

**Initial Assessment by the Japanese NCP on a Specific Instance Involving Bridgestone Tire
Indonesia in Relation to the OECD Guidelines for Multinational Enterprises**

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1. Raised issues and intervention requests

Four members of the Local Union of Chemical, Energy and Mines of Bridgestone Tire Indonesia (Bridgestone) filed a complaint dated September 6, 2004, with the Japanese National Contact Point ("Japanese NCP") for the OECD Guidelines for Multinational Enterprises ("Guidelines"), alleging the company's violations of the Guidelines with regard to the issues as described in (1) below, and requested the assistance of the Japanese NCP as described in (2) below.

(1) Issues raised and applicable part in the Guidelines

- (a) In May, 2002, Bridgestone suddenly fired four union members who had played an active role in negotiations over union members' minimum wages.
- (b) Bridgestone infringed the right to organize admitted under ILO Convention No. 87, ILO Convention No. 98 and Article 28 of the Labor Union Act [violation of II.2. of the Guidelines].
- (c) Although the union office is located in the company premises, Bridgestone prohibited the four union members from entering the company premises, and, consequently, they became unable to carry out effective and efficient union activities. Bridgestone fails to respect the right of its employees to be represented by the labor union [violation of IV.1.a) of the Guidelines].
- (d) Bridgestone did not allow the four union members it had fired to join in the development of collective agreements nor did it provide any facilities to help develop effective collective agreements [violation of IV.2.a) of the Guidelines].
- (e) Bridgestone ignores employee representatives and has not provided information to employee representatives which is needed for meaningful negotiations on conditions of employment [violation of IV.2.b) of the Guidelines].
- (f) Bridgestone has not endeavored to promote labor-management consultation and co-operation

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on matters of mutual concern such as defending and enhancing rights and welfare of employees [violation of IV.2.c) of the Guidelines].

(g) Bridgestone has not met executives of local labor unions nor has it provided information to employee representatives which would enable them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole [violation of IV.3. of the Guidelines].

(h) Bridgestone infringed the right to organize admitted under ILO Convention No. 87, ILO Convention No. 98 and Article 28 of the Labor Union Act and has failed to observe standards of employment and industrial relations not less favorable than those observed by comparable employers in Indonesia [violation of IV.4.a) of the Guidelines].

(i) It is provided that in the context of bona fides negotiations with representatives of employees on conditions of employment, or while employees are exercising a right to organize, the company should not threaten them. However, Bridgestone threatened union members by firing them or prohibiting them from entering the company premises [violation of IV.7. of the Guidelines].

(j) Bridgestone has failed to enable authorized employee representatives to negotiate on collective bargaining or labor-management relations issues with representative of management who are authorized to take decision over the matters under negotiation to allow the parties to consult on matters of mutual concern [violation of IV.8. of the Guidelines].

(2) Request to the Japanese NCP

To solve the problem recommending for Bridgestone to immediately withdraw the dismissal of the four union members and issue a letter to have them return to work, as well as to pay said four union members wages, which had been reduced and suspended.

2. Examination for the Initial Assessment

(1) In response to the complaint filed as described in 1. above, the Japanese NCP conducted the initial assessment as to whether the issues raised merit further consideration based on the Guidelines and the information collected via the Japanese embassy in Indonesia and opinion exchanges with parties concerned, while referring to the progress in judicial proceedings in Indonesia.

(2) The results of the initial assessment are as follows.

(a) The parties that filed the complaint are four members of the Local Union of Chemical, Energy and Mines of Bridgestone Tire Indonesia. The company against which the complaint was filed is a subsidiary of Bridgestone Corporation, which has its headquarters in Tokyo.

(b) Regarding whether the issues raised as described in 1. above are substantive and specific problems relating to the infringement of rights of employees, the collective agreement of Bridgestone clearly states that union members are its employees.

Through judicial proceedings in Indonesia, the Supreme Court rendered judgments on the dismissal of the four people, who had filed a complaint against Bridgestone, respectively, in March 2008, January 2009 and March 2009. These judgments admitted the dismissal as of November 30 and December 30, 2002, and determined the amounts of compensation.

(c) As judicial proceedings were underway concurrently for this case, the Japanese NCP has carefully followed up on their progress in Indonesia after receiving the complaint and has examined the case for the initial assessment while gathering information from Bridgestone.

As shown in the Procedural Guidance for the 2000 Guidelines, the NCPs are to offer a forum for discussion and assist the business community, employee organizations and other parties concerned to deal with the issues raised in an efficient and timely manner and in accordance with applicable law. Bridgestone took a stance that it would not need mediation by the Japanese NCP and has followed the judgments of the Indonesian Supreme Court for resolving the problem. The Japanese NCP has no authority to demand Bridgestone to take any actions that go against the judgments of the Indonesian Supreme Court.

3. Conclusion of the Initial Assessment

As a result of the examination as described in 2. above, judicial proceedings had already been concluded with regard to the issues raised for which a request was made with the Japanese NCP as explained in 1.(2) above, and there is no room left for the Japanese NCP to take any further responses. Consequently, we consider that this case does not merit further consideration as set forth in I.C.1. of the Procedural Guidance for the Guidelines and will terminate the procedures for this case with this initial assessment.

Regarding the issues of 1.(1) above, the Japanese NCP hopes that if there are gaps in opinion between the parties who raised the issues and Bridgestone, they will make utmost efforts to have constructive discussions.