

**FOR INFORMATION**

FIRST ITEM ON THE AGENDA

**Follow-up on and promotion of the
Tripartite Declaration of Principles
concerning Multinational Enterprises
and Social Policy****(b) Eighth Survey on the effect given to
the Tripartite Declaration of Principles
concerning Multinational Enterprises
and Social Policy: Summary of reports
submitted by governments and by
employers' and workers' organizations
(Part II)***Contents*

	<i>Page</i>
Introduction	1
Part 1. General questions	4
Background, aim and general policies (paragraphs 1-12)	4
Employment (paragraphs 13-28)	46
Training (paragraphs 29-32)	66
Conditions of work and life (paragraphs 33-40)	76
Industrial relations (paragraphs 41-59)	87
Consultation with the representative employers' and workers' organizations concerning this questionnaire	116
Promotion of the observance of the MNE Declaration	123
Disputes concerning interpretation of the provisions of the Declaration	126
Part 2. Detailed questions on employment	128

Appendices

1.	Report form for the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy	137
2.	Procedure for the examination of disputes concerning the application of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by means of interpretation of its provisions	150

EIGHTH SURVEY ON THE EFFECT
GIVEN TO THE TRIPARTITE
DECLARATION OF PRINCIPLES
CONCERNING MULTINATIONAL
ENTERPRISES AND SOCIAL POLICY

Part II

*Summary of reports
submitted by governments and by employers'
and workers' organizations*

Geneva, November 2005



INTERNATIONAL LABOUR OFFICE

Summary of reports submitted by governments and by employers' and workers' organizations for the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

Introduction

1. At its 288th Session (November 2003), the Governing Body asked the Office to undertake the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), covering the period 2000-03.¹ This document summarizes the replies received to the questionnaire that was sent to the governments and the most representative employers' and workers' organizations in ILO member States.
2. In preparing this document the Office has taken into account all replies received up to 31 May 2005, well beyond the originally stipulated deadline of 31 December 2004. The original reports, observations and annexes used to prepare this paper are available for consultation by the members of the Subcommittee.
3. For the current Survey the Office received reports from the following 62 countries: Austria, Belarus, Belgium, Bolivia, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Chad, Chile, China, Colombia, Costa Rica, Croatia, Cuba, Democratic Republic of the Congo, Eritrea, Fiji, Finland, Gabon, Germany, Greece, Guinea, Hungary, Indonesia, Italy, Jamaica, Japan, Kenya, Republic of Korea, Latvia, Lebanon, Lithuania, Madagascar, Malaysia, Mali, Mauritius, Mexico, Republic of Moldova, Morocco, Netherlands, New Zealand, Nicaragua, Norway, Panama, Peru, Philippines, Poland, Portugal, Senegal, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, Ukraine, United Kingdom, Zambia, Zimbabwe.
4. Table 1 lists the countries that replied, indicating whether the replies were joint tripartite replies or individual replies, and, if the latter, which constituents replied in each case.

Table 1. Breakdown of replies by country and respondent

Country	Tripartite	Government	Employers	Workers
Austria		✓		✓
Belarus		✓		
Belgium	✓			
Bolivia		✓		
Brazil		✓	✓	
Bulgaria	✓			
Burkina Faso			✓	
Burundi	✓			

¹ GB.288/11, para. 47.

Country	Tripartite	Government	Employers	Workers
Cameroon			✓	✓
Canada		✓		
Chad				✓
Chile		✓	✓	
China		✓		✓
Colombia		✓	✓	
Costa Rica		✓	✓	
Croatia		✓	✓	
Cuba	✓			
Democratic Republic of the Congo			✓	
Eritrea	✓			
Fiji				✓
Finland	✓			
Gabon			✓	
Germany		✓	✓	
Greece		✓		
Guinea			✓	
Hungary		✓	✓	✓
Indonesia		✓		
Italy		✓		
Jamaica		✓		
Japan		✓	✓	✓
Kenya		✓		
Korea, Republic of			✓	
Latvia		✓		
Lebanon		✓		
Lithuania		✓		
Madagascar		✓	✓	
Malaysia		✓		
Mali		✓		
Mauritius		✓		
Mexico		✓		
Moldova, Republic of		✓		
Morocco		✓		
Netherlands		✓		
New Zealand		✓		✓
Nicaragua		✓		

Country	Tripartite	Government	Employers	Workers
Norway	✓			
Panama		✓		
Peru		✓	✓	
Philippines		✓		
Poland		✓		✓
Portugal		✓		✓
Senegal				✓
Spain		✓		
Sweden	✓			
Switzerland		✓	✓	✓
Thailand		✓	✓	
Trinidad and Tobago			✓	
Turkey		✓		
Ukraine		✓		✓
United Kingdom		✓		
Zambia		✓		
Zimbabwe		✓		

5. To facilitate comparison and in keeping with past practice, the summaries of all replies that follow have been grouped together by question rather than by country. Each section is preceded by the relevant paragraph(s) of the MNE Declaration and the questions that concern those paragraphs. The full text of the questionnaire can be found in Appendix 1.

