



OECD ROUNDTABLE ON CORPORATE RESPONSIBILITY

*“Supply Chains and the OECD Guidelines
for Multinational Enterprises”*

OECD Headquarters, Paris, 19 June 2002

Opening remarks

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I. Welcome

Welcome participants to this meeting of the OECD Roundtable on Corporate Responsibility.

II. Issues of the Roundtable

The theme of this year's Roundtable is "Corporate Responsibility and the Supply Chain". This is a concern not only within the OECD area, but even more importantly in the developing world.

Developing countries would like to maximise the potential benefits of the operations MNE. These benefits include human capital development, improved labour and environmental standards, increased diffusion of technology and other knowledge transfers throughout the supply chain.

But many questions remain unanswered on how such benefits can be realised. How far can MNEs go in enhancing their standards of supply chain management? What can reasonably be expected of companies that have production sites in regions with ineffective regulatory and legal frameworks? What management tools, audit and other external services are available to help companies achieve appropriate standards? Where does corporate responsibility end and the responsibility of governments begin? I am pleased to note that this Roundtable will address all of these as well as other important issues.

III. The Roles of Government and Business

OECD countries have recognised that, when promoting appropriate business conduct in supply chains and other areas, governments must assume their rightful place as regulators and law enforcers.

However, we have also concluded that achieving responsible business behaviour of course cannot rest exclusively with governments. Although law and regulation are important, they cannot cover every business situation. Only companies are in a position to know what law and regulation mean for their operations and to translate them into management practice. Thus, their actions are as central to the effectiveness of legal and regulatory enforcement as what governments do.

IV. The MNE Guidelines

The OECD Guidelines for Multinational Enterprises provide an institutional channel through which we can discuss, encourage and recognise the vital contribution of business itself to the effort to promote appropriate business conduct.

Of course, these Roundtables have a close relationship with the MNE Guidelines. Besides being organised in conjunction with the Annual Meetings of the National Contact Points, they promote the Guidelines by: 1) providing a platform for regular dialogue among the stakeholders; and 2) permitting further exploration of issues that arise with implementation of the Guidelines.

We are encouraged by the broad-based support that the Guidelines have attracted. The reports by NCPs that were considered at their second annual meeting yesterday suggest that the Guidelines are playing an increasingly prominent role in promoting responsible business conduct. The visibility and recognition of the Guidelines have been significantly enhanced since last year's NCP meeting and Roundtable. A large number of individuals and organisations have contributed to this result, including many of the people participating in this Roundtable.

However, further action will be required. For its part, the OECD is committed to continuing its efforts to serve committee and outreach work in support of the Guidelines. Its policy expertise is available to explore the many complex areas where corporate responsibility and government responsibility intersect such as anti-corruption, environment and product safety.

The work on the Guidelines is an important part of a broader OECD agenda to improve governance. Following high level support for the Guidelines already in OECD and G8 Ministerials over the last two years, the OECD Ministers at their meeting in May highlighted the Guidelines as part of their action programme for enhancing the transparency and integrity of the international economic system.

From this Roundtable, the Guidelines institutions and the Secretariat hope to receive suggestions and a fair evaluation of what can be done to improve outcomes in the supply chain -- what companies can do, what governments should do and what other actors may do as well.

I look forward to hearing the outcome of your discussions.