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Introduction

The Tripartite Forum on Promoting the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) was held in Geneva at the International Labour Office from 25 to 26 March 2002, in accordance with a decision taken by the Governing Body of the International Labour Office at its 280th Session (March 2001). The Governing Body convened the Forum to stimulate a process of dialogue and to exchange practical experiences among government representatives, and workers and employers, particularly from multinational enterprises (MNEs), on how to apply and promote the principles of the MNE Declaration in the context of MNE operations today. The Governing Body anticipated that the results of the Forum could be useful in informing future Governing Body discussions on the application and promotion of the aims of the MNE Declaration.

Opening Statements

The Forum opened with remarks from the Chairperson, **Ms. Debra Robinson**, Director International Labour Affairs, Human Resources Development, Government of Canada. Her introduction was followed by remarks from **Ms. Renate Hornung-Draus**, Director of European and International Affairs for the Confederation of German Employers' Associations (BDA), **Mr. Ebrahim Patel**, General Secretary of South African Clothing and Textile Workers' Union and National Overall Convenor for Labour in South Africa's National Economic Development and Labour Council, and **Mr. Göran Hultin**, Executive-Director of the ILO's Employment Sector, and representing the Director-General.

Ms. Robinson recalled that the Forum was convened at the request of the ILO Governing Body to stimulate a process of dialogue and exchange of practical experiences on furthering the aims of the MNE Declaration in the context of international investment. She welcomed the representatives of governments, workers' and employers' organizations and of MNEs, as well as representatives from the International Labour Office and other international organizations. Thanking in advance the speakers, moderators, panellists and facilitators, she encouraged everyone to actively contribute to the discussions. The Forum, which was not open to observers or the press, was organized in a way to encourage open and frank dialogue so as to maximize the benefit from the expertise in the room.

Ms. Hornung-Draus viewed the Forum as an excellent opportunity to exchange practical experiences and practices and in this way to promote the MNE Declaration. The employers had always supported the MNE Declaration because it was a tripartite instrument that provided a reference for governments and social partners, and for MNEs. It contained principles for concrete action, which allowed the different actors to take their responsibilities and translate these principles into concrete action. She highlighted three important principles of the MNE Declaration. First, it was a voluntary instrument and a reference for companies to use when giving concrete content to their way of addressing the issue of corporate responsibility and corporate citizenship. Secondly, it emphasized the primacy of national law since companies must follow legislation in force in the place in which they were acting. Thirdly, the MNE Declaration sought to ensure equality of treatment between national and multinational enterprises so that there was no positive or negative discrimination.

She noted that the MNE Declaration was a universal reference, a tripartite text with commitments for all parties involved. The follow-up mechanism involved periodic reporting and surveys on the application and the effect of the MNE Declaration. The results of these surveys had shown that MNEs made much use of the MNE Declaration in both industrialized and developing countries, and that they often used it as a reference for their individual initiatives in the field of corporate social responsibility. This positive effect enhanced the value of the MNE Declaration.

Ms. Hornung-Draus emphasized that it was a good time to discuss and promote the MNE Declaration since a new dynamic had been introduced in the debate about corporate citizenship and corporate social responsibility. This dynamic had come from the debate about globalization. She endorsed the MNE Declaration as a good tool to show, and also to put into concrete action, the social dimension of globalization and in this regard noted the World Commission established by the Governing Body of the ILO that was currently discussing this topic at the ILO.

The employers looked forward to the exchange of experience on the application, on the added value, and also on the problems of the MNE Declaration. They anticipated insights about how to promote the MNE Declaration, how to make it more open and

responsive to the issues that companies were tackling. The employers very much supported the exchange of ideas on how companies, governments and workers' trade unions actually applied the MNE Declaration.

Mr. Patel noted that globalization had fundamentally reshaped the world with foreign direct investment flows reaching a record \$1.3 trillion in the year 2000. MNEs were institutions that both drove and symbolized globalization. The MNE Declaration, drafted more than 25 years ago, was relevant to contemporary reality; and private initiatives concluded over the past ten years reproduced to a great extent the contents of the MNE Declaration.

Mr. Patel encouraged the participants to be frank, open, informal and exploratory. In this way, the Forum would stimulate real dialogue between ILO constituents, including MNEs, to determine what common ground could be mapped out and what common work could be done together to promote the MNE Declaration in MNEs and down the supply chain. Noting that the values of the ILO and the content of the MNE Declaration were very relevant to a globalizing world, he called for fresh and new thinking on how to use the considerable resources and expertise of the ILO and its constituents, and how to weave the values of the ILO into the economic activity of corporations and workers.

For the Forum, Mr. Patel suggested three measures of success: first, that there be real dialogue between MNEs and trade unions, and among employers, trade unions and governments at the ILO; second, that some thoughtful insights from the discussions be developed that could inform the work of the ILO, the MNE Subcommittee and MNEs themselves; and third, that the dialogue led to the development of a new programme of work of which the Forum was the start, the launch pad. Such a programme of work would take the dialogue beyond Geneva to the regions, to the various sectors of economic activity and to the corporations and trade unions.

Mr. Hultin recalled that 25 years had passed since the inception of the MNE Declaration. Yet, the MNE Declaration bore a lot of relevance to today's operational environment in which multinational corporations played a leading role. Local concerns had been replaced by international awareness and this had raised expectations concerning the contributions of globally operating companies. As one example, the UN Global Compact, launched a few years back at the Davos Forum, had invited the international business community to help the UN system make a compelling case for globalization by adhering to a set of universal principles in the world of work.

The Forum was intended to launch a dialogue and encourage an exchange of experience among governments, workers and employers. He encouraged the participants to examine and explore how the principles of the MNE Declaration might apply in the realities of the global economy today. This exploration could lead to mutual benefits if the players understood and lived out their respective rights and their responsibilities. It was also in exploring the benefits and difficulties of how to work together that confidence could be built and innovative solutions found that would work for everyone concerned.

PANEL I. The MNE Declaration Principles and Regional Economic and Development Frameworks: Implementing Core Labour Standards

Moderator:

Mr. Ebrahim Patel, General Secretary of South African Clothing and Textile Workers' Union and National Overall Convenor for Labour in South Africa's National Economic Development and Labour Council.

Panellists:

Mr. Enrique Mantilla, President, Council of Foreign Trade of MERCOSUR, Argentina Section.

Mr. José Drummond, Adviser of the Secretary of International Relations, CUT Brazil.

Mr. Carl Schlettwein, Permanent Secretary, Ministry of Labour, Namibia.

Mr. Patel noted that the MNE Declaration found value on the shop floor and in the supply chain, and that both of these had been fundamentally reshaped by the realities of economic integration. Regional and economic development frameworks that varied greatly had accompanied such integration. Examples included bipartite agreements and more formal tripartite regional economic or social agreements.

Mr. Mantilla indicated that MERCOSUR was a commercial trade agreement established to create a common market. In its first phase, MERCOSUR dealt with standards relating to the world of trade. The MERCOSUR Socio-Labour Declaration of 1998 committed the member States to a list of rights based on ILO conventions they had ratified. The emphasis was on trying to observe what actually happened in practice in relation to the promotion of the conventions and rules and regulations to which the States had committed themselves. In this respect, the influence of the MNE Declaration in the region was notable.

Mr. Mantilla noted that, similar to the MNE Declaration, the MERCOSUR Declaration had a tripartite socio-labour committee to oversee what happened in practice. The development of institutional capacity, particularly at the employer level, was particularly important to ensure the fulfilment of the commitments set forth in the MERCOSUR Declaration. The committee had a national and regional base enabling close cooperation with national public institutions, and with trade unions. In addition to reviewing current practice, the committee suggested proactive ways to promote the application of rights.

Mr. Drummond reported that a March 2002 survey of high-level trade union representatives working in MNEs in Brazil revealed that only 2 per cent were actually aware of the MNE Declaration, that no collective agreement referred to the MNE Declaration, and that many problems could be resolved between employers and employees if the principles of the MNE Declaration were adopted. He added that some of his colleagues in Brazil believed that MNEs brought the most modern technology but did not necessarily bring the highest levels of practice in terms of labour relations in their countries of origin, and trade union representation in the workplace was rarely accepted.

Mr. Drummond noted that acceptance of an ongoing dialogue between representatives of both sides improved the efficiency of the management of enterprises, provided more visibility as well as feasibility and resulted in more competitiveness. He added that the

Forum should recommend to the ILO Governing Body to hold, as soon as possible, with assistance from Regional ILO offices, similar regional forums on promoting the principles of the MNE Declaration. After 25 years, the time had come to seek more effective ways to promote and to put into practice the principles of the MNE Declaration. He concluded by noting that the MNE Declaration needed to be brought into the workplaces, onto the shop floors, and to the employees and union managers who most needed this powerful ILO instrument.

Mr. Schlettwein recalled that Namibia was a small country with a smaller budget than most MNEs. He explained that SADC (Southern African Development Community), which had fourteen member States in southern Africa, followed the model of the European Union. However, there were significant differences among SADC members in terms of size of economy, level of industrialization, literacy, skills availability, infrastructure development, political stability and governance. SADC included an employment and labour sector (ELS), which was fully tripartite with government representatives at the Ministerial level. The main function of the ELS was to report, to monitor, to coordinate and disseminate information, and ILO standards were followed in principle.