Part 1. General questions

Background, aim and general policies

(paragraphs 1-12)

1. Multinational enterprises play an important part in the economies of most countries and in international economic relations. This is of increasing interest to governments as well as to employers and workers and their respective organizations. Through international direct investment and other means such enterprises can bring substantial benefits to home and host countries by contributing to the more efficient utilization of capital, technology and labour. Within the framework of development policies established by governments, they can also make an important contribution to the promotion of economic and social welfare; to the improvement of living standards and the satisfaction of basic needs; to the creation of employment opportunities, both directly and indirectly; and to the enjoyment of basic human rights, including freedom of association, throughout the world. On the other hand, the advances made by multinational enterprises in organizing their operations beyond the national framework may lead to abuse of concentrations of economic power and to conflicts with national policy objectives and with the interest of the workers. In addition, the complexity of multinational enterprises and the difficulty of clearly perceiving their diverse structures, operations and policies sometimes give rise to concern either in the home or in the host countries, or in both.

2. The aim of this Tripartite Declaration of Principles is to encourage the positive contribution which multinational enterprises can make to economic and social progress and to minimize and resolve the difficulties to which their various operations may give rise, taking into account the United Nations resolutions advocating the establishment of a New International Economic Order.

3. This aim will be furthered by appropriate laws and policies, measures and actions adopted by the governments and by cooperation among the governments and the employers' and workers' organizations of all countries.

4. The principles set out in this Declaration are commended to the governments, the employers' and workers' organizations of home and host countries and to the multinational enterprises themselves.

5. These principles are intended to guide the governments, the employers' and workers' organizations and the multinational enterprises in taking such measures and actions and adopting such social policies, including those based on the principles laid down in the Constitution and the relevant Conventions and Recommendations of the ILO, as would further social progress.

6. To serve its purpose this Declaration does not require a precise legal definition of multinational enterprises; this paragraph is designed to facilitate the understanding of the Declaration and not to provide such a definition. Multinational enterprises include enterprises, whether they are of public, mixed or private ownership, which own or control production, distribution, services or other facilities outside the country in which they are based. The degree of autonomy of entities within multinational enterprises in relation to each other varies widely from one such enterprise to another, depending on the nature of the links between such entities and their fields of activity and having regard to the great diversity in the form of ownership, in the size, in the nature and location of the operations of the enterprises concerned. Unless otherwise specified, the term "multinational enterprise" is used in this Declaration to designate the various entities (parent companies or local entities or both or the organization as a whole) according to the distribution of responsibilities among them, in the expectation that they will cooperate and provide assistance to one another as necessary to facilitate observance of the principles laid down in the Declaration.

7. This Declaration sets out principles in the fields of employment, training, conditions of work and life and industrial relations which governments, employers' and workers' organizations and multinational enterprises are recommended to observe on a voluntary basis;

its provisions shall not limit or otherwise affect obligations arising out of ratification of any ILO Convention.

General policies

8. All the parties concerned by this Declaration should respect the sovereign rights of States, obey the national laws and regulations, give due consideration to local practices and respect relevant international standards. They should respect the Universal Declaration of Human Rights and the corresponding International Covenants adopted by the General Assembly of the United Nations as well as the Constitution of the International Labour Organization and its principles according to which freedom of expression and association are essential to sustained progress. They should contribute to the realization of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted in 1998. They should also honour commitments which they have freely entered into, in conformity with the national law and accepted international obligations.

9. Governments which have not yet ratified Conventions Nos. 87, 98, 111, 122, 138 and 182 are urged to do so and in any event to apply, to the greatest extent possible, through their national policies, the principles embodied therein and in Recommendations Nos. 111, 119, 122, 146 and 190.¹ Without prejudice to the obligation of governments to ensure compliance with Conventions they have ratified, in countries in which the Conventions and Recommendations cited in this paragraph are not complied with, all parties should refer to them for guidance in their social policy.

10. Multinational enterprises should take fully into account established general policy objectives of the countries in which they operate. Their activities should be in harmony with the development priorities and social aims and structure of the country in which they operate. To this effect, consultations should be held between multinational enterprises, the government and, wherever appropriate, the national employers' and workers' organizations concerned.

11. The principles laid down in this Declaration do not aim at introducing or maintaining inequalities of treatment between multinational and national enterprises. They reflect good practice for all. Multinational and national enterprises, wherever the principles of this Declaration are relevant to both, should be subject to the same expectations in respect of their conduct in general and their social practices in particular.

12. Governments of home countries should promote good social practice in accordance with this Declaration of Principles, having regard to the social and labour law, regulations and practices in host countries as well as to relevant international standards. Both host and home country governments should be prepared to have consultations with each other, whenever the need arises, on the initiative of either.

Question 1

Is statistical data or government-sponsored research on the labour and employment practices of different types of enterprises in your country readily available? If so, please

¹ Convention (No. 87) concerning Freedom of Association and Protection of the Right to Organise; Convention (No. 98) concerning the Application of the Principles of the Right to Organise and to Bargain Collectively; Convention (No. 111) concerning Discrimination in respect of Employment and Occupation; Convention (No. 122) concerning Employment Policy; Convention (No. 138) concerning Minimum Age for Admission to Employment; Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour; Recommendation (No. 111) concerning Discrimination in respect of Employment and Occupation; Recommendation (No. 119) concerning Termination of Employment at the Initiative of the Employer; Recommendation (No. 122) concerning Employment Policy; Recommendation (No. 146) concerning Minimum Age for Admission to Employment; Recommendation (No. 190) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

attach or provide references of the latest relevant publications (including addresses of relevant web sites).

Austria

The Government reports that national statistics do not differentiate between MNEs and domestic enterprises.

