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Swiss OECD contact point fails to resolve labour dispute over Triumph's mass dismissals in Asia

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The Swiss National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises unexpectedly terminated their efforts to mediate between the Triumph lingerie producer and Thai and Philippines Triumph factory unions yesterday. This decision raises serious questions about the willingness of Triumph International and the Swiss NCP for an unbiased mediation in the said labour dispute.

Without prior consultation with unions, the Swiss lingerie company Triumph International sacked 3600 workers in Thailand and the Philippines in 2009, in breach of the OECD Guidelines for Multinational Enterprises. The unions filed a complaint against Triumph under the OECD Guidelines' complaint mechanism. However, the Swiss NCP for the OECD Guidelines has unexpectedly terminated efforts to mediate between the company and Thai and Philippine complainants.

Although Triumph initially appeared to be open to the NCP process, the company subsequently refused to enter any mediation meetings in which the issue at the core of the complaint would be discussed. The Swiss NCP bowed to the company's demands and allowed the company's refusal to negotiate to kill the process without resolution or even a single meeting.

The abrupt end to the procedure raises serious questions about the willingness of the Swiss NCP to perform its role as an unbiased mediator. According to one of the complainants, Melona Daclan from Defend Job Philippines, "the NCP performed the bare minimum of forwarding the letters between Triumph and the unions, but never made any constructive proposal to facilitate a mediation meeting or to investigate independently the case".

In its final statement, the NCP does not make any determination as to whether the OECD Guidelines have been breached by Triumph, nor does it make recommendations to enhance implementation of the Guidelines as it is instructed to do. "The complaint procedure becomes useless if the NCP does not even attempt to determine whether a breach of the Guidelines has occurred", said Tessel Pauli from the Clean Clothes Campaign. "The NCP's statement does absolutely nothing to resolve the dispute between the unions and the company and sends a signal to companies that they will not be held accountable for their actions."

"The Swiss NCP's minimalist handling of this case and the weak final statement highlight the urgent need for minimum NCP performance standards to prevent such shortcomings from being repeated in the future" said Joseph Wilde-Ramsing from the international corporate accountability network OECD Watch. "The update of the OECD Guidelines that is currently taking place provides an excellent opportunity for governments to strengthen the guidance to NCPs and improve NCP functioning. Governments must act now to seize this opportunity and make the necessary changes".

The NCP refused to hold meetings in Thailand or the Philippines and was also not willing to provide funding to help bring the victims to Switzerland or for translation of key documents. This made the involvement of the local complainants and the victims of the abuses more difficult and hindered their ability to access the mechanism. Heiner Köhnen from TIE Internationales Bildungswerk e.V Germany that acted as consultant for the unions added: "It is very unsatisfactory to see that the Swiss NCP was not willing to give the unions a real chance for mediation and let Triumph International dictate the agenda."