



FIRST ITEM ON THE AGENDA

Promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy: Activities report and plan of action for 2003-05

1. This paper, as requested by the Subcommittee, gives an account of the activities carried out by the Office during the past year to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and outlines a action plan for the period 2003-05. The action plan follows the framework provided by the decision of the Subcommittee in March 2001¹ that the Office should: enhance awareness of the MNE Declaration; undertake technical cooperation activities to facilitate the effective application of the MNE Declaration; mainstream the MNE Declaration within existing ILO programmes; and advocate the aims of the MNE Declaration with other international organizations. The plan also takes account of the discussion by the Subcommittee in November 2002² of the suggestions made during the Tripartite Forum on Promoting the MNE Declaration.

Activities in 2002**Awareness raising*****Tripartite Forum on Promoting the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy***

2. The Tripartite Forum on Promoting the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, held in Geneva on 25-26 March 2002, gathered some 60 participants, representing a wide range of government institutions, employers' and workers' organizations and MNEs. The informal nature of the Forum made

¹ GB.280/13, para. 186.

² GB.285/12.

it possible to have a frank and open dialogue on the promotion of the MNE Declaration. Given its nature, the Forum did not adopt any formal conclusions or recommendations but there was broad consensus that the Office should intensify efforts to make the MNE Declaration better known and explain its relevance as a universal, basic reference in the broader context of the ongoing debate on corporate social responsibility (CSR).³ Forum participants made a number of concrete suggestions as to how this could be done and these were submitted to the Subcommittee in November 2002.⁴ The suggestions are reflected in the *Summary of proceedings* of the Forum, now available in English, French and Spanish.

Participation in other meetings

3. During 2002, the Office received invitations to participate in a wide variety of meetings and present the MNE Declaration. Due to time and resource constraints it was not possible to accept all these invitations but the Office did attend meetings organized by a range of international and intergovernmental organizations, including the Asian Development Bank, the Council of Europe, the European Commission, International Confederation of Free Trade Unions (ICFTU), Organisation for Economic Co-operation and Development (OECD), United Nations Environment Programme (UNEP) and the United Nations Global Compact. The latter, involving participation in events in Belgium, China, Germany, Japan, Philippines, Turkey and Zambia, are particularly noteworthy since they provided an opportunity to position the MNE Declaration as a CSR benchmark with high-level audiences, including company executives.

Research and publications

4. In June 2002, the Office published the *Guide to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy: Knowing and using universal guidelines for social responsibility*. The Guide is designed to assist the users of the MNE Declaration (MNEs, governments and local employers' and workers' organizations) in applying the provisions of the MNE Declaration. The Guide is available in English, French and Spanish, in hard copy and electronically, and was widely distributed at the International Labour Conference and other meetings.
5. The third edition of the MNE Declaration was translated into Bahasa Indonesia, Japanese and Portuguese, while work started on a Turkish translation. The MNE Declaration is now available in printed version in 12 languages and electronically in 13 languages.⁵ The web site providing information on the MNE Declaration (www.ilo.org/multi) was completely redesigned and now includes electronic presentations that can be used by ILO officials and others. Two working papers were published, one entitled *Confrontando los retos sociales y laborales de la privatización: las empresas multinacionales del sector de telecomunicaciones en Argentina durante los años noventa* and another *Facing the challenge of Africa's integration in the global economy: The role of multinational enterprises in the plantations sector*.

³ GB.286/WP/SDG/4 provides an overview of CSR developments.

⁴ GB.285/MNE/2.

⁵ Printed versions exist in English, French, Spanish, Arabic, Bahasa Indonesia, Chinese, Finnish, German, Japanese, Polish, Portuguese and Russian, while an Italian version is available electronically.

6. The Multinational Enterprises Programme also made a significant contribution to the paper on *Employment and social policy in respect of export processing zones* prepared for the Governing Body Employment and Social Policy Committee.⁶ Its comments on the section covering export processing zones of the draft for the *World Investment Report (September) 2002: Transnational Corporations and Export Competitiveness* were incorporated by the authors.
7. The Management and Corporate Citizenship Programme published *Corporate success through people: Making international labour standards work for you*. It makes the “business case” for applying a number of international labour standards at enterprise level and is thus of interest to MNEs and their suppliers.