Mr. Schlettwein explained that some MNEs operated only within SADC. In some cases, trade unions had managed to get cross border recognition from employers operating in both South Africa and Namibia, for example in the case of off-shore mining companies. With regard to the role of government, he observed that competition for investment included both the “race to the bottom” and the “race to the top”. He considered that some governments, in a desperate attempt to fight high poverty levels and high unemployment rates (some as high as 30 per cent), were soft targets when it came to investment packages that reflected demands from MNEs to lower labour standards. Sometimes the weakness of the trade unions or employers’ federations in certain countries was misused and had allowed poor labour standards. He also stated that MNEs were not always very transparent and often played an important role in irregularities and corruption. However, on a positive note, some MNEs had done better than required by national labour legislation. Mr. Schlettwein concluded that the MNE Declaration and the Decent Work agenda needed to focus on how to translate investment and its benefits into job creation and employment.

Discussion

Reacting to Mr. Mantilla’s intervention a number of participants raised the question of the institutional capacity of MERCOSUR to promote FDI and employment. In his reply Mr. Mantilla referred to the creation of a tripartite follow-up committee in MERCOSUR. This committee functioned both nationally and regionally. The emphasis was on improving actual practice because the standards in general were drawn from the ILO and from the MNE Declaration. To develop its institutional capacity MERCOSUR still had to develop its ability to act and to internalise procedures in its way of operating both nationally and regionally. He also pointed out that interregional trade had benefited MERCOSUR countries to a limited extent. But it was still interesting to look at the way the MNEs operated. When Toyota or General Motors came to Argentina, the first thing they did along with looking at the regulations in the automobile field was to talk to the workers, negotiate, and bargain collectively to establish the labour standards to govern their new investments.

In reply to a question, Mr. Schlettwein explained that the race to the bottom included not only labour standards but also tax obligations, employment policies and other aspects. The 14 member states in SADC were often desperate for foreign direct investment in their countries and had developed incentive packages to attract such investment. One incentive was to operate in export processing zones where the right to strike was waived. If one country did that, the offer would be taken to the next country by the same MNE who would indicate that, before it invested, it wished to have the right to strike waived. In order

to win the competition, the same country would not only waive the right to strike, but might make more legislation not applicable to the MNE. Thus labour legislation was being watered down in terms of labour incentive packages for investment. The same happened with taxes. The question was to what extent the benefits of FDI remained, and what was the ability of governments to translate that into giving effect to social obligations towards their people.

The employment and labour sector within SADC was a formal structure that met annually. It received country reports on various issues, as well as reports from the ILO on its activity within the region. This structure was being reformed into an executive directorate that would deal with labour and social matters and special programmes. Recommendations had to be approved by the relevant labour ministers in consultation with representatives of business and labour. The recommendations then went to the Minister's Council composed of foreign ministers, who in turn submitted their recommendations to the annual summit, where heads of government gave formal approval.

During the ensuing discussion, questions were raised concerning the mechanisms in place in MERCOSUR to verify application of labour standards; the impact of FDI on employment; the involvement of tripartite constituents in privatization and restructuring processes; trade union representation and steps that could be taken to improve knowledge and application of the MNE Declaration.

Mr. Schlettwein considered that an accelerated and improved capacity building effort was necessary. Southern Africa was suffering from serious skills deficits and big companies often brought their skills with them. Through capacity building, these companies could employ more local staff rather than bringing in expensive expatriates. Also, multinational companies often exploited natural resources either offshore or on shore. Their places of work were often away from normal settlements. This led to the use of contract labour rather than permanent employment. This was not conducive for reducing unemployment as a whole. Contract labourers were considered self-employed persons. This left them without protection. If these matters could be improved, investment could be more profitable for the employer, and more beneficial for society at large.

Regarding cross border recognition, the mine workers' union from Namibia and the mine workers' union of South Africa had come together and agreed that either one or the other had the mandate for all of the workers with regard to a multinational employer. This was an innovative way of solving problems.

There was varying knowledge of the MNE Declaration and about the activities of the ILO and the Decent Work agenda in general. It was important to bring the MNE Declaration closer to the shop floor instead of speaking to those that come to Geneva or to SADC meetings.

Mr. Mantilla indicated that verification was not only a problem of MNEs but sometimes of governments and their standard setting system which provided guarantees in some cases but not in others. In the MERCOSUR Socio-Labour Declaration, there was an article that foresaw various methods of verification. One was to examine, comment and prepare reports sent to the Socio-Labour Commission. The governments prepared these reports in consultation with the employers and the workers for each of the principles in the Declaration. Another approach was to develop plans, programmes of action and recommendations to promote compliance. Yet another was to carry out consultations on the difficulties in the application of the Declaration. Elaborating analyses and reports on certain aspects of the Declaration was done simultaneously in the four countries in order to have a snapshot of one point in time. Coming to the question of privatization the four countries did not act the same; there were differences between Brazil and Argentina when they acted and this led to certain problems. Investment plans and programmes needed to go

hand in hand with social developments efforts. The World Bank was establishing a detailed system in relation to investments in the railway and the port systems.

Mr. Drummond indicated that the Socio-labour Declaration of MERCOSUR had been achieved as a result of a major battle of the trade unions. The Committee had to work on the basis of consensus and so some of the problems it tackled required full support of the governments and employers. If one of the parties did not agree, then the issue could not be examined. The most important issue the committee tried to tackle was the question of cross border workers and migration. There were many dark clouds in the sky, particularly with the question of free trade in the Americas. There had been a hardening of the parties' positions in the discussions. Concerning the comments made about the automotive multinationals by Mr. Mantilla, there were some good examples in MERCOSUR and that is why there should be regional meetings to look at the positive examples so that trade unions knew what line of action to adopt, and what should be most appropriate and pertinent to the realities they were addressing. With regard to the Volkswagen agreement in the background paper, it had been extremely difficult to reach this agreement among the trade unions in Argentina, Brazil and the management of Volkswagen in those two countries. Efforts to enter into regional agreements and negotiations with other MNEs had met with little positive response. However, the German company BASF had agreed and accepted to begin regional discussions with trade unions. Volkswagen, thanks to the existence of a world council of Volkswagen workers, had assisted in making progress. Mr. Kofi Annan had also helped when he called upon MNEs to join the Global Compact of the UN. He wondered what participants felt about this initiative. What did they think of unilateral initiatives of companies when they issued a code of conduct?

In reply to the last question a participant indicated that the Global Compact and codes of conduct were all responses to perhaps 25 years of inactivity with respect to the MNE Declaration. Had there been more activity in the past 25 years, maybe there would not have been a need for the Global Compact or a mushrooming of unilaterally adopted codes of conduct, which often had little to do with the core conventions of the ILO. Huge industrial relations problems were endangering the global competitiveness of Central American exporters. These problems included infringement of many basic worker rights such as freedom of association, the right to bargain collectively, low wages and excessive working hours as well as generally abusive labour practices. Lack of understanding of international standards and national labour legislation as well as language difficulties compounded the problems. Some of the exporters' associations were keen to begin a process of social dialogue to try to overcome these problems and thus improve their global competitiveness. The ILO should perhaps consider the Central American region as an area where the MNE Declaration be given immediate practical effect. A tripartite exercise, for example, in the apparel sector in Central America involving governments, employers and trade unions aimed at building socially sustainable development, respect for worker rights, good working conditions and sound industrial relations with a view to creating a viable, profitable and internationally competitive industry would appear to be a useful first step.

Another participant indicated that the Global Compact did not just apply to MNEs but to every single business wherever it operated. Other participants felt that the ILO needed to improve awareness raising in the corporate world concerning the MNE Declaration. It should show them what they can do and why they should do it in terms of good practice.

Another participant considered the issue to be more a question of MNEs working in a global framework. With very short-term perspectives, local governments, institutions, trade unions and local companies often partook in a "race to the bottom". Some MNEs had come to countries with the best intentions, but there was no push from governments for good behaviour. The participant wondered how to change the perspective to a more long-term one. Sustainable industrial development was an issue here since if governments and local - companies continued to accept the undercutting, there would be no future for their

industries. Consequently, there was a need for real tripartite cooperation and financial incentives to act. As an example, in the forestry industry, environmental groups had started to push for forest certification. A global financial incentive had helped to start a tripartite joint discussion on how to improve the forestry industry in the long term. What needed to be done was to promote national dialogue on sustainable industrial development in the long term, and determine where the MNE Declaration and similar instruments fitted in this context.

Another participant commended Mr. Schlettweinn on his depiction of what had happened in Namibia and neighbouring countries. Similarly, a public outcry had occurred a few years ago in Bangladesh when the government decided to lift the ban on the formation of trade unions in free trade zones. Some MNEs publicly threatened to pull out of the country if trade unions were allowed. Governments had a very crucial role in improving the effectiveness and impact of the MNE Declaration. The question was how many companies really knew about the MNE Declaration. In Southeast Asia, the ASEAN free trade area was almost fully implemented, but unfortunately, none of the participating governments had spoken about social development or the MNE Declaration. Singapore was a member but Malaysian wages were one-third of Singapore's, and Indonesian wages one third of Malaysia's. One could see how big the differences were, and how this could affect wages.

Another participant commented that in his country foreign investment was needed and foreign direct investment required an attractive investment environment. Some MNEs respected national legislation but only observed the minimum and were demanding lowering the levels of legislation. There was "social dumping", especially during recession. The main MNEs in banks, mines, agriculture, petroleum and the transformation industries that were already present in a country had higher level of standards than some of the local industries, but increasingly, given the very difficult economic situation, there was a tendency for them to observe the strict minimum and this did not favour job creation in general. The MNE Declaration was virtually unknown in some sub-regions of Africa, and there was a need to organize activities to promote knowledge of the MNE Declaration. Such activities could include forums of this nature, or sectoral ones to create opportunities for the companies working in different areas in different countries to become aware of the MNE Declaration, so that they would not just observe the national minimum, but also raise the levels of worker protection. Recently an initiative had been taken to establish a single framework that would harmonize trade and business in West Africa, and this was a good stepping-stone in harmonizing different principles.