The *Federal Chamber of Labour (BAK)* is not aware of any data that distinguishes between MNEs and domestic enterprises.

Belarus

The Government keeps statistics on employment disaggregated by form of ownership, including mixed ownership and foreign-owned enterprises.

Belgium

The tripartite partners report that given the growing importance of MNEs in the context of globalization, the National Labour Council (CNT) has decided to issue regular reports on the MNE Declaration. Two reports are relevant to the period under consideration, i.e. Report No. 57 (1 March 2000) and Report No. 64 (21 December 2004).

Bolivia

The Government indicates that it maintains information and statistics on foreign direct investment (FDI) by economic sector and country of origin. Most FDI is in mining and petroleum, which are characterized by intensive capital investment and low employment intensity.

Brazil

The Government reports that the different kinds of research it undertakes on employment and labour policies do not distinguish between multinational and domestic companies. Data on enterprises is collected through the Ministry of Labour and Employment's *General record of employment and unemployment* and the *Annual report on social information*, as well as through the monthly industrial research on employment and wages of the Brazilian Institute of Geography and Statistics.

Bulgaria

The Government reports that as part of the Ministry of Economy's strategy for attracting FDI, the National Statistical Institute prepared statistical data in 2002 on employment and payrolls in foreign-owned enterprises. FDI accounts for 13.6 per cent of people employed and 17.8 per cent of expenditures on payroll salaries. The Government noted that the data collected by the General Labour Inspectorate, the National Social Security Institute, the National Centre on Hygiene, Medical Ecology and Nutrition and the National Statistical Institute is not subject to regular collection.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that it does not know of any research concerning labour and employment practices of different enterprises.

Canada

Statistics Canada conducts a monthly labour force survey, a telephone survey of households and a survey of employment, payrolls and hours using business administration records and Canada revenue data (see: <http://www.statcan.ca/>).

Statistics Canada and Human Resources Development Canada collaborated on a series of studies on the evolving workplace, addressing topics such as the changing nature of work; the link between the education level of the establishment's workforce and its technology adoption and innovation practices; the effect of foreign competition on the productivity-enhancing behaviour of companies; firms displaying high vacancy rates; a profile of job vacancies in Canada; and the effect of employer characteristics on the gender gap.

In September 2002, Industry Canada held a roundtable on "Internationally Mobile Resources: Making Canada the Destination of Choice" that included a session on MNEs and FDI.

The Government collects and maintains data on workplaces under federal jurisdiction and on those doing business with the Government of Canada but falling under provincial jurisdiction. In total, there are almost 1,500 such employers with a combined workforce of 2 million employees.

The Workplace Information Directorate maintains a database of collective agreements and provides up-to-date customized information on labour relations and collective bargaining. The Directorate also produces the *Workplace Gazette*, a quarterly publication that provides information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

Chad

The *Confederation of Trade Unions of Chad (CST)* regrets that statistical data on labour and employment are not available owing to the fact that the country has not had a central statistical office since it obtained independence. However, in the context of a project to promote oil exports, the World Bank has agreed to finance a study on the reintegration of Chadian workers in the oilfields of Doba following the construction phase.

Chile

The Government reports that data are not disaggregated. Enterprise surveys for firms with more than five workers have been carried out in 1998, 1999, 2002 and 2004 (available at www.direcciondeltrabajo.cl). Specific sectoral studies have also been made, but no specific data for MNEs are available. Research Paper No. 22, which looks at labour market flexibility in Chile, includes case studies of enterprises which either have foreign capital participation or are MNEs.

China

The Government reports that statistical data or government-sponsored research on the labour and employment practices of different types of enterprises can be found in the *China Labour Statistics Yearbook* (www.molss.gov.cn/index_tongji.htm).

Colombia

The Government and the *National Association of Entrepreneurs (ANDI)* report that since legislation does not distinguish between MNEs and domestic enterprises no disaggregated statistics are available.

Croatia

The Government reports that research and statistical data on the labour and employment practices of different types of enterprises in Croatia are not conducted, with the exception of employment data collected by the Croatian Employment Bureau. This, however, only deals with the recruitment of unemployed persons.

Cuba

The Government reports that 0.7 per cent of the active labour force is employed by “mixed enterprises” (i.e. enterprises with at least 50 per cent Cuban capital). One hundred per cent foreign ownership is allowed only in exceptional circumstances.

Finland

The tripartite partners report that no separate statistical data are collected on MNEs operating in Finland. Statistics Finland did produce a report entitled “Internationalization of Enterprises 2002” which contained data on wages, turnover and total employment of foreign investors from different countries.

Indonesia

The Government indicates that statistical data on different types of enterprises are not available. It notes, however, that the labour and employment practices of MNEs could be examined indirectly through the utilization of available statistical data. The Ministry of Manpower and Transmigration has not sponsored research on the labour and employment practices of different types of enterprises in the last ten years.

Italy

The Government reports that a number of different studies are available through the web sites of the following entities: the Institute for Foreign Trade (www.ice.gov.it), the National Council on Economy and Labour (www.cnel.it), the Presidency of the Council of Ministers (www.governo.it/Presidenza/statistica/attivita/rapporti/2002/02.06.pdf) and the Bank of Italy (www.bancaditalia.it). These studies provide data on all kinds of enterprises, including foreign MNEs operating in Italy and Italian MNEs operating abroad.

