

PERMANENT PEOPLES TRIBUNAL

Hearing on

Neo-liberal Politics and European Transnational Corporations in Latin America and the Caribbean

10-12 May 2006 - Vienna, Austria

Case: Violations of UNILEVER company in Latin America

Sector(s) in which it works:

Name(s) of the Association(s) presenting the case: Instituto Observatorio Social de la CUT (Brasil)

Synthesis

UNILEVER

- The indicator Global Fortune 500, elaborated by the Fortune magazine, lists the 500 bigger world-wide companies in invoicing.
- The Global Fortune 500 2005, Unilever places in 81^o place, with income of U\$ 49,9 billion and profit of U\$ 2,33 billion.
- Another very used indicator is Global Forbes 2000. From a methodology that measures sells, the profits, the resources and the value of market of company of the all world, the Forbes places the Unilever in 92^o place in ranking of 2005.
- With sells of U\$ 47,09 billion, profits of U\$ 2,14 bi, resources evaluated in U\$ 46,27 bi and value of market esteem in 65,57 U\$ bi.
- Already the indicator of the Financial Times, called "Global FT 500", uses only the value of market that the company has. In this case that the Unilever is in 59^o place.

Billing	2003	2004
Worldwide	€48,8 billion	€42,9 billion

Reorganization/Flexibilization/Stability

- According to the company, restructuring at Unilever is a permanent, continuous and irreversible process. From 2000-2004 this process was associated to a strategic plan called the "Path to Growth".
- The principal objective of which was the elimination of more than 1,000 brands from the portfolio of products around the world.
- The elimination of the brands means the termination of production lines, the transfer and sale of businesses, the licensing of brands to other companies, the closing of productive plants, etc.
- These changes have impacts on the world of labor, on the relationships established by the company with different actors and project the type of involvement and relationship the company expects to constitute with other stakeholders or partners in the development of business.

Unilever - Number of employees

Year end in thousands	2001	2002	2003	2004	2005
Europe	71	60	55	52	49
The Americas	60	53	50	47	47
Asia/Africa	134	134	129	124	110
Total	265	247	234	223	206

The Violations of Unilever

Breakings	Country
Closing of activities without negotiation with the unions	Brazil Chile Colombia
Resignation of a great number of workers without negotiation with the unions	Brazil Chile Colombia
Freedom of Association	Brazil Chile
Rights of the Consumers	Brazil

Violation #1

	Reference - The OECD Guidelines for Multinational Enterprises	Country
Closing of activities without negotiation with the unions	<p>IV. Employment and Industrial Relations</p> <p>2 b) Provide information to employee representatives which is needed for meaningful negotiations on conditions of employment;</p> <p>6. In considering changes in their operations which would have major effects upon the livelihood of their employees, in particular in the case of the closure of an entity involving collective lay-offs or dismissals, provide reasonable notice of such changes to representatives of their employees, and, where appropriate, to the relevant governmental authorities, and co-operate</p> <p>7. In the context of bona fide negotiations with representatives of employees on conditions of employment, or while employees are exercising a right to organize, not threaten to transfer the whole or part of an operating unit from the country concerned nor transfer employees from the enterprises' component entities in other countries in order to influence unfairly those negotiations or to hinder the exercise of a right to organize.</p> <p>8. Enable authorized representatives of their employees to negotiate on collective bargaining or labour-management relations issues and allow the parties to consult on matters of mutual concern with representatives of management who are authorized to take decisions on these matters.</p>	Brasil Chile Colômbia

Violation #2

	Reference	Country
Resignation of a great number of workers without negotiation with the unions	<p>ILO Convention 154, article 2</p> <p>The OECD Guidelines III. Disclosure</p> <p>1 .Enterprises should ensure that timely, regular, reliable and relevant information is disclosed regarding their activities, structure, financial situation and performance.</p>	Brasil Chile

	<p>This information should be disclosed for the enterprise as a whole and, where appropriate, along business lines or geographic areas. Disclosure policies of enterprises should be tailored to the nature, size and location of the enterprise, with due regard taken of costs, business confidentiality and other competitive concerns.</p> <p>3. Enterprises should disclose basic information showing their name, location, and structure, the name, address and telephone number of the parent enterprise and its main affiliates, its percentage ownership, direct and indirect in these affiliates, including shareholdings between them.</p> <p>IV. Employment and Industrial Relations</p> <p>6. In considering changes in their operations which would have major effects upon the livelihood of their employees, in particular in the case of the closure of an entity involving collective lay-offs or dismissals, provide reasonable notice of such changes to representatives of their employees, and, where appropriate, to the relevant governmental authorities, and co-operate</p> <p>Especifico no Brasil: Acordo Coletivo de Trabalho dos trabalhadores Químicos Artigo n. 19</p>	
--	--	--

Violation #3

	Reference	Country
Freedom of Association	<p>OECD Guidelines IV. Employment and Industrial Relations</p> <p>7. In the context of bona fide negotiations with representatives of employees on conditions of employment, or while employees are exercising a right to organize, not threaten to transfer the whole or part of an operating unit from the country concerned nor transfer employees from the enterprises' component entities in other countries in order to influence unfairly those negotiations or to hinder the exercise of a right to organize.</p> <p>ILO Convention Convention 87, article 3</p>	Brazil Chile

Violation #4

	Reference	Country
Rights of the Consumers	<p>The OECD Guidelines VII. Consumer Interests</p> <p>2. As appropriate to the goods or services, provide accurate and clear information regarding their content, safe use, maintenance, storage, and disposal sufficient to enable consumers to make informed decisions.</p> <p>4. Not make representations or omissions, nor engage in any other practices, that are deceptive, misleading, fraudulent, or unfair</p>	Brazil

	<p>Consumer Code</p> <p>Article 6 - They are basic right of the consumer § 3 - adequate and clear information on the different products and services, with correct specification of amount, characteristics, composition, quality and price, as well as on the risks that present;</p> <p>Article 31- It offers and presentation of products or services must assure correct, clear, necessary, ostensive information and in Portuguese language on its characteristics, qualities, amount, composition, price, guarantee, stated periods of validity and origin, among others data, as well as on the risks that present to the health and security of the consumers.</p> <p>Article 39, - It is forbidden to the supplier of products or services</p> <p>§ 4 - to take advantage of the weakness or ignorance of the consumer, in view of its knowledge, to impose its products or services to it;</p> <p>Article 37. All deceptive or abusive advertising is forbidden.</p> <p>§ 3 - For the effect of this Code, the advertising is deceptive for omission when to leave to inform on essential data of the product or service.</p>	
--	--	--

Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights

9. Transnational corporations and other business enterprises shall ensure the freedom of association and effective recognition of the right to collective bargaining by protecting the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without distinction, previous authorization, or interference, for the protection of their employment interests and for other collective bargaining purposes as provided in national legislation and the relevant ILO conventions