Another participant believed that MNEs played a value-adding, crucial role in South Africa. Although there were examples of foreign nationals coming and flagrantly disregarding labour laws, it was not the norm. An awareness campaign was needed to build the capacity of social partners and disseminate good practices. The social partners should get their own house in order, in terms of adopting core labour standards and seeing that they were complied with, and where necessary, in the respective regions. SADC could play a stronger role to ensure that this took place. It would prevent MNEs from abusing situations like negotiating strike laws.

Turning to the question of contract labour and seasonal work, Mr. Schlettwein stated that two differences must be recognized: the temporary workforce that continued to enjoy all of the benefits due to them, and the "labour hire", where the worker was hired as if he was self-employed and lost all the benefits that a normal worker would receive. The "labour hire" set-ups, where the workers were vulnerable and left without any protection, were more worrisome than the seasonality of the work. He cited Spanish MNEs, working in Namibia's fishing industry as an example. The Spanish MNEs employed about 3,000 Namibians to catch fish, while employing about 30,000 persons at home to process it. It would be legitimate to ask for some sharing of those opportunities from the country that

had the resources at hand. Namibia's employment situation would significantly improve more of the processing was done in Namibia itself. As one species may be available in the first three months and another species in the next six months, Namibia was giving mixed quotas, not giving single fish or single species quotas, so that enterprises could avoid some of the seasonality. Mr. Schlettwein further noted that social protection became important if one was aware of the existence of seasonality while not being able to do much about it due to the nature of work. The idea of helping the seasonal worker during the time he was out of a job through insurance schemes or some sort of social protection could be looked into. Although seasonality was unavoidable, it should not become a component of a "race to the bottom" where areas that could permanently employ workers were converted to areas where only seasonal workers were employed.

Mr. Patel closed the panel discussion by noting that the session had placed many cross-cutting issues on the table and that the next few sessions would allow the issues to be pursued with more rigor. There had been a general consensus on the need for more promotional work, in essence an awareness campaign on the MNE Declaration, and on the need for more dialogue at a number of different levels, particularly with a clearer and crisper role for the social partners.

PANEL II. Vocational Training and Re-Training in Changing Markets; Needs and Responsibilities of Governments, and of Enterprises, Workers, and their Organizations

Moderator:

Ms. Marie Niven, Divisional Manager, International Relations Division, Joint International Unit, Department for Education and Skills/Department for Work and Pensions, United Kingdom.

Panellists:

Mr. Shinichi Yamaguchi, General Manager, Planning and Administration Department, Global Human Resources Division, Toyota Motor Corporation.

Mr. Peter Unterweger, Coordinator of Industrial Policy Team, International Metalworkers' Federation (IMF).

Mr. Nobuhiro Uehara, Managing Director, Overseas Vocational Training Association of Japan.

Dr. Pal Bihary, Director, Budapest Labour Market Intervention Centre, Hungary.

Ms. Niven opened the panel by addressing two reasons why there was a skills challenge for business. First, education systems were always difficult and slow to change, and second, in the context of demographic problems, the labour supply was getting smaller. The lesson for business was clear; the future labour force was the existing labour force, and businesses must re-skill and re-educate those they already employed. She proposed that participants focus on three key questions: (1) how to persuade mature adults in mid-career that they need to learn entirely new skills; (2) where and how is the training they need to be provided; and (3) who pays?

Mr. Yamaguchi reported that, while overall production levels by Toyota had not changed much in the last ten years, skills-related developments in the company's operations could be defined in terms of overseas production, and especially overseas sales, which were increasing. He explained that Toyota had experienced three distinctive phases in the context of overseas production. First, from the 1940s to the 1970s, Toyota mainly imported its products from Japan and hired qualified local employees, and development was not necessarily in the human resources area. Secondly, during the 1980s, in the international cooperation phase, the company started building full production and assembly plants overseas. There they dispatched human resource coordinators to try and develop human resource philosophies in each of the affiliates and also to establish their own way of developing education systems in each local company. During this period the focus was on skill training, such as the Toyota production system. The third step was toward globalisation. In the 1990s, Toyota operated as a global corporation and began to open regional headquarters and to delegate more responsibility to these. In this period, they shared their management philosophy and values, relying on Japanese expatriates to teach those approaches.

Mr. Yamaguchi noted that the basis of the Toyota development system was on the job training because it was important to learn by actually doing a job. Two fundamental philosophies characterized the Toyota way: continuous improvement, and respect for people. For continuous improvement, the focus was on the challenge, forming a long term vision, meeting challenges with courage and creativity to realize their dream; continuous improvement of business operations; and going to the source to find facts to make the

correct decisions, building consensus and achieving goals at your own speed. The philosophy of respect for people consisted of respect for each other and teamwork.

As for the educational system at Toyota, the Toyota Institute provided management training. This consisted of a global leadership school, which developed executives who could exercise leadership from the global Toyota standpoint, and the management development school, which taught the Toyota way of doing business and developed managers who put this into practice. For the production staff, Toyota had “totally within industry training” to teach the total production system, Toyota’s unique production system and give “total job introduction” training.

Mr. Unterweger noted that the MNE Declaration had always been considered a very promising instrument, but it was high time to emphasize the MNE Declaration’s promotion to enhance its application. This Forum should be the first step in that direction. He hoped for a frank exchange and positive consensus on the panel topics of health and safety and training, but hoped that the discussions would open the way for promotion of other areas of the MNE Declaration as well. For example, he believed that the most important challenges MNEs and changing markets posed for labour were in the area of living standards and core labour standards, particularly those on freedom of association and collective bargaining. He pointed out that social dialogue was well developed in the area of vocational training, with extensive agreement and cooperation between the social partners.

Mr. Unterweger asserted that vocational education should essentially be a lifelong learning process divided into three phases: education and training for the first job; further training on the job; and finally retraining for new and different jobs. There were three critical questions concerning the goals and norms. First, the methods and curriculum used to achieve them must be appropriate to the circumstances of each of the three phases. In addition, appropriate norms and goals should be defined, but also the state of workers’ qualifications should be evaluated and a curriculum designed to achieve the stated norms and goals. Jobs should be structured so as to permit continuous learning by the worker, but such jobs must be complemented by education and training quite separate from the job itself. Education and training should be broad enough to facilitate transition into new jobs and new workplaces, which meant that enterprise-related education and training could not be reduced to the needs of the plant or enterprise. Also, in view of the development of regional labour markets and the increasing migration of workers in general, he called for the eventual harmonization of curricula and certification systems across national borders.

Addressing the question of who should pay, it seemed reasonable for governments, workers and employers to share costs to differing degrees. He pointed out that governments already made a large contribution in terms of education, and the only other party with significant resources that benefited greatly from a qualified workforce with adaptable skills were the employers. Therefore, employers should shoulder the lion’s share of employment related training and retraining costs. He suggested that much of the training activity should be carried out during working time, or during compensated time outside of regular working hours. He also encouraged workers to take part in company or publicly funded education programmes outside of working hours.

Third, in relation to decision-making, public policy had an important role to play at the enterprise level in setting norms and in furnishing, promoting or requiring training systems as appropriate. Administrative decisions to determine who was entitled to education and training were also involved, and at this level the individual must have the deciding voice. Non-discriminatory rules must be applied but labour management negotiations should establish the rules while public policy and legislation put a framework of standards in place. For example, during the 1979-1982 recession when hundreds of thousands of people were laid off, in response to the crisis the United Auto Workers, a US trade union, and three major US auto producers had negotiated training programs that were

jointly managed and company funded. For the first time, companies agreed to fund training for workers that would not return to their workforces. After the crisis, the programmes were adapted to focus on the remaining workforce. One of these programmes, the General Motors Centre, now provided a variety of lifelong learning opportunities. At national and local levels, trade union and management representatives worked together to develop and deliver programmes to help employees strengthen basic skills, earn college degrees and better apply their technical skills at work. Notably, the traditional, purely job related training continued to be shouldered by the company and not the Centre. The Centre included the joint administration and development of health and safety programmes and a plan that assisted covered workers with tuition payments at outside educational institutions. It had helped hundreds of thousands of workers prepare for the future.

Mr. Uehara addressed human resource development and training activities of Japanese MNEs and Japanese Government support for them. He noted that the number of Japanese MNEs had tripled in the past twenty years and was expected to continue to increase further. Japanese MNEs invested heavily in training to enhance the skills and competencies of local employees with a view to producing products and services for exports consistent with world standards. On average, Japanese MNEs spent 1 per cent of their total sales on training activities. The guidelines on behaviour of Japanese MNEs in overseas investment, which were jointly announced by major Japanese economic organizations in 1987, urged MNEs to train local employees, particularly in developing countries, in the context of transfer of technology. The training targets in order of priority were engineers, managers, technicians, and foremen who were taught by trainers temporarily assigned from Japan.

Nearly 70 per cent of Japanese MNEs either took action or were planning to take action with regard to contributions to the local community. The most common method of contribution was the acceptance of university students and vocational trainees for workplace internships. Sixty-five per cent of the MNEs set up training centres for local residents that were much appreciated by local communities. The Japanese Government implemented two types of support schemes: subsidies for assignments of trainers from Japan, and subsidies for training locally-hired employees in Japan. In line with the goals of the MNE Declaration, the schemes focused on the training of nationals of developing countries. The Japanese Government had also established 47 overseas vocational training centres in 29 developing countries across the world in cooperation with national governments. In addition, Japanese and other MNEs often utilized the centres' modern equipment and local instructors who were trained in Japan for implementation of customized training for their employees.

