

Mr. Angel Gurría
Secretary-General
Organisation for Economic Co-operation and Development
Rue André Pascal 2
75775 CEDEX 16
Paris, France

December 10, 2007

Re: Request for Assistance in Resolving a Dispute with the Indian Authorities

Dear Mr. Secretary-General

As members of OECD Watch, an international network of 80 civil society organisations that works closely with the Investment Committee to promote sustainable investment and corporate responsibility, we note that you are the first recipient of the “Globalist of the Year” award in recognition of your contribution to “innovation in global governance and international affairs”. The G8 has given you, as leader of the OECD, a mandate to strengthen links to emerging economies such as Brazil, China, South Africa and India and to start a dialogue, *inter alia*, on the issue of corporate social responsibility.

OECD Watch shares your insistence on the need “to look for collaborative solutions to global problems” and we are writing to you in the hope that you might use your good offices to help resolve, through the appropriate diplomatic channels, a dispute that has arisen between the Indian authorities and two of our members, the Clean Clothes Campaign and the India Committee of the Netherlands. It is regrettable that allegations about poor workplace conditions in factories run by an Indian jeans manufacturer, Fibres and Fabrics International Pvt. Ltd. (FFI), which supplies a number of OECD outlets, has escalated into a full blown diplomatic crisis, following the recent decision of a Bangalore court to ask the Indian Ministry of Home Affairs to execute arrest warrants and request the extradition of the Dutch nationals. Local unions and human rights organisations in Bangalore have had a restraining order issued against them and face court proceedings. Unfortunately, attempts to settle the matter through the mediation procedures of the OECD Guidelines for Multinational Enterprises have been unsuccessful. (Further information can be found in the letter, dated 13 November 2007, that OECD Watch sent to Mr. Manfred Schekulin, the Chair of the Investment Committee, enclosed.)

While it would not be proper for you as Secretary-General to enter into the details of the case, we hope nevertheless that you might be able to use the OECD’s ongoing dialogue with the Indian authorities to stress the advantages of trying to resolve such matters without resort to the courts. Had the matter been dealt with promptly at an early stage, there would have been no negative publicity, which is mistakenly regarded by the Indian Government as “a non-tariff barrier” to trade. Guy Ryder, the General Secretary of the International Trade Union Confederation, commenting on the case, warned that, “Actions of this kind can only hurt India’s reputation as a country with which global companies can do business in confidence”. G-Star, the Dutch retail company, in order to disassociate itself from the adverse publicity surrounding the case, has terminated its contract with the Indian supplier. This is clearly not a desirable outcome. In OECD Watch’s view G-Star was unwilling either to investigate the allegations properly or to enter into *bona fide* negotiations.

Like you, Mr. Secretary-General, OECD Watch believes there is a need for co-operation between the world's major economies, and we welcome your determination to reinforce the OECD's role as a hub for global dialogue between governments, business and *civil society*. In October 2007, at the presentation of the OECD's first Economic Survey of India in New Delhi, you commented on India's remarkable success over the past two decades. India is now the third largest economy in the world and its increased economic growth (estimated to be over eight per cent annually) has helped reduce poverty, which has begun to fall in absolute terms. You also stressed the need for the creation of more formal sector jobs (only 15 per cent of the labour force has regular employment contracts), and you also highlighted the problems with poorly paid informal sector jobs.

We share your vision of an OECD that respects the rights of all to a decent standard of living and quality of life. In your acceptance speech for the "Globalist of the Year" award, you reminded us that globalisation has facilitated "the creation of unprecedented wealth but poverty and inequality are still widespread" and that "a divided and unequal world cannot be our vision for the future".

In closing, we wish to express our belief that you, as Secretary-General of the OECD, are uniquely well placed to use your good offices to defuse a local matter with global ramifications. We would hope that you could persuade the Indian authorities to refrain from issuing an international arrest warrant which we believe will damage India's international reputation and further inflame the situation. We have every confidence that your intervention could help the parties find a constructive solution to the current impasse and prevent a similar breakdown of understanding in the future.

Yours Sincerely,

On behalf of OECD Watch,

OECD Watch Coordination Committee

Hannah Owusu-Koranteng	Wassa Association of Communities Affected by Mining (WACAM)	Ghana
Farhan Anwar	Sheri-CBE Citizens for a Better Environment	Pakistan
Ciro Torres	Brazilian Institute of Social and Economic Analyses (IBASE)	Brazil
Serena Lillywhite	Brotherhood of St. Laurence	Australia
Paul de Clerck	Friends of the Earth (FoE) Europe	Brussels
Cornelia Heydenreich	Germanwatch	Germany
Patricia Feeney	Rights and Accountability in Development (RAID)	UK
Joris Oldenziel/Joseph Wilde	OECD Watch Secretariat Centre for Research on Multinational Corporations (SOMO) Sarphatistraat 30 1018 GL Amsterdam Tel: +31 (0)20 639 1291 Fax: +31 (0)20 639 1321 info@oecdwatch.org www.oecdwatch.org	Netherlands

cc: Manfred Schekulin, Chair of the OECD Investment Committee

About OECD Watch

OECD Watch is an international network of civil society organisations from across the world promoting corporate accountability. As of December 2007, there are 80 OECD Watch members from 41 different countries. OECD Watch represents a diverse range of civil society organisations working on human rights, labour rights, consumer rights, transparency, the environment and sustainable development.

OECD Watch helps to facilitate NGO activities around the OECD Guidelines and the work of the OECD's Investment Committee.

OECD Watch is currently coordinated by its secretariat hosted by SOMO, the Centre for Research on Multinational Corporations, based in Amsterdam, the Netherlands. The network's membership includes some of the leading NGOs in the areas of environmental, social and human rights, such as Amnesty International, Friends of the Earth, Christian Aid and Oxfam.