



Stichting Onderzoek Multinationale Ondernemingen

Centre for Research on Multinational Corporations

Statement on PetroChina and the UN Global Compact on May 12, 2008

My name is Bart Slob, senior researcher at the Centre for Research on Multinational Corporations (SOMO), in the Netherlands.


The UN Global Compact was created in July 2000 by former secretary-general Kofi Annan. It was created as a UN-sponsored platform for encouraging and promoting good corporate practices and learning experiences in the areas of human rights, labor and the environment. It is widely promoted as an entry point for the business community to work in partnership with UN organizations in support of the principles and broader goals of the United Nations, and provides a basis for structured dialogue between the UN, business, labor and civil society on improving corporate practices in the social arena.

The Global Compact is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption. In order to become a participant, businesses need to send a letter to the Secretary-General of the United Nations expressing support for the Global Compact and its principles. The ten principles enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The first principle of the GC states that businesses should support and respect the protection of internationally proclaimed human rights. The second principle requires that businesses ensure that they are not complicit in human rights abuses. In spite of these principles, PetroChina, the listed arm of China National Petroleum Corporation (CNPC), Sudan's largest oil industry partner, is linked to the regime that perpetuates the violent conflict in Darfur.

The Global Compact is currently the world's largest and most widely known voluntary corporate responsibility initiative, with over 4,000 corporate participants. It is often criticized by civil society organizations because of its purely voluntary nature. Other concerns question the Compact's assumption that the current form of globalization can be made sustainable and equitable, the lack of independent monitoring, and the fact that some companies use the prestige of the UN in their public relations. Without any effective monitoring and enforcement provisions, the Global Compact fails to hold corporations accountable. Criticism does not only come from NGOs. The initiative has also been criticized by important scholars and intellectuals.

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Since 2000, the Global Compact has adopted some relevant measures to increase the credibility and effectiveness of the initiative. The most relevant of the measures that have been implemented in the past eight years have been the policy on communicating progress and the so-called “integrity measures”.

These integrity measures allow civil society to submit credible allegations of systematic or egregious abuse of the Compact’s overall aims and principles. After receiving such a complaint, the Global Compact Office in New York can assist or provide guidance in order to solve the issue.

That is why we are asking the Global Compact to use its own good offices to encourage PetroChina, in partnership with its parent company, CNPC, to engage the Government of Sudan to help bring a swift end to the ongoing crises in Sudan.

We expect that this complaint against PetroChina will help define what the Global Compact exactly means by “allegations of systematic or egregious abuse”. The vague formulation of the integrity measures makes it difficult for stakeholders to determine whether a breach has occurred - that is whether a company has failed to support and protect internationally proclaimed human rights or is complicit in human rights’ abuses.

We hope the Global Compact Office will seize this opportunity to take a leadership role and use its influence to push PetroChina in the right direction. It also constitutes an opportunity for the Global Compact to show stakeholders that it is indeed more than a public relations operation sponsored by the UN that mainly benefits large multinational companies.

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