Jamaica

The Government reports that it does not currently differentiate between MNEs and domestic enterprises in the collection of information on labour and employment practices. Statistical data on Jamaica are published primarily by: the Planning Institute of Jamaica, which publishes the *Economic and Social Survey Jamaica* and the *Labour Market Newsletter*; the Statistical Institute of Jamaica, which publishes the quarterly *Labour Force Survey* and *Employment Earnings in Large Establishments*; the Ministry of Labour and Social Security, which publishes the *Statistical Bulletin* on an annual basis with information on work permits, the overseas employment programme and pay and conditions of employment and hosts the Jamaican Labour Market Information System; and the Jamaica Employers’ Federation, which publishes the *Jamaica Employers’ Federation Wage and Salary Survey*.

Other research includes the GRADE Informal Sector Study for Jamaica, the ILO/STATIN Youth Activity Survey (Child Labour), and the Government of Jamaica/ILO School-to-work Transition Survey.

Japan

The Government reports that the Labour Force Survey, the Employment Status Survey, and the Establishment and Enterprise Census do not differentiate between multinational and domestic enterprises. The Ministry of Trade and Industry, however, conducts a Survey of Trends in Business Activities of Foreign Affiliates, which covers enterprises in which foreign investors own more than one-third of shares or holdings. The survey excludes enterprises in the financial, insurance and real estate sector. The number of employees is reported by nationality of the principal foreign investor, foreign capital ratio and year of establishment or foreign capitalization. The Government also collects employment data for Japanese MNEs operating abroad.

Kenya

The Government states that the Central Bureau for Statistics carries out a survey on employment issues on an annual basis. The Labour Department also conducts routine inspections on labour practices and produces the Annual Enumerations of Employed and Self-Employed Persons as well as Labour Department annual reports.

Lebanon

The Government reports that it works closely with the ILO to undertake regular labour market surveys. The results of these surveys are available on line at the National Employment Office web site, www.neo.gov.lb. Sector-specific information is available at the Investment Development Authority of Lebanon web site, www.idal.com.lb.

Madagascar

The Government remarks that statistical data and information on labour and employment are gathered by different institutions in a scattered manner. In particular, public institutions have limited means and collect data mostly for internal use; professional and sectoral associations also gather information in their area of interest. The Ministry of Labour and Employment gathers monthly statistics on the labour market (public) and on the employment of expatriate staff (for internal use only). The National Social Security Fund publishes quarterly statistics on enterprises operating in Madagascar.

The Office for Investment and Enterprise Development (GUIDE) has statistics on the duty-free companies established in Madagascar. As of November 2004, 84 per cent of the duty-free companies were foreign. GUIDE also provides data on the number of jobs expected and created, as well as information on investments (www.guide.gov.mg).

Malaysia

The Government reports that statistical data on the labour and employment practices of different types of enterprises are found in the Annual Employment Return, available at www.mohr.gov.my.

Mali

The Government reports that government-sponsored statistical information and research on employment issues are provided by the Labour and Training Research Institute and the National Statistical Office.

Mauritius

The Government states that the Central Statistics Office has a collection of censuses and surveys, but data are not disaggregated for MNEs. The Employment Service's quarterly statistical reviews and monthly bulletins are available at <http://labour.gov.mu>.

Mexico

The Government reports that three different institutions carry out research on employment and labour practices of all kinds of enterprises: the National Institute of Statistics, Geography and Information Technology, the Mexican Institute of Social Security, and the Secretariat of Labour and Social Security. The latter publishes a report on labour statistics, which contains data on employment, working hours, wages, industrial relations, and labour disputes in enterprises by size and sector of activity.

Moldova, Republic of

The Government reports that statistical data or government-sponsored research on labour and employment practices does not differentiate between multinational and domestic enterprises.

New Zealand

According to the Government, data gathered by the Ministry of Economic Development, published in the report *Firm Foundations*, does not differentiate between MNEs and domestic enterprises. Thus, data on MNE practices are not available.

Nicaragua

The Government reports that information is collected by the following institutions: the Central Bank of Nicaragua (www.bcn.gob.ni); the Ministry of Industry, Trade and Development (www.mific.gob.ni); the National Institute of Statistics and Census (www.inec.gob.ni); the Ministry of Finance and Public Credit (www.hacienda.gob.ni); and the General Directorate of Revenue (www.dgi.gob.ni).

Peru

The Government and the *National Confederation of Private Employers' Institutions (CONFIEP)* report that no disaggregated information is available. The Government indicates that general information is available at www.mintra.gob.pe/peel/index.htm.

Philippines

The Government reports that statistical data on labour and employment practices are available through the monthly publication of LABSTAT and the web site of the Bureau of Labor and Employment Statistics: www.manila-online.net/bles.

Poland

Statistical data and government-sponsored research on various types of enterprises are available to the public through the Central Statistical Office (www.stat.gov.pl) and the Institute of Labour and Social Studies (www.ipiss.com.pl).

The *All-Poland Trade Union Alliance (OPZZ)* reports that information on the labour and employment practices of different types of enterprises is not readily accessible.

Portugal

The Government states that the General Directorate of Research, Statistics and Planning collects data on all kinds of enterprises through social reports, which all enterprises with more than 100 employees have to submit annually; a publication on employment in private enterprises, which includes information on the origin of capital in every company; and surveys on skills training. All these publications are accessible at www.deep.msst.gov.pt/estatistica/gerais/.