Technical cooperation

8. At the beginning of 2002, the Government of the United Kingdom approved a technical cooperation project on piloting CSR by making use of globally agreed guidelines. The project started activities in two countries. In Brazil, the project organized a seminar with a leading NGO concerned with CSR issues, ETHOS (May 2002). Representatives of ten MNEs as well as of employers’ and workers’ organizations attended the seminar and exchanged information on CSR policies and practices of MNEs in the context of decent work and globalization, using the MNE Declaration as a checklist.
9. In Kenya, the project undertook an activity to strengthen labour relations in the plantation sector in collaboration with the InFocus Programme on Strengthening Social Dialogue and its project on Strengthening Labour Relations in East Africa. The activity started with separate workshops for employers and workers in the plantation sector and consultations with the Ministry of Labour and the Investment Promotion Centre to identify issues of common concern. These were discussed at a tripartite seminar (October 2002), attended by 30 participants who addressed four issues: capacity building and education of workers and their organizations, management development, labour standards and health and safety. The discussions led to the formulation of a set of recommendations and the adoption of a plan of action.
10. In the context of a project to develop training materials for mid-level enterprise managers on the labour principles of the Global Compact, the Office pilot tested the materials in Mongolia, Viet Nam and Yemen and presented the materials at a meeting with Swedish companies. The Office also undertook a mission to China to explore the feasibility of developing a project to train managers of MNEs and their suppliers in China on non-discrimination issues.

Mainstreaming of the MNE Declaration in ILO activities

11. In addition to the activities undertaken by the Multinational Enterprises Programme itself, a number of other Office programmes and units also highlighted the MNE Declaration in their activities in 2002. These included the Bureau for Workers’ Activities (during a seminar for trade union journalists); the Turin Centre (during an international trade law postgraduate course, a training course for trade union leaders and a course on international labour standards for young professionals), the International Institute for Labour Studies (during its annual internship course on labour and social policies to promote decent work); the InFocus Programme on Social Dialogue (during its subregional conference on

⁶ GB.285/ESP/5.

strengthening social dialogue in Central Asian countries); the Social Finance Programme (during a seminar on socially responsible investment); and ILO/AIDS (during two symposiums on HIV/AIDS and enterprises).

12. The MNE Declaration was referred to at two tripartite sectoral meetings: the Tripartite Meeting on the Promotion of Good Industrial Relations in Oil and Gas Production and Oil Refining (February-March 2002),⁷ and the Tripartite Meeting on Employment, Employability and Equal Opportunities in the Postal and Telecommunications Services (May 2002).⁸ In addition, the representative of the Government of Kenya, during the November session of the Governing Body Committee on Sectoral and Technical Meetings and Related Issues, proposed that more attention be paid to the MNE Declaration at tripartite sectoral meetings and that the Multinational Enterprise Programme and the Sectoral Activities Programme should work more closely together.⁹

Relations with other organizations

13. Due to staffing and resource constraints, contacts with other international organizations to promote the MNE Declaration were limited to cooperation with UNDP, UNEP and OHCHR in the context of the Global Compact and participation in meetings as indicated in paragraph 3 above.

Action plan 2003-05

14. During the coming years the Multinational Enterprises Programme will intensify its activities to position the MNE Declaration as a significant benchmark in the ongoing CSR debate. Given the limited resources for the Programme under the regular budget it will need to mobilize extra-budgetary funding for this purpose and work closely with other ILO programmes and units and with other international organizations to achieve the objectives that the Subcommittee has set: enhanced awareness of the MNE Declaration; effective application of the MNE Declaration; mainstreaming the MNE Declaration within existing ILO programmes; and advocating the aims of the MNE Declaration with other international organizations.

Awareness raising

Meetings

15. As recommended by the Subcommittee, the Office intends to organize a series of (sub)regional tripartite seminars similar in format to the Tripartite Forum on Promoting the MNE Declaration. In addition to providing an opportunity to promote the MNE Declaration, these seminars will help identify issues to be tackled through subsequent technical cooperation activities. Initial seminars are foreseen for southern Africa and the MERCOSUR region, but other (sub)regions will also be targeted. The Office also intends to organize an international expert meeting, involving employers' and workers'

⁷ Resolution concerning future ILO work programme, TMOR/2002/8.

⁸ Conclusions from the meeting, TMPTS/2002/10, paras. 16 and 22.

⁹ GB.285/14, paras. 20 and 22.

representatives as well as experts in the CSR area, to discuss the relevance of the MNE Declaration in the context of the global CSR debate and identify those areas where CSR initiatives could benefit from working more closely with the ILO on the basis of the MNE Declaration. The Subcommittee may want to recommend that a proposal be submitted to the Governing Body following established procedures, since the current and proposed regular budget allocations for the Multinational Enterprises Programme do not include a provision for these meetings.