Dr. Bihary introduced the context for skills development in Hungary by noting the political and economic changes of the early 1990s, which triggered an influx of foreign capital in the country. Seventy per cent of Hungarian exports were now produced by foreign capital investments while foreign companies located in Hungary produced 53 per cent of the GDP. Twenty of the biggest 35 MNEs in the world operated in Hungary. The presence of MNEs had had a major effect on the Hungarian work culture. Foreign companies hired a younger and more qualified workforce at a salary level 30 per cent higher than at Hungarian owned companies. During restructuring, companies tried to get rid of employees with low qualifications, and since then the level of qualifications had increased. MNEs also gave more priority to education and further training.

During the last 10 years, the Government of Hungary had initiated a series of measures to harmonize the changing market relations and human resource demands. The Labour Market Fund supported active measures such as vocational training, retraining and further education. The fund was largely state-financed fund but also received contributions from employers and employees, amounting to 1.5 per cent of the total of gross salaries, and from privatisation proceeds. The fund had five major allocations, the use of which was

controlled by the board of the Labour Market Fund: the vocational fund, with support for medium and high levels of school based vocational training; the rehabilitation fund; the employment fund; the unemployed solidarity fund; and the wage guarantee fund.

One of the most successful programmes in Hungarian vocational practices was the Quick Start Programme, which initially was aimed at procuring the workforce needed by new businesses providing employment opportunities through training programmes. The company itself financed one-third, another third was financed by the Labour Market Fund and the rest by an American foundation which was later replaced by Hungarian state budgetary funds. With this programme's support, several MNEs assured training programmes for their employees at the start-up of operations.

Hungarian employment policy took the workforce demand of multinational companies into consideration. The education tenders available each year were based on labour market demand triggered by developments in domestic and international industry and trade. The Hungarian vocational education system provided a series of state certified middle and advanced level qualifications. However, in many of these cases, domestic and foreign investors provided further education based on their own special needs. These often included competence and skill development, coaching for company's special equipment, and information technology and language courses.

MNEs in Hungary provided education in general management, communication skills, motivation, conflict management, project management, problem solving and team building, crisis management, presentation techniques and other communication techniques. Between 50 to 80 per cent of the employees were involved in the various MNE training programmes. Thanks to the training programmes, the Hungarian workforce hired by MNEs was exposed to state of the art knowledge used in the developed part of the world.

Hungarian education and employment policies and laws sought to promote and meet the needs of local human resource development. The most important included the Hungarian vocational education law and the laws regarding the national education register, procedures for examinations and the law on adult education issued in 2002. The law on adult education met the needs for training and retraining of the labour force and was the framework for the allocation of government funds for training and retraining programmes.

Discussion

Ms. Niven noted that the presentations seemed to prove that multinational companies had higher standards in training, trained more and paid for it. She added that perhaps the discussion should focus on training for small and medium sized enterprises.

A participant draw attention to the fact that the responses from over 100 countries to the Seventh Survey on the effect given to the MNE Declaration confirmed the examples provided in the presentations by showing that MNEs had a lead over other companies in the area of human resource development and training and that this was an area where MNEs had a good reputation and generally performed very well.

Another participant pointed out three issues. The first was that people were now working for longer periods. He explained that in the past when a company had reached a point where it had to have a reduction in workforce it used to encourage older people to leave first on enhanced pension terms. This was not possible anymore since there were too many people on pensions and people had to work longer. Secondly, workers ought to be prepared to train outside regular working hours. He gave the example of a factory that built trucks and had to reduce the workforce due to a falling market. Thanks to the extent of the training and versatility across the whole band of skills on the shop floor, every employee

was able to do nine or ten different jobs and within six months of the closing, 93 per cent of them had found another job. The third point was that if MNEs expanded operations outside their home base in an area where the workforce had not had experience in that kind of operations, they would pick young people and train them properly to have a successful enterprise.

Regarding the second point, Mr. Unterweger commented that he found it extremely inappropriate to expect workers to use their own personal time for essentially job-related training. If the question was one of acquiring new and different skills that might prepare them for new jobs or in the case of a promotion or company restructuring, the proper way to handle it would be to analyse the situation and negotiate.

Concerning Toyota a participant clarified that Toyotiso was a system that overcame Taylorism and was still being studied by trade unions. In many cases, the application of the Toyota system of handling labour and organization of production involved losses for trade unions. He asked Mr. Yamaguchi if in Japan this system involved trade unions and if they participated.

Mr. Yamaguchi replied that the trade union was heavily involved in the implementation of the Toyota production system and that the company always tried to obtain its agreement and understanding when it wanted to test and do new things. He recalled that about 50 years ago Toyota was facing a very difficult financial crisis so it had decided to terminate almost one third of its employees and had had a bitter relationship with the trade unions, but, over time, Toyota had realized it needed to cooperate with them. He explained that while the company's priority was to make a profit, the trade unions' priority was to improve working conditions of employees. But, in order to provide good wages and benefits, a company needed to be profitable and employees' cooperation was necessary to achieve that. He informed that a joint declaration had been signed stating that Toyota and the trade union would cooperate for the success of the company and the happiness of its employees, and that the company and the trade union always tried to discuss and solve things by talking to each other, putting a big emphasis on communications.

A participant pointed out that human resource development by MNEs could be a sort of technical cooperation for the receiving countries, but the needs of the MNE and the needs of the receiving country might not be the same. He asked the panellists how they would address this situation and how it should be balanced between the sending and receiving parties in accordance with the spirit of the MNE Declaration, which required harmonization with the receiving country's policies.

Another participant explained that in the 1970s and 1980s he had worked in a company that was not a MNE but had a training programme with Japanese MNEs to obtain a transfer of technology in terms of management from the multinational level to the developing country level. The programme implied that the company paid the MNEs to have its workers trained. Thanks to that programme, the participant had had the opportunity to attend courses in Nippon Steel and Asia Chemical. He asked Mr. Uehara if such opportunities were still available in Japanese MNEs, whether on a paying basis or otherwise, to non-nationals.

Mr. Uehara answered affirmatively but added that the Japanese Government could not force MNEs to undertake this kind of programme, which therefore had to be based on voluntary agreements between Japanese MNEs and local industries.

A participant asked Mr. Yamaguchi and Mr. Unterweger what steps Toyota and the IMF could take, both separately and together, to promote the MNE Declaration and its training paragraphs and to give it practical effect.

Mr. Unterweger replied that the IMF was totally prepared to cooperate with any multinational corporation, including Toyota, to promote the MNE Declaration because they saw it as an excellent investment of their resources. He added that IMF might have to consult its major affiliates involved, but he thought that if companies agreed there should be absolutely no obstacles against proceeding quickly with that kind of activity. He went on to say that there was a long history of cooperation in the whole training, and even workforce selection area, between IMF affiliates and major corporations, including Toyota.

Mr. Yamaguchi reiterated that Toyota firmly believed that the development of people was very important and recalled that his presentation had demonstrated that the company had already built a system for development of its team members. To the participant's question he replied that he did not feel the urgent necessity of working on joint training, but that Toyota was certainly open to discussion.

Regarding who pays for training, a participant representing an organization dealing with the maritime industry, pointed out that in his sector workers paid the largest amount of training costs. The seafarers themselves paid their own way through colleges and training schools and his organization had funded the largest single training institute for seafarers in the Philippines. Companies in the maritime industry generally did not pay for training because they got pre-trained crews. Similarly countries like the Philippines trained thousands and thousands of nurses and doctors who were then employed by health care institutions overseas who had not paid for that training.

The moderator indicated that the issue of poaching skills from other countries and the difficult area of developing countries losing the people they needed most to industrialized countries for higher salaries, was an important issue but wondered where this was an appropriate occasion to debate the issue.

A participant asked Dr. Bihary if he had been able to assess whether there had been improvements within Hungarian companies as a result of the example set by MNEs. Dr. Bihary replied that the situation in Hungarian human resource development had drastically changed in the last ten years with the political and economic changes in the country. MNE practices had brought a new and fruitful approach to Hungary, concentrating on an exact and modular type of lifelong learning and developing an educational system that was directly useful to every day work. He reminded the participants that he was the director of the Budapest Labour Market Intervention Centre, which was one of the nine training centres focusing on labour market demands. The Centre had intensive contacts with MNEs, with public vocational education training centres and with private institutions. Some of the Hungarian private and state owned institutions worked as subcontractors for MNEs.

Another participant pointed out that inspector training was also needed. The ILO Turin Centre played an important role in training workers and inspectors in the context of new and complex technologies. This would be especially useful for developing countries that might not have adequate resources.

Another participant mentioned that international surveys on training statistics showed the same results. One was that the share of employees who receive training increased with company size and, at a certain size level, the companies were generally multinational so it was hard to disentangle the effect of size and ownership. Another was that the employees who were already well trained and well educated were the ones to get training. Lastly, low-skilled workers who received further training had a proportionately higher share in wage increases.

PANEL III. Maintaining High Standards of Safety and Health: Sharing Industry Best Practice

Moderator:

Ms. Martha Cogdell, Director, Federal and State Government Relations, Rockwell Collins, United States.

Panellists:

Mr. Jacques Busson, Manager, Responsible Care, European Chemical Industry Council.

Mr. Reg Green, Director of Health, Safety and Environmental Affairs, International Federation of Chemical, Energy, Mine and General Workers.

Ms. Lee Ann Jillings, Chief, Occupational Safety and Health Administration's Consultation Programs, Directorate of Federal-State Operations, Department of Labor, United States.