Sweden

The Government notes that the Swedish Institute for Growth Policy Studies conducts research and compiles statistics on international business in Sweden. The following reports of the institute are relevant for MNEs:

- “Foreign-owned enterprises in Sweden”, an annual survey of foreign ownership, collects data on the number of foreign-owned enterprises and number of employees by industry, country of origin and form of establishment.
- “Swedish-owned groups of enterprises with subsidiaries abroad”, an annual survey of all enterprise groups having at least one subsidiary abroad, provides data on the number of groups and number of employees by industry, size, degree of internationalization and country of location.
- “Structural study of the business sector in Sweden” on foreign-owned enterprises and ownership conditions: the only employment-related data it contains is the total number of persons employed by the MNE.

Thailand

The Government reports that the Department of Labour Protection and Welfare surveyed 320 MNEs in Thailand in 2001.

Trinidad and Tobago

The *Employers’ Consultative Association of Trinidad and Tobago (ECA)* reports that information on the activities of different types of enterprises is not available.

Turkey

The Government reports that statistics do not differentiate between MNEs and domestic enterprises.

United Kingdom

The Government reports that the Office for National Statistics conducts an annual business inquiry that makes use of employment data as well as financial information, but it does not differentiate between MNEs and domestic enterprises when collecting data. In addition, the Department of Trade and Industry (DTI), in conjunction with other sponsoring organizations, periodically collects data about the incidence of a wide range of employment practices in Great Britain through the Workplace Employment Relations Survey. DTI surveys try to establish whether the ultimate ownership or controlling interest of a company is within the United Kingdom, within a foreign country or composed of a mix of the two. DTI surveys do not try to capture whether the establishment or workplace is part of a multinational or transnational company, although secondary analysis and data linkage provide the potential to do this in the future.

Zambia

The Government states that the Central Statistical Office collects information through its labour market surveys, but these are not disaggregated in terms of specific enterprises. The most recent study was published in June 2000. Studies are available through the Central Statistical Office's web site at www.zamstats.gov.zm.

Zimbabwe

The Government notes that the Central Statistics Office periodically conducts a labour force indicator monitoring survey.

Question 2

If your government does not differentiate between MNEs and national enterprises in the collection of information on labour and employment practices:

- *Do any plans exist to collect differentiated information in the future?*
- *Do you consider that the labour and employment practices of MNEs merit special attention given the importance of MNEs in the national and global economy?*

Austria

The Government reports that there are no plans to introduce such a distinction in the future. It might be of interest to document those cases where MNEs have set standards that go beyond legal regulations and have produced exemplary results.

The *Federal Chamber of Labour (BAK)* is not aware of any plans. For a global comparison of MNE activities, disaggregated data would need to be collected, particularly for less developed economies.

Belarus

The Government reports no plans to collect differentiated information in the future and notes that MNEs do not play a large role in Belarus.

Belgium

The tripartite partners state that the Government does not differentiate between MNEs and domestic enterprises.

Bolivia

The Government reports that no reliable data are available but it is planning to collect such data in the future.

Brazil

The Government states that official indicators do not differentiate between multinational and domestic enterprises because all enterprises operating on its territory must obey the same laws. The annual report on social information of the Ministry of

Labour and Employment is mandatory for domestic enterprises and MNEs. There is no plan to collect differentiated information in the future.

The *National Confederation of Financial Institutions (CNF)* states that it would be appropriate to carry out research that differentiates between domestic enterprises and MNEs with regard to industrial relations. It considers that MNE practices should not be given special attention, since they should respect the practices of the host country.

Bulgaria

The *Confederation of Independent Trade Unions in Bulgaria (CITUB)* believes that the labour practices of MNEs deserve to be studied.

The *Bulgarian Industrial Association* considers the collection of differentiated information unnecessary since these companies comply with Bulgarian labour legislation.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* indicates that the Government does not differentiate between MNEs and domestic enterprises. The CNPB does not consider that labour and employment practices of MNEs deserve special attention, as all private companies in Burkina Faso are expected to abide by the existing legislation.

Burundi

The tripartite partners consider that labour and employment practices of MNEs deserve special attention, and they plan on collecting differentiated figures in the future.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that there is no distinction between MNEs and domestic enterprises. They recognize that the labour and employment practices of MNEs deserve particular attention.

Canada

The federal Government collects labour information on all enterprises operating in Canada, whether they are domestic enterprises or MNEs, as long as they have a resident Canadian workforce. Although MNEs play a significant role in the national and global economy, Canadian jurisdictions do not and do not plan to differentiate between MNEs and domestic enterprises in the collection of information on labour and employment practices.

Chad

The *Confederation of Trade Unions of Chad (CST)* considers that labour and employment practices of MNEs deserve special attention, particularly in the context of projects to export oil. In this case the Government created a favourable climate for MNE operations. The Government hoped that oil revenues would help to solve problems related to poverty and unemployment, but the CST considers that MNEs have not contributed to addressing these challenges.

Chile

The Government considers that it would be advisable to collect disaggregated data in the future and to create common data structures to follow enterprises over time.

Colombia

The Government and the *National Association of Entrepreneurs (ANDI)* report that no plans exist to collect differentiated information.

Costa Rica

The Government's inter-institutional FDI group is considering the possibility of compiling employment data for foreign-owned companies.

Croatia

The Government reports that it has not collected information because the country has not seen significant levels of FDI. It notes that the labour and employment practices of MNEs do merit special attention and thus will require systematic data collection and processing.

