Dialogue. Seminar was organized by Friedrich Ebert Foundation. Representatives of TUAC, Swedish NCP, representatives of Ministry of Labour and Social Policy, Polish Confederation of Private Employers, representative of Polish NCP and representation of Polish main trade unions: Solidarity Trade Union and All- Poland Alliance of Trade Unions (OPZZ) took part in the seminar. Panel discussion concentrated on the future use of Guidelines for Multinational Enterprises. Awareness of the Guidelines by individual companies is not very high. The Guidelines express the shared view of what major governments believe to be good corporate behavior and corporations are expected to abide by their contents in their business operations worldwide. The representatives of trade unions raised the fact that workers' rights are violated in multinational corporations. Representatives of trade unions were informed that there is an opportunity to rise a case through the system of NCPs.

But there is very important to bear in mind that Guidelines represent 'best practice' standards for responsible business conduct on multinational enterprises, and they do not over-ride Polish law. However there are opportunities to make the Guidelines more binding and therefore more relevant to the decision-making process of enterprises. Meanwhile the NCP has taken steps to make Guidelines better known to business, representatives of local governments and trade unions.

The NCP is trying to develop a network of contacts representing business and labour organizations.

Implementation in specific instances

The first case submitted to NCP was one of company with the participation of German capital. The case was risen by Solidarność- trade union which complains of violation of workers rights (Chapter IV of Guidelines for Multinational Enterprises-Employment and industrial relations). The employer did not respect the right of the employees to be represented by trade union, did not engage in constructive negotiations neither individually nor through employers' associations (Chapter IV point 1a), did not provide facilities to employee representatives to develop effective collective agreements, did not provide information to employee representatives which were needed for meaningful negotiations on conditions on employment and did not promote consultations and cooperation between employer and employees (Chapter IV point 2a, 2b, 2c). The company observed standards of employment less favorable than those observed by comparable employers in the host country (Chapter IV point 4a).

NCP started mediation thorough correspondence unfortunately the conflict still aggravates.

In January 2002 NCP received a letter from NSZZ Solidarność arising fact that Chapter II, III, IV, IX of Guidelines for Multinational Enterprises were violated by another multinational company. Unfortunately NCP did not received much more specified information concerning that fact - that is why no further steps were taken to mediate or advice.

From NCP's experience it seems that trade unions' members in Poland have extremely high expectations towards NCP. They treat NCP as a part of system of justice, dealing with The Labour Code, that certainly is not true. Such a state of affairs leads to misinterpretation of the role of NCP and causes lack of understanding and disappointment of trade unions. There should be more effective promotion of real role of NCPs.