Mr. Roque Puiatti, Health and Safety Inspector, and Vice-Chair of the UN ECOSOC Sub Committee of the Globally Harmonized System for Classification and Labelling of Chemicals (on behalf of Mr. Juarez Barros, Director, Occupational Safety and Health Bureau, Government of Brazil).

Ms. Cogdell considered that the ILO was a value-driven Organization while many MNEs also had a mission statement that included a vision to guide their policies. Those road maps revealed their safety and health practices in the workplace. The panel would elaborate on the various key components of safety and health approaches in the workplace. Making the workplace safe made it a more productive and desirable place to work, and the MNE Declaration attributed four paragraphs specifically to the issue. The regulatory environment was one key component and in this context the panel would focus in particular on public and private partnerships, which helped individual companies address their specific needs. The regulatory environment needed to be transparent so that all partners fully understood their roles and responsibilities and respected particular cultures as well as individuals. Another key component was the oversight and enforcement aspect focusing on consistent local administration of regulations, providing ombudsman services or assistance for individuals facing problems in the workplace environment. Regarding the issue of reporting requirements, which seemed to be increasing and requiring more resources and more effective utilization of information by all parties, measuring performance was as important as management systems to encourage competitiveness, employee training and participation by safety teams that focused on personal accountability.

Mr. Busson indicated that at the global level the chemical industry had developed a voluntary initiative to improve and spread good practice in health and safety and the environment. Voluntary initiatives and regulations were mutually supportive; regulations were needed to ensure a minimum level of performance while voluntary initiatives were more flexible and had a better sense of the industry. Safety required mutual trust and respect; a good safety policy and a safety culture could not be implemented against the employees. Accidents had huge hidden costs, such as difficulties in getting authorization to expand activities or loss of license to operate, as well as obvious human costs. The Responsible Care initiative had been developed to seek to prevent all accidents and was now being implemented in 46 countries. Responsible Care actually helped in the implementation of the principles of the MNE Declaration.

Responsible Care was based on three fundamental concepts: a change in the attitude of the industry; a commitment to continuously improve on health, safety and environmental performance; and a willingness to communicate with all stakeholders. The International Council of Chemical Associations (ICCA) had identified eight fundamental features and all national Responsible Care programmes had to be consistent with those fundamental features. The change in attitude was thus supported by the commitments made to the guiding principles. Industry improved performance through good practice and experience sharing, the development of performance indicators, and, in some countries, verification processes. Companies recognized that the industry was as weak as its weakest link so they were willing to share experiences and practice mutual help in the area of health and safety instead of competing. In Responsible Care, national employers' associations identified good practice, issued guides and codes and organized meetings and training sessions to disseminate them. In most countries, these codes covered six areas: emergency response and community awareness; environmental management; process safety; health and operation safety; safe distribution; and product stewardship. MNEs promoted the same standards in all countries of operation in accordance with local regulations and customs.

Responsible Care had communication programmes at all levels to inform stakeholders, including employees. Employees knew exactly what happened in a chemical plant and their input was key as a safety improvement tool. In order to base communication on facts, Responsible Care had developed indicators of performance on which to report, such as accident frequency rates for European countries. These indicators were used to benchmark performance and compare with other industries. The indicators showed that the chemical industry had better results than most other industries but there was still a huge gap between the best and poorest performers in the sector. Responsible Care aimed to close this gap.

Mr. Green noted that the focus of the panel needed to be not only on maintaining existing standards but also on developing higher standards. There was an increasing demand for MNEs to commit themselves to internationally recognized standards aimed at insuring basic social protection. Reminding the Forum of the rather slow progress on some of the basic rights and protection at work as outlined in the ILO core conventions, he stressed that health and safety standards at the workplace were an intricate part of the broader rubric of core standards and basic participatory rights. These standards were also a focus of the MNE Declaration, together with the other areas covered by the MNE Declaration, which was the proper instrument for trade union and employer relations at local and national levels. He noted that health and safety was a central concern for trade unions and, in fact, the reason that many trade unions had begun their existence, to protect their members' lives and livelihoods, during the first heydays of the industrial revolution.

Health and safety within MNEs was directly linked to other aspects of corporate culture. He stressed the importance of sharing best practices between companies, to put pressure on poor performers, and within a company, to ensure that the best health and safety standards are applied everywhere within the company. Health, safety and environmental performance should be taken out of the area of competitiveness. A life in a developing country should not be valued less than one in an industrialized country due to wage rate differentials, notwithstanding calculations from the World Bank that suggested just that.

A number of fundamental questions and answers had to be addressed by MNEs, although the answers were easier to state than to realize in practice:

- What is it that is being asked of us by our employees/members and their concern regarding health and safety? Safe and healthy working conditions.

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- What are, or should be, our commitments? Safe and healthy working conditions. How will we meet our commitments? Recognition, meaningful involvement and honesty. How will we monitor and measure progress (or regress)? Effective benchmarking and reporting. How will we report our results? Openly, fully and honestly.
 - How will we respond to criticism and future challenges? In as open, timely and efficient manner as possible.

Trade unions were not like other NGOs. They had a vested interest in both the health and safety of their members and the future success of the companies that employed their members. For example, an NGO's principal aim might be to stop a particular level of pollution, which would require closing down the plant. On the other hand, a trade union would prefer to clean up rather than close down since it represented the workers and had a vested interest in the success of the plant.

Global joint agreements between trade unions and MNEs were a concrete and credible way of demonstrating the commitment of both sides – employers and trade unions – to the MNE Declaration and to other commitments such as the UN Global Compact. These union-management global agreements set a good framework for joint involvement and commitment to benchmarking and the dissemination and adoption of best practices, and were a good way of maintaining the trust, openness, credibility and communication mentioned by the previous speaker. Global challenges required global approaches. It was vital that structures and mechanisms for joint trade union and company cooperation existed at the global level. He urged MNEs to state openly that they would use the MNE Declaration to guide their policies and practices and that they would develop the necessary monitoring and benchmarking systems to report progress. The ILO should provide leadership in facilitating meetings at the global level between international labour and MNEs regarding progress in implementing the MNE Declaration. The Forum therefore needed to be followed up. Currently, there were far too few global employers' organizations or associations at the sectoral level. This was a major obstacle to dialogue. However, this was not the case with the chemical industry, which had a very well developed global structure of employers' organizations. The ILO could use its good offices to help promote this type of organization in other industries as well.

Health and safety was not a separate workplace issue. High standards of health and safety were impossible in a company which failed to meet the other goals of the MNE Declaration. Therefore, forward-looking trade unions and progressive employers should have two major goals. The first was a solid commitment to the MNE Declaration to be accomplished through global agreements with individual companies. In referencing the three agreements between ICEM and STATOIL, Freudenberg, and ENDESA, he noted that more such agreements were in the pipeline. These global framework agreements were an extremely valuable way of giving practical effect to the theoretical commitment of the ILO guidelines. They also presented a way of developing durable, credible, confidence building structures and approaches. Quoting John Kay of the Financial Times, "in business it never makes sense to fight the future", he noted that the kinds of demands being placed on MNEs, such as the Global Compact and other international initiatives, meant that MNEs and trade unions would have to respond in a structured way from the plant level to the global level.

Ms. Jillings explained that the United States Department of Labor's Occupational Health and Safety Administration (OSHA) was established to ensure, as far as possible, that every working man and woman in the nation had safe and healthy working conditions. The functions of OSHA were: to develop and promulgate standards; to ensure and enforce standards and ensure compliance; to assist in coordinating the States in their efforts to ensure safety and health; to provide for research, information, education and training; and

to encourage employers and employees in their efforts to reduce hazards and stimulate them to institute new programmes for providing safe and healthy working conditions as well as to improve existing ones.

OSHA pursued a balanced approach; while strong, effective and fair enforcement was necessary, it was also important to have a “carrot approach”. Enforcement alone could not successfully ensure the safety and health of the entire workforce in the United States and other avenues were needed to work cooperatively through partnership and recognition to achieve the goal.

The Voluntary Protection Programme, OSHA’s first partnership programme, established in 1982, was designed to recognize individual worksites that achieve excellence by going above and beyond minimum standards through a safety and health management approach. It recognized and promoted safety and health management and in particular developed a cooperative relationship among the three parties involved: the management and the employees of an individual worksite, many of which were part of larger MNEs, and OSHA, the regulator. A range of industries participated and many participants from the petrochemical industry viewed this programme as a complement to Responsible Care. The benefits of participating in this programme included improved health and safety performance and a decline in injury, illness and lost workdays. This in turn created economic benefits through reduced insurance premiums, reduced workers’ compensation costs and reduced absenteeism rates. The cooperative relationship and recognition from OSHA was the main benefit reported by organizations. The programme leveraged government resources in assisting OSHA through the creation of models in determining best practices for improved development of standards and policies in training. For example, in 2001, the injury and illness rates of participating facilities were 53 per cent below the national average. This translated to over 8,000 fewer lost workdays than the average at such sites. The programme’s requirements were based on the occupational health and safety management guidelines established in 1988 in the United States, and the more recent ILO Code of Practice. These focused on the importance of management leadership and employee involvement, worksite analysis, hazard prevention and control, and safety and health training.

The Consultation Programme was another avenue OSHA had pursued; this one designed primarily for small businesses and high hazard industries. It also assisted small worksites of larger companies in establishing effective safety and health management systems and practices. The programme had a recognition element to encourage worksites to put together effective safety and health programmes and then to work with them to maintain this performance over time.

The Strategic Partnerships Programme established opportunities for groups of employers and employees and associations of employers and employees to join cooperatively with OSHA to prevent injuries and illnesses in the workplace. The challenge was to get participants to perform beyond compliance and participate in voluntary protection programmes at the highest level.