Eritrea

A plan to collect information on MNEs and domestic enterprises exists but does not specify that the information will be differentiated. At the moment the tripartite partners do not feel the need for specific research on MNEs. However, in the future, it might be appropriate to gather information on FDI inflows.

Fiji

The *Fiji Trades Union Congress (FTUC)* considers it important to collect data on the practices of MNEs, and reports plans to collect information on MNEs in the future.

Finland

The Government reports that it does not consider it necessary to collect information on the different labour and employment practices of MNEs and domestic enterprises.

Greece

The Government states that it does not differentiate between MNEs and domestic enterprises.

Hungary

The Government reports that there are no plans to collect specific data on the employment and labour practices of MNEs, emphasizing the need to gather information on enterprises collectively.

The Government indicates that the employers' organizations consulted do not consider it necessary to collect information specific to MNEs.

According to the *Independent Trade Union of Tungsram Workers*, MNEs merit special attention as leaders of human resources management practices in Hungary.

Indonesia

The Government replies that it intends to collect differentiated information in the future and that the labour and employment practices of MNEs merit special attention.

Italy

The Government states that the National Statistics Institute is currently involved in an international initiative to define a common methodology for collecting data.

Jamaica

The Government reports that MNEs do merit special attention because of the important role they hold in the economy, primarily through FDI, and the contributions to economic and social welfare, the improvement of living standards and creation of employment opportunities. However, the Government will continue to collect and classify information using the same method (by industry and not national origin) and will not differentiate between MNEs and domestic enterprises.

Kenya

The Government states that it does not differentiate between MNEs and domestic enterprises but considers that labour and employment practices of MNEs deserve special attention, given the high number of employees.

Latvia

The Government indicates that there are no plans to collect differentiated information in the future and that it does not consider the labour and employment practices of MNEs to merit special attention.

Lebanon

The Government indicates that it does not collect disaggregated data but would be interested in having it.

Madagascar

The Government reports that it does not differentiate between MNEs and domestic enterprises. Given the importance of MNEs in duty-free zones (72 per cent of total investment and 79 per cent of employment), the Government intends to make arrangements for more specific data on MNEs to be included in the national statistics system. The National Employment Policy Framework also envisages the inclusion of better sectoral data.

The *Association of Duty-Free Enterprises and Partners (GEFP)* states that it plans on collecting differentiated information in the future, as labour and employment practices of MNEs deserve special attention.

Mali

The Government states that it does not differentiate between MNEs and domestic enterprises. It does not plan to collect differentiated information in the future, but considers that labour and employment practices of MNEs deserve special attention, given their implications for employees.

Mauritius

The Government indicates that the Central Statistics Office proposes to include a set of appropriate questions in the survey on employment and earnings in large establishments to enable the compilation of separate statistics on employment for large MNEs. The Government considers that labour and employment practices of MNEs deserve special attention.

Mexico

The Government reports that it does not differentiate between MNEs and other enterprises and is not planning to do so in the future. All enterprises must comply with national law. MNEs are treated the same as national enterprises regardless of their impact on the national or the global economy.

New Zealand

The Government considers the contributions of MNEs to be important (for example through the inflow of capital, direct and indirect employment, sharing of skills and knowledge) but does not have plans to gather specific information on their practices. Domestic enterprises and MNEs are subject to the same legislative requirements and a need to study MNEs separately has not arisen.

The *New Zealand Council of Trade Unions (NZCTU)* states that it would like to have MNE-specific information collected.

Business New Zealand supports the Government's statement concerning the contributions MNEs have made to the national economy, and emphasizes that MNEs are subject to the same rules and regulations as domestic enterprises. Thus, Business New Zealand considers the MNE Declaration to have limited scope in New Zealand.

Nicaragua

While the Government does not have any plans to collect differentiated information in the future, it does consider that the labour and employment practices of MNEs merit special attention.

Panama

The Government considers that it would be useful to collect disaggregated information.

Peru

The Government reports that no plans exist to collect disaggregated information but considers that it would be useful to have such information.

The *National Confederation of Private Employers' Institutions (CONFIEP)* does not consider it useful to distinguish between national enterprises and MNEs since all enterprises should be treated equally under the law.

Philippines

The Government states that the labour and employment practices of MNEs do merit special attention given the importance of MNEs in the national and global economy.

Poland

The *All-Poland Trade Union Alliance (OPZZ)* considers that the labour and employment practices of MNEs deserve special attention as in many cases they can serve as examples of good practice.

Portugal

The Government states that MNE practices follow the same principles as local enterprises.

Sweden

The Government states that it has no plans to collect differentiated information in the future, but notes that users of statistics emphasize that such information is becoming more important.

Switzerland

The *Confederation of Swiss Employers (UPS)* states that the Government does not differentiate between MNEs and domestic enterprises. The UPS does not consider that labour and employment practices of MNEs deserve special attention, as all private companies in Switzerland are expected to abide by the existing legislation to the same extent as national employers.

The *Swiss Federation of Trade Unions (USS/SGB)* considers that labour and employment practices of MNEs deserve special attention, particularly in terms of availability of statistical data.

Thailand

The Government reports that it does not plan to collect differentiated information in the future; it pays equal attention to all types of enterprises.

Trinidad and Tobago

According to the *Employers' Consultative Association of Trinidad and Tobago (ECA)*, the practices of MNEs merit special attention, and information regarding the activities of different types of enterprises will be made available in the future by the National Labour Market Information Systems Project.