16. The Office will continue to participate in meetings organized by other organizations since this constitutes a cost-effective way to promote the MNE Declaration and explore possibilities of cooperation with other organizations. Priority will be given to participation in high-level Global Compact meetings and meetings organized by other international organizations. A special effort will be made to attend meetings in developing countries that benefit from significant foreign direct investment to identify possibilities for country-level technical cooperation activities.

Research and publications

17. The Office will continue to maintain the business and social initiatives database, undertake case studies on good practice in line with the MNE Declaration and facilitate the translation of the latest edition of the MNE Declaration in more languages. It will also publish a sequel to the book *Multinationals and Employment (1993)*, outlining developments over the last ten years. The publication, which is currently under preparation, will benefit from contributions by different ILO programmes and a number of international scholars.
18. Research will be undertaken to analyse the implications of the fact that many MNEs are small and medium-sized enterprises. Subject to extra-budgetary funding becoming available the Office also hopes to start research on private labour inspection and monitoring in the context of voluntary initiatives involving MNEs.
19. During the period 2004-05, the Office will undertake the Eighth Survey on the effect given to the MNE Declaration. To ensure a high response rate to the survey questionnaire and help improve the quality of replies it will mobilize the support of ILO field staff to assist member States in preparing their responses. It is further likely that another revision of the MNE Declaration will be necessary sometime in 2004-05 to ensure that all of its provisions remain relevant and that it takes account of new developments.

Technical cooperation

20. The Office will continue to implement the project on piloting corporate social responsibility. While the earlier activities in Brazil and Kenya will no doubt need some follow-up, new activities are planned for Argentina, Costa Rica and Uganda. Taking studies undertaken in 2002 as a basis for discussion, in Argentina a seminar will address social and labour challenges of the privatization process, while in Costa Rica a seminar will discuss the training aspects of foreign direct investment. In Uganda, the activity will be similar to the one undertaken earlier in Kenya and will focus on the plantation sector. The Global Compact training materials will be finalized by the end of 2003 and efforts will be made to secure extra-budgetary funding to disseminate and translate the materials. Follow-up workshops will take place in the Philippines to help the parties implement the Memorandum of Social Understanding (1997) under the MNE Declaration by examining investment policies and foreign direct investment in the Philippines and how they affect MNEs and their workers. Extra-budgetary funding will need to be mobilized for other

country-level activities to be developed in response to the needs and issues that will be identified by the Office and constituents.

Mainstreaming the MNE Declaration in ILO activities

21. The Multinational Enterprises Programme will pay particular attention to ensuring greater awareness of the MNE Declaration among ILO field staff by participating in directors' meetings and similar consultations. The Programme will work more closely with the Sectoral Activities Programme, to ensure that the MNE Declaration is taken into account in the preparation of background papers for tripartite sectoral meetings, and with the InFocus Programme on Social Dialogue to highlight the relevance of the MNE Declaration in the context of social dialogue. The Programme will also continue to participate in meetings organized by other programmes and units in the Office as and when they have a bearing on the MNE Declaration and will provide inputs into major ILO publications such as the *World Employment Report*.
22. The Multinational Enterprises Programme will work closely with the Management and Corporate Citizenship Programme in the implementation of two technical cooperation projects, one on local management development, which aims at strengthening the managerial competencies of MNE suppliers to apply good labour practices in their factories in line with provisions of the MNE Declaration; and another on providing labour-related services through national sustainable production centres.

Relations with other organizations

23. The Office will continue to cooperate with UNDP, UNEP and OHCHR in the context of the Global Compact. Cooperation with UNEP will also be strengthened to ensure that the provisions of the MNE Declaration are reflected in the documentation for its industry association meetings and other sectoral initiatives. In addition, the Office will try to establish closer working relations with the European Commission, OECD and the World Bank group to ensure closer coordination of each organization's respective efforts in the CSR area and to mobilize the support of these organizations to promote and apply the MNE Declaration as an instrument that, given its universal character and social dialogue approach, can well complement and strengthen the efforts of these organizations in the CSR area.
24. *The Subcommittee may wish to express its views on the action plan 2003-05 outlined in this paper and make recommendations accordingly to the Governing Body.*

Geneva, 30 January 2003.

Point for decision: Paragraph 24.