The Alliance Programme, the newest addition to OSHA’s programmes, had fewer formal requirements but was open to all businesses – labour groups, trade or professional organizations, universities and other government agencies. It was a low risk opportunity for groups historically reluctant to engage with the agency in a cooperative manner to develop a relationship which could foster best practices and create a stepping stone towards a more structured cooperative relationship with the agency. The purpose was to increase and expand training and education in general among workers, employers or individuals related to worker safety and health; to increase outreach and communication in relation to a particular issue; and to lead the national dialogue on worker safety and health.

OSHA believed that it was important to use a broad range of tools to maintain high performance of MNEs as well as to encourage the sharing of best practices. Standards had to be established for clear industry expectations, but enforcement was not enough. OSHA had to pursue multiple avenues to enhance awareness and understanding of safety and health issues. A key component of encouraging and engaging organizations in relationships had not only been the agency recognition for those willing to enter the agreements, but also the long term nature of the cooperative relationship.

Mr. Puiatti indicated that during the 1960s and 1970s, Brazil had experienced rapid industrialization with many MNEs from the automobile, manufacturing and chemical industries participating in the process. As a consequence, there had been a growing number of occupational accidents and, at that time, fragmented health and safety legislation. MNEs played an important role in bringing international expertise in health and safety to Brazil, especially in the automobile and chemical industries. MNEs also incorporated health and safety as an important part of the production process by bringing new technologies in machinery protection and personal protection equipment.

During the 1970s Brazil had introduced occupational health and safety regulations at company level. An example was the electroplating industry, where companies with over 1,500 employees were required to have safety technicians. Brazil had also developed health and safety legislation and had created the national Bureau for Health and Safety to develop a health and safety policy.

In the 1980s, Brazil had started to ratify ILO conventions and hired about 500 occupational physicians and engineers to enforce the legislation. At the same time, MNEs brought expertise in hazard and risk analysis, quality and protection in health and safety and in industrial hygiene evaluation methodologies. However, there was still significant concern about MNEs not following health and safety principles and there were also problems with outsourcing in privatised companies.

In the 1990s, Brazil had ratified the core of health and safety conventions and developed a new approach to deal with the struggle against occupational accidents and diseases through a number of tripartite agreements. The most widely known was the Benzene Tripartite Agreement in which the participation of MNEs was very important. Other tripartite agreements dealt with safety in injection modes, bakery machines, power presses, and the electroplating industry. In 1996, the Minister of Labour had created a national tripartite health and safety joint standard commission. Participation in this commission involved the Ministry in charge of health and safety, the four major Brazilian trade unions and four major employers' organizations. Since then, all health and safety rules were passed in tripartite commissions and approved by consensus. This was a good way to resolve, to solve, to improve and to maintain a high standard of health and safety.

Tripartite commissions had been established for benzene, porters, civil construction, mining (stressing participation of MNEs), workers' nutrition programme, internal health and safety commissions and prevention of measures in industrial accidents and agriculture. A programme called "School for the Future Worker" prepared and informed students about health and safety. Brazil also supported voluntary commitments, notably the Brazilian Toy Industry Association fight against child labour.

Recently, the Brazilian Government had set up a programme for quality and productivity with health and safety targets. It was a tripartite programme with ten major projects and the goal was a 40 per cent reduction in fatal accidents by 2003. Another initiative was a comprehensive programme to train health and safety inspectors in partnership with the ILO's Turin Centre to update them on information, new technologies and changing markets. Good health and safety inspectorates were essential to improve working conditions. Brazil had ratified ILO Convention No. 174 to prevent major

industrial accidents with the strong participation of chemical MNEs and was about to ratify the conventions on safety in mines and in agriculture.

Discussion

The moderator noted that the panellists had provided insights of best practice approaches and observed that the term “better practice” – meaning “always trying to improve” – might be more appropriate than best practice. Considerable changes had taken place in the workplace since the MNE Declaration was adopted 25 years ago. For example, technology was more important and MNEs were trying to transfer that technology into their local workforce around the world. In the United States, the issue of security and its impact on health and safety in the workplace was of growing importance.

A participant noted that, interestingly, none of the panellists had said there should not be regulation; everyone apparently supported both enforcement and voluntary action. At the national level, they all knew the advantages and disadvantages of each. One of the advantages of voluntary action was that it offered a certain amount of flexibility. In Brazil and other countries, tripartite collaboration led to regulations that were presumably more practical and enforceable, and the tripartite partners also played a role after adoption of the regulations. In the United States, the building trade unions and employers had agreed with the Occupational Safety and Health Administration (OSHA) that regulation was needed and that coming together would build the flexibility to make the workplace safer. That dialogue was a way of ensuring that regulation was not only more flexible, but also better, and that people were well protected. The paragraphs on training in the MNE Declaration reflected how MNEs could train local managers in industrial relations, so the question would be how to get the best training in health and safety by involving trade unions in partnerships with management. The presentations had provided examples of this and the challenge was now to improve emerging regulations and voluntary initiatives through participation of the social partners at every level, including the global level.

A participant from Namibia indicated that the problem in his country was not in issuing regulations, but in how to enforce and implement them with limited resources. If there was good progress in developing regulations on a tripartite basis, they could go a step further and try tripartite enforcement. Namibia had attempted to do that by introducing self-inspection schemes where employers and workers inspected the workplace themselves and reported back to the inspector. If there were problems, the inspector tried to come in and solve them. The question was whether this would be a possibility for occupational health and safety inspections. He believed that it could improve preventive measures but would require additional efforts in terms of capacity building for the social partners.

Ms. Jillings explained that the idea was to create a group of models, especially through the Voluntary Protection Programmes of the OSHA, and make the employers and employees themselves responsible for doing the hazard assessment, prevention and control. An important aspect of this was that both parties were actively involved. As a result of the improved relationship that worksites had with OSHA, a whole new group of safety and health ambassadors had been created, who then went out and proactively shared their learning with others. Participants in the programmes were able to do this within their community. It also had the advantage that relationships with a peer were often more appealing and comfortable than with the regulator and helped with the problem of limited resources.

Mr. Green stated that tripartite enforcement worked if there was some sort of balance among the representatives from each side. But if there was a very powerful employer and an unorganized workplace, then the resulting system might not be credible. The rights and

obligations for both parties should be well codified in advance so that everybody knew that they had the protection necessary to perform those duties.

A participant asked what would be the incentive for MNEs to behave in compliance with the legislation of both sending and receiving countries in pursuing best practice, given that the legal safety requirements varied among countries and that legally, there was no obligation for local operations of MNEs to satisfy the requirements of the home country.

Mr. Busson explained that the European Chemical Industry Council (CEFIC) tried to use the same standards everywhere or to apply the standards from the mother country, which were usually more demanding. This was also done with Responsible Care. MNEs did not want to have multiple programmes in multiple countries, so they sought to have a global Responsible Care programme that was in compliance with the more demanding countries.

A participant asked Mr. Green how the two different instruments he had evoked, the MNE Declaration and the global framework agreements, related to each other and how they could ensure the involvement of MNEs' sub-contractors in the process of framework agreements, since many of them provided services not necessarily covered by these agreements.

Mr. Green answered that the MNE Declaration provided a goal, but did not indicate how to accomplish it. In different sectors and in different companies there were different needs, cultures and approaches that needed to be reflected in the instruments. It was important to get from the shop floor to global cooperation in a way that people felt they were part of the process. The global agreements signed by the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), included bottom up feedback in a credible fashion. For example, there had been more than a few occasions where the ICEM General Secretary had phoned an MNE CEO personally to indicate that there was a problem that needed to be addressed immediately before it turned into a crisis, and they had been able to fix it at an early stage. ICEM was giving a practical effect to a theoretical commitment by those global agreements, and as a very helpful side effect, it was improving industrial relations.

Another participant asked Mr. Puiatti why he had not mentioned the MNE Declaration when he had referred on a number of occasions to the involvement of MNEs in Brazil in the tripartite process of policy making. Was it because the MNE Declaration was not well known or irrelevant, or was there some other reason?

Mr. Puiatti replied that MNEs in Brazil were usually member of national employer confederations and associations, but probably did not know much about the MNE Declaration. Nevertheless, because of Brazil's commitment to tripartite processes, MNEs understood that collective agreements were a good way to improve safety conditions in the workplace and they generally sought to include workers from the MNE and from the sub-contractors in the same collective agreement.

A participant noted the emphasis on the words "mutual trust and respect" in the presentations. Unilaterally developed codes of conduct seemed to work much better once they formed the basis for an active partnership between the trade unions and the MNEs. In the maritime industry, workers had set up an international unilateral standard that was enforced in different ports by trade unions through ship inspectors. This initiative had come from the fact that some national governments actually allowed their national sovereignty to be used by some MNEs to escape international regulation through so called "flags of convenience". The International Maritime Employer's Committee had then proposed to make it a joint partnership effort to promote good employment practices and high standards of training and safety. It participated in the joint negotiating forum with

representatives from the International Transport Workers' Federation. There was an increasing number of industry and corporate initiatives in partnership with trade unions and it would be important to reflect them in ILO documents and instruments in order to facilitate cross-referencing and learning.

Mr. Patel was struck by the wording in the MNE Declaration itself, in particular the final sentence on health and safety: "*where appropriate, matters relating to safety and health should be incorporated in agreements with representatives of the workers and their organizations*". It would be helpful to take a country or sector example to know to what extent this had been achieved. To know, for example, to what extent collective agreements had covered health and safety issues in the chemical industry. Mr. Busson stated that there was a lot of partnership in Responsible Care because it valued input from workers and their representatives. But Responsible Care was still an initiative managed by the industry, which meant that the managers were responsible for the safety of their installations, of their processes and their employees. So there was a slight difference in the role of partners. He believed that for important issues in health and safety such as exposure limits, they should be determined in a scientific way and not be the result of negotiations.