Turkey

The Government indicates that no plans exist to collect differentiated information in the future.

Zambia

The Government states that it has no plans to collect differentiated information in the future but believes labour and employment practices of MNEs merit special attention.

Zimbabwe

The Government considers that labour practices of MNEs merit specific attention in Zimbabwe. In the future a comprehensive labour market information collection system will differentiate MNEs from other domestic enterprises.

Question 3

Please provide information on laws, policies or measures that were adopted by your government in the period 2000-03 that concern employment, training, conditions of work and life or industrial relations in MNEs.²

Austria

The Government refers to a number of amendments in the employment contract law, in the system of indemnity payments and in working time measures. In 2002, the prohibition of night work for women, which had been in contradiction to the European Union (EU) policy on equal treatment, was lifted. Several amendments were made to the Vocational Training Act in 2000, 2002 and 2003, covering, amongst others, probationary periods and working hours for apprentices, an integrated approach to the vocational training of persons with disabilities, incentives for companies to increase their intake of apprentices, and measures to promote the employability and mobility of apprentices. All these amendments apply to MNEs in the same way as to national employers.

The *Federal Chamber of Labour (BAK)* points out that any changes in the domestic situation in these areas during the reporting period apply equally to MNEs.

Belarus

The Government states that no specific laws, policies or measures exist that specifically address employment, training, conditions of work and industrial relations in MNEs. The Labour Code that entered into force on 1 January 2000 covers vocational training, activities of trade unions and employers' associations, collective bargaining, relations between workers and employers, provision of employment, inspection, social insurance and the examination of labour disputes. Section 320 of the Labour Code governs the distinctive aspects of labour relations at organizations where there is FDI and at branches and agencies of Belarusian legal entities abroad.

Belgium

The tripartite partners observe that the same legislation applies to both national enterprises and MNEs. During the period under consideration a number of laws were introduced on conditions of work, particularly on health and safety. They cover a wide range of issues, from construction sites and use of chemical substances, to sexual harassment at the workplace.

Brazil

The Government reports that the country's legislation does not differentiate between multinational and domestic enterprises. During the period considered, the following laws and measures were adopted concerning employment, training, conditions of work and life and industrial relations at the enterprise level:

- Act No. 9,971/2000 on minimum wages;
- Constitutional Amendment No. 28/2000 granting rural workers the same rights as urban workers;

² When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

- Act No. 9,957/2000 aimed at accelerating the settlement of labour disputes;
- Supplementary Act No. 104/2000 authorizing the states and the federal district to establish a floor on wages pursuant to article 7 of the Constitution;
- Act No. 10,101/2000 on workers' participation in the enterprise's profit and performance;
- Act No. 9,958/2000 on committees for preliminary conciliation within enterprises to settle individual labour disputes;
- Act No. 10,244/2001 revoking the provision of the Consolidated Labour Laws that restricted overtime for women;
- Act No. 10,748/2003 creating the first employment programme;
- Decree No. 4,796/2003 establishing the tripartite National Labour Forum to discuss the legal reform on freedom of association and collective bargaining.

The *National Confederation of Financial Institutions (CNF)* states that it has no knowledge on any specific public policies for MNEs having been adopted in the period considered.

Bulgaria

The Government notes that MNEs are required to follow the same rules as other enterprises, and thus generally applicable laws are relevant. In 2002 a new social policy strategy was adopted, which annually develops a national action plan for employment, including projects, programmes and measures for implementation. The Employment Promotion Act entered into force in January 2002, replacing the Unemployment Protection and Employment Promotion Act of 1998. In November 2003 an employment strategy was developed for 2004-10. In January 2004, the Discrimination Protection Act came into force, as did the Act on protection of workers' claims in the event of the employer's insolvency in September 2004. With respect to health and safety, there was an increase in the number of registered vocational health services and laboratories for measurement of work environment factors.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* notes that in September 2002 the Government adopted new legislation concerning the framework for promotion of employment and vocational training. There are also plans to set up a national research centre on employment. Information and statistical data provided by the centre will help those who seek employment to make more informed decisions. A review of the Labour Code and Social Security Code is under consideration.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that no new laws have been adopted during the 2000-03 period.

Canada

The federal Government indicates that a report, entitled *Highlights of Major Developments in Labour Legislation*, is prepared on an annual basis, summarizing

significant changes adopted or proposed in the previous 12 months by the various Canadian jurisdictions in the fields of minimum employment standards, industrial relations and occupational health and safety. The federal Government adopted provisions extending parental leave from ten to 35 weeks.

Chad

The *Confederation of Trade Unions of Chad (CST)* reports the following measures adopted during the period under consideration:

- Act No. 400/PR/MFPT/PEM/2000 concerning vocational training;
- Act No. 405/PR/MFPT/PEM/2000 concerning apprenticeships;
- Act No. 176/PR/MFPT/PEM/2002 concerning the implementation of the national employment policy.

The CST remarks that the revised Labour Code was never enacted.

Chile

The Government indicates that there are no specific labour laws concerning MNEs. However, between 2000 and 2003 a number of important labour reform laws were introduced that affected all enterprises. These include Act No. 19,728, establishing unemployment insurance, and Act No. 19,759 on trade unions and freedom of association, conditions of work (working time), and making employment contracts more flexible.