Mr. Patel asked if there were other examples than benzene where health and safety standards in an MNE also applied to the supply chain. Mr. Busson replied that within the supply chain the product was under the control of the person the MNE had sold it to, and he added that CEFIC provided information down the supply chain on what the hazards were, the exposure limits, and the best methods to limit exposure.

A participant asked how MNEs could ensure that employees in receiving countries behaved in a safe way and how they dealt with the fact that risk perception and risk awareness were different from country to country. Secondly, he wondered how to get MNEs to publish their best practice examples, how they could know when they had an example of good practice, and if they needed incentives to make them publicly available.

Mr. Busson answered that the incentive was the performance of the whole industry, because MNEs were well aware that they were judged on that. Regarding the first question, he explained that in a chemical plant, safety was a condition of employment. If workers did not comply with procedures and did not correct their behaviour even after being warned, they should no longer be in the company.

With reference to the second question, Ms. Jillings added that one outcome of OSHA's partnership programmes were cooperative initiatives where OSHA met with employers and trade unions to identify model practices. It then compiled and distributed them through both printed and electronic means. The cooperative relations between OSHA and employers, trade unions, and industry associations were crucial to disseminating those practices effectively.

A participant felt that the ILO had been left behind in developments at the global level with respect to many of the key components of the MNE Declaration. In the absence of ILO involvement, MNEs and global trade unions jointly and separately had moved ahead at the global level to ensure the application of international labour standards. Examples were global framework agreements and the development of multi-stakeholder codes of conducts. Through those developments, there had been considerable growth in mutual trust and understanding between all parties concerned. Since MNEs also had indicated that they could not do everything on their own, and that they needed the support of governments through effectively implemented legislation, it was important that the ILO proceeded to examine what was happening at the practical level and considered how this could be incorporated in its work to promote the MNE Declaration.

Ms. Cogdell closed the discussion by stressing that the interventions had given good evidence that the partners were leveraging their roles to enhance the capabilities, programmes and approaches they were using in safety and health in the workplace, and that they were expanding on the provisions as appropriate in different sectors and different locations around the world. This was highly encouraging.

Final Plenary: Reporting Back of the Working Groups and Discussion

Following the opening plenary and the panel discussions the participants met in three separate working groups to pursue some other areas of the MNE Declaration more in depth and further discuss the topics covered in the panel sessions. Facilitators reported back to the final plenary on the key points addressed by the working groups. To guide the exchange of experiences and views participants in the working groups were asked what strategies could be identified for MNEs, governments, and workers' and employers' organizations to use the spheres of influence in which they operated, separately and jointly, to maximize outcomes in line with the aims of the MNE Declaration in the following contexts:

1. *To promote security of employment (direct and indirect) in the context of flexibility, restructuring and outsourcing?*
2. *To create the infrastructure for decent work, including terms and conditions of work, in the context of contractual business partnerships (e.g., supply and service chains), and investment incentives (e.g., export processing zones)?*
3. *To foster effective means of consultation, negotiation, and bargaining in the context of changing patterns of operation (e.g., linkages) and ownership (e.g., mergers, privatisation)?*
4. *To secure a common floor of fundamental principles and rights at work in the context of competition to attract international investment?*

The **first working group** focused on the importance of the roles of governments, workers and employers, their individual responsibility as well as joint action they could take.

At the level of regional groupings, it was necessary to identify areas of industrial specialization and the potential positions in the chain of value-added activities and to establish a common framework. This would facilitate planning for the location of production, the identification of appropriate incentives to be offered to potential investors, and measures to be adopted to cope with changes that could adversely affect security of employment.

When MNEs outsourced, they should make every effort to use contractors with policies and practices that were equal to their own and in line with international labour standards.

Training, retraining and "multi-skilling" were critical for workers to be able to adapt to technological changes and re-enter the labour market after redundancy. It was necessary to define the concept of training more clearly; what it meant and in which circumstances it should be applied, and to clarify the responsibilities of the different parties. For example, the role of the government should be to provide basic education and skills, while workers' and employers' commitments to further training and retraining were identified as mutually dependent components. There was also a need to enhance the mutual recognition of qualifications in training and education across borders to facilitate cross-border mobility of workers.

On the issue of enterprise restructuring, there was a need to identify tools to help governments deal with restructuring and mass redundancies, particularly in dealing with the wider impact beyond the enterprise. The importance of a tripartite approach to both the immediate crisis that might arise and the wider impact was stressed.

Regarding ways in which countries attract investment, governments should consider the long-term implications of the investment; labour legislation should be respected and labour standards should not be lowered as a means of attracting investors. Labour ministers should get together at the regional level and adopt a common approach to align national legislation with international labour standards. Trade unions should work to secure agreement with enterprises on ways of dealing with changes and encourage governments to adopt a tripartite approach for dealing with large-scale restructuring. Different standards could apply in different regions and countries (given the primacy of national legislation).

Social dialogue was essential to address: the social and labour consequences of enterprise restructuring affecting entire communities; inequalities in the supply chain (e.g. where contractors have lower standards than the parent company); and the negotiation of various approaches for dealing with different aspects of these issues. In addition, work might be done to understand the impact of EPZs on labour standards in different countries and regions. It was unfortunate that decades after its adoption, the MNE Declaration was still not widely known.

The working group had identified the following possible actions to be taken. First, research to identify the reasons for the lack of awareness of the MNE Declaration. Second, to improve awareness, target the promotion of the MNE Declaration at CEOs of major MNEs, for example at the World Economic Forum. Third, raise awareness of the MNE Declaration in regional groupings and multilateral organizations, including the Bretton Woods Institutions and institutional investors who should be aware of the MNE Declaration and the impact of their own investments. Regional tripartite fora should be organized as a follow-up to this Forum. Noting the diversity of MNEs, there should also be promotional activities at sectoral level (for example, textile and garments in Central America) and involving clusters of MNEs in specific sectors.

The ILO could also support promotional and capacity-building activities among workers' representatives while workers' organizations should consider new framework agreements at the global level to address MNE operations across frontiers. The ILO should further identify ways of supporting small and medium-sized enterprises (SMEs) in adopting good practices that promote decent work. In addition, dissemination of good practice in using codes of conduct should be undertaken to encourage good industrial relations practices within MNEs, and by extension, among their subcontractors and licensees. The need for systems to ensure the application of such codes also had to be addressed and links should be established between the Global Compact and the MNE Declaration.

The **second working group** emphasized the need for more promotion of the MNE Declaration, greater awareness of its existence, and a greater effort to be made in implementing it. The MNE Declaration needed to be promoted among a wider audience, including MNEs. Although there had been no consensus in the working group on the individual questions, various points had been supported by more than one participant. A number of participants considered that the implementation of the principles of the MNE Declaration must take place in the context of a stable legal, political and social environment. The best security for employment was a stable environment and prosperity for the enterprise. There was a need to apply the MNE Declaration principles to outsourcing as well and enterprises should study how to extend the principles to outsourcing. In order to achieve a good balance between flexibility and security of employment, there was a need to better clarify what was really meant by flexibility and by security. This was an issue in developing countries, where solutions, such as lifelong learning programmes, would need adequate funds. In this regard, the importance was highlighted of social dialogue and partnership when seeking a balance between flexibility and security.

Alternative methods for better promoting the MNE Declaration were also discussed, and in particular the need to have a series of regional activities and promotional fora. Suggestions included developing a set of guidelines based on enterprise practice and organizing sectoral activities in which the MNE Declaration could be promoted, including along supply chains. Benchmarking was mentioned as a way to measure and monitor the conditions of employment in enterprises. One participant had noted a problem in measuring best practices since in MNEs themselves employment conditions were usually good while it was difficult to monitor conditions in supplying enterprises. In some countries, the government took responsibility for monitoring such conditions while in other parts of the world this responsibility was shifted to MNEs. In any case, there should be a mechanism to guarantee a balance between the creation of decent work and investment incentives.

Consultation, information and negotiation represented a broad area. It was important to note that each region had its own industrial relations system, and hence it was difficult to find a common denominator. In any event, suitable forms of consultation and information should be applied, either with trade unions, works councils or directly with employees, taking into account the different framework within which MNEs operated. One participant had stressed that the trade unions had a key role to play, especially with respect to privatisation and merger operations. Although the MNE Declaration was still valid and up to date, there was a problem in its diffusion among constituents and throughout the regions. It was suggested that one way to promote it was to collect best practices and diffuse them at the regional level. Social dialogue at the regional level could help to better disseminate best practices and the principles of the MNE Declaration. However, some participants had argued that there was a risk that some partners could be left out, especially in those regions where it was difficult to find partners. There had been broad agreement that the MNE Declaration principles should be respected and applied, especially the principle of freedom of association and the right to collective bargaining. In this regard, an auditing system might be envisaged by some MNEs.

Open competition among MNEs should not lower working conditions. Companies should respect fundamental principles and rights at work. One participant had argued that MNEs were not really interested in a common floor since it was difficult to have one due to the different regional circumstances. A common floor did not seem to be relevant in today's world. The MNE Declaration was more narrow in scope than the OECD guidelines which in some cases seemed to be more relevant for enterprises. The MNE Declaration is emphasis on social polices sometimes created difficulties for MNEs in applying it. All enterprises should be guided by ethical considerations. The ILO should promote a better understanding of the MNE Declaration and a better implementation of its principles.

The **third working group** focused less on the four questions and more on process aspects. There was broad agreement that the main challenge was to make the MNE Declaration better known and explain its relevance in the broader context of the current corporate social responsibility (CSR) debate. One participant described the MNE Declaration as being in a "time warp", in the context of the great number and variety of CSR activities and initiatives, ranging from unilateral codes of conduct to multi-stakeholder processes to framework agreements.

The MNE Declaration was, in fact, of higher quality and more comprehensive than other measures and had the additional value of having been adopted by the tripartite constituents of the ILO's Governing Body. It went well beyond fundamental rights and covered many other critical areas such as industrial relations, occupational safety and health, employment etc. It was also rooted in an organization based on social dialogue. The MNE Declaration should therefore inform and influence the larger CSR debate.

The MNE Declaration, the OECD Guidelines, the Declaration on Fundamental Principles and Rights at Work and the Global Compact were all complementary to each other, having different origins and targets. Although the OECD National Contact Points had been given more teeth in the latest revision of the OECD guidelines, which had certain advantages in terms of resolving specific problems, the Guidelines themselves complemented the MNE Declaration. The Global Compact, although much more limited in content as far as the world of work was concerned had the advantage of being a more comprehensive advocacy instrument by also including human rights and environment aspects. Its approach was in a way similar to the MNE Declaration since it shared a dialogue approach.

The MNE Declaration should be used to reach out to companies other than those that already had relatively good practices. A major challenge was therefore how to approach those MNEs that were not familiar with the MNE Declaration and its principles. Participation in CSR work tended to be based on self-selection and thus often involved “preaching to the converted”.

The informal nature of the Forum had been very conducive to open and frank discussion. Gatherings of this kind were important since contacts between employers’ and workers’ organizations, sectoral and inter-sectoral, including direct involvement of MNEs were all essential to compare experience, further dialogue, cooperation, and partnership based on common interests. Such gatherings should take place at national, regional and international levels.

There was an obvious need for ILO to more actively promote the MNE Declaration. This could be done, for example, by placing a copy in the background materials for all sectoral meetings the ILO organized.

It was also necessary to take fresh look at the MNE Declaration’s survey mechanism to make sure it better reflected the actual situation on the ground, including best practices.

Final Discussion

Practically all participants who intervened during the final discussion agreed that the ILO should promote the MNE Declaration more actively and work with MNEs and constituents to give practical effect to its provisions. Some felt that promotional efforts should target Chief Executive Officers of MNEs, for instance by having the ILO Director-General speak about the MNE Declaration at the World Economic Forum. Others considered that it would be more effective to organize regional and sectoral meetings similar to the forum to enable those most closely concerned to learn about the MNE Declaration and develop partnerships. In the end there was broad agreement that the ILO should organize both high-level events and become more active at the operational level. In undertaking promotional efforts it was especially important to reach out to those MNEs who had not yet shown a major interest in behaving in a socially responsible fashion and to those who were most employment-intensive.

There was also agreement that the ILO should continue to make information available on best practices in line with the MNE Declaration. This should be done in a user-friendly way, using both traditional and electronic means such as regular publications and the database on Business and Social Initiatives (BASI). The sectoral meetings that the ILO organized could become another important means to “get the message out”.

Some participants wondered whether the time had not come to establish measures and benchmarks by which to judge progress made in establishing partnerships and applying the provisions of the MNE Declaration. Other participants felt that the regular surveys on the follow-up given to the MNE Declaration already gave sufficient information in this respect, while yet others considered that it was more important to actively encourage a process of dialogue and building partnerships that led to concrete results.

Closing Remarks

Ms. Hornung-Draus considered that the discussion had shown that there was a rich diversity of practices depending on the company, corporate culture, region, and sector. It had also shown that all of these examples had as a basis the principles of the MNE Declaration. The MNE Declaration was an important text that was extremely relevant in discussing the social dimension of globalization and also very relevant in the context of the wider ongoing debate on corporate social responsibility.

She proposed that the MNE Declaration be considered and promoted as a universal basic reference for concrete action on corporate social responsibility and for the social dimension of globalization. The MNE Declaration had been adopted by governments, workers and employers, including MNEs, and addressed all three groups, not just companies. Thus, the principles enshrined in the MNE Declaration implied commitments on each of the three parties – companies, governments, and workers. This reflected that the social dimension of globalization was the responsibility of governments but required the cooperation of workers and employers. The MNE Declaration was not only a reference that individual companies could use for concrete activities and to develop codes of conduct but it was also important for the social partners and for sectoral organizations, and as a basis for voluntary agreements on a sectoral or regional basis. The MNE Declaration should be promoted as the ILO's contribution to the social dimension of globalization and to the debate on corporate citizenship and corporate social responsibility. Although developed for MNEs, the MNE Declaration could be used as a basis for principles and good practices for national companies as well. She reminded the participants of the three principles she had mentioned throughout the discussion: the voluntary nature of the MNE Declaration, the primacy of national law, and the equal treatment between MNEs and national companies.

Finally, she welcomed the idea that the Office was preparing a Guide to the MNE Declaration. It was important to provide a simple, clear, and easily accessible guide for companies who wanted to use the MNE Declaration as a reference for their own activities. Another way of promoting the MNE Declaration was to have more informal discussions and exchanges of ideas. The MNE Declaration also needed to be promoted at the grassroots level. She challenged the participants to provide information about the MNE Declaration to their own constituents, organizations and companies so that they could use this universal reference as a tool for concrete action on corporate social responsibility.

Mr. Patel noted that the Forum had been most informative and helpful. MNEs were very important in the world of work and in the global economy. They employed 86 million workers directly. The sectors that they were involved in and industrial relations practices varied greatly. The public spotlight was increasingly on the relationship between growth and social equity, between increases in the quantitative stock of economic output and the quality of life of the world's six billion citizens. The exchange of experiences at the Forum was intended to see what sort of insights could be developed in order to help ILO in its work. His own insights into the Forum included, first, that the knowledge and existence of the MNE Declaration and of its contents were uneven and in many cases weak. The ILO should encourage greater knowledge of the MNE Declaration by ILO constituents in general, but especially by MNEs and the trade unions operating within MNEs. He reviewed some of the suggestions made during the Forum on how to improve implementation of the terms of the MNE Declaration. One of these was to explore benchmarks to measure the extent of compliance. Another was for ILO to embark on further capacity building among constituents, trade unions, employers' organizations, MNEs themselves and governments. A second insight gleaned was that regional economic integration provided a focus for promotional work on the MNE Declaration and an

opportunity to provide more effective and systematic information and support on the part of ILO. There was a need to ensure adherence to core labour standards and the contents of the MNE Declaration within export processing zones. The third insight was that the range of global and multinational collective agreements also provided an opportunity for the ILO to play a role in promoting knowledge and information. It was a two-way process – to promote knowledge and information on the MNE Declaration to the parties concerned, and knowledge and information on the agreements to everybody else, thus facilitating a comparison of the agreements to the MNE Declaration and assistance to other parties who seek to conclude such agreements and strengthening the work of others to the extent that it deals with issues raised in the MNE Declaration. The fourth insight was to achieve the goal of widespread knowledge and promotion of the MNE Declaration. For this, the ILO should convene further forums and round table discussions of MNEs and ILO constituents in three complementary forms, as suggested by the working groups: high level meetings, sectoral meetings and regional meetings. A high-level activity would be directed at CEOs and should include the leadership of global trade unions. The ILO's Director-General should be involved along with ILO constituents. Global sector-level discussions had emerged as another suggested follow-up activity to cluster together MNEs, and companies within their supply chains, with ILO constituents to showcase current practice, improve knowledge and information, and identify areas of joint commitment to give effect to the contents of the MNE Declaration. Regional discussions could bring together key MNEs with ILO constituents in a region to explore giving effect to the MNE Declaration within an economic or regional unit and consider cross-border industrial relations issues.

These suggestions were not just about “branding” the MNE Declaration, improving knowledge that there is such a document but also about looking at its content and seeing how it can be promoted. He urged that the format of the three types of meetings be frank, open, informal and non-bureaucratic. He agreed with Ms. Hornung-Draus that the discussions had brought out the relevance of the MNE Declaration and the concept that it was universal basic reference for concrete action on corporate social practice.

Mr. Hultin commented that the first panel had shown how important foreign direct investment was in the context of economic and social development. A frequently asked question was “How can foreign direct investment interact more closely with local economies?” The first panel had concluded that private and public partnerships on a regional level could and should promote the interaction between FDI and the development of local economies. The second panel had reflected how training and retraining provided an important vehicle for interaction between MNEs and local actors. MNEs could be very useful agents of change in this context. The third panel had shown how, by and large, MNEs were at the avant-garde of health and safety standards and practices and were serving as agents of improvement in those practices at local levels.

Ms. Robinson considered that the Forum had not only met the objectives set for it, but in many ways had exceeded initial expectations. She felt that the Forum had successfully established the basis for further dialogue and for the partnerships needed to effectively promote and further the aims of the MNE Declaration. The discussions had shown that the goals inspired by the MNE Declaration were relevant, and perhaps even more relevant than they were a quarter century ago. She was encouraged by the clarity of the common focus in line with these goals and the determination to use the MNE Declaration's global vision at local, regional and sectoral levels, as well as globally.

List of Participants

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- Mr. Michel Barde**, Secretary General, *Fédération des Syndicats Patronaux (FSP)*, Switzerland.
- Dr. Pal Bihary**, Director, Budapest Labour Market Intervention Centre, Hungary.
- Ms. Anna Biondi**, Assistant Director, Geneva Office, International Confederation of Free Trade Unions (ICFTU), Switzerland.
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