The *Confederation of Production and Trade (CPC)* reports that the Labour Code was amended in 2001. Major amendments include the introduction of the concept of discrimination at work, the reduction of working time from 48 to 45 hours, the distribution of working time under exceptional cases with the worker's agreement, the establishment of limits for overtime, the possibility for a worker to have multiple occupations, recognition of teleworking, limitations on contracts for part-time work, the grounds for dismissal without compensation, the abolition of dismissal of a worker because of lack of education, an increase in the amount of compensation for unjustified dismissal, and the expansion of the rights of unions and of collective agreements. Act No. 19,768 improved on the voluntary prudential saving schemes and, since 2001, the Ministry of Labour has had an employment programme to promote the employment of unemployed heads of household through a partnership between the public and private sector.

China

The Government and the *All-China Federation of Trade Unions (ACFTU)* state that multinational and domestic enterprises must observe the same laws, policies or measures concerning employment, training, conditions of work and life, and industrial relations.

Colombia

The Government and the *National Association of Entrepreneurs (ANDI)* report that existing legislation applies equally to MNEs and domestic enterprises.

Costa Rica

The Government reports that existing laws concerning MNEs include Act No. 7210 on export processing zones, the regulations concerning the general customs laws,

section VII, and Executive Decrees Nos. 23053-TSS and 25003-COMEX. MNEs must conform to national labour legislation.

Croatia

The Government reports that no special laws, measures or policies concerning MNEs have been adopted, and that all national labour and social legislation applies to MNEs. It notes that, during 2003, its Labour Act, Work Safety Act and Gender Equality Act were harmonized with EU requirements.

Cuba

In 2003, the Ministry of Labour and Social Security issued resolution No. 23/2003, supplementing Act No. 77 of September 1995 on foreign investment. The resolution covers industrial relations, working conditions, wages and benefits, disciplinary measures and dispute settlement in mixed and foreign-owned enterprises. It also regulates the labour relations and working conditions of workers covered by labour-supply contracts between mixed enterprises and the employer.

Eritrea

The tripartite partners report that in 2001 a new Labour Proclamation No. 118/2001 replaced Labour Proclamation No. 8/91. The text now makes provision for a labour relations board and a conciliation branch that should support efforts to secure peaceful industrial relations.

Finland

The tripartite partners refer to several new laws and policies adopted during the reporting period. These are the Employment Contracts Act (55/2001), Occupational Safety and Health Act (738/2002), Occupational Health Care Act (1383/2001), and Non-Discrimination Act (21/2004), which implements Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin. All of these apply to MNEs and domestic enterprises equally. In addition to new laws, a tripartite working group is preparing a report on the movement of jobs and production units to other countries.

Gabon

The *Confederation of Gabonese Employers (CPG)* reports that government policies encourage FDI but have had little effect. The investment code (Act No. 015/98) includes provisions to guarantee investments. The Private Investment Promotion Agency is an example of instruments created for promotion and facilitation of direct investment in Gabon. It disseminates information and provides advisory services to investors, as well as facilitating the relationship between companies and the public sector. The CPG considers that special levies are still a problem.

Germany

The Government reports that Council Directive 2001/23/EC on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses was given effect in national law through adjustments in article 613 of the Civil Code. That article stipulates that employees have to be informed by the former and the new employer about the timing and justification as well as the legal, economic and social consequences of the change of ownership (COO) and the measures foreseen that will affect employees. This

applies irrespective of the size of the enterprise and any need to involve the works council. In addition, the employee now has the right to formally object to the COO within one month of having been informed. The above regulations also apply in the case of changes in the corporate form.

The new Act on part-time and temporary work of 21 December 2000 brings national law in line with European standards in this regard. The provisions cover non-discrimination against part-time and temporary workers; the obligation of employers to provide information on available part-time and permanent work to those interested and on the extent of part-time and temporary work to the works council; and the responsibility of employers to ensure that part-time and temporary workers have access to in-service training. The revised Trade, Commerce and Industry Regulation Act, which came into effect on 1 January 2003, modernizes the labour law regulations and brings them into line with those of the private sector and the public service. The law of obligations in the Civil Code has been modernized with effect from 1 January 2002. The revised Works Constitution Act came into effect on 28 July 2001. Its reform was aimed at increased flexibility regarding the right to organize; facilitating the formation of works councils; improved working conditions; increased participation; equal opportunities for women and men; and combating racism and xenophobia.

Hungary

The Government reports that national laws do not differentiate between domestic enterprises and MNEs. Thus, information regarding the effects of laws and policies on MNEs is not available.

Indonesia

The Government reports that Act No. 21/2000 concerning trade unions and Act No. 13/2003 concerning manpower were adopted in the period 2000-03. Both Acts are supplemented by various Decrees of the Minister of Manpower and Transmigration.

Italy

The Government reports that MNEs are governed by the same laws as domestic enterprises.

Jamaica

The Government reports that policy changes may not be specific to MNEs, but do impact on the operations of MNE enterprises. It started reviewing the Occupational Safety and Health Draft Act in 2003.

The Minister of Labour and Social Security has commissioned a study on the impact of the Employment, Termination and Redundancy Payment Act on investment and employment creation. The study was commissioned in light of concerns that the Act poses a hindrance to economic growth.

The passage of the new Child Care and Protection Act in March 2005 would provide the legislative framework to facilitate the enforcement of the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182).

Japan

The Government indicates that *the Japan International Center for Occupational Safety and Health (JICOSH)* has been operational since 1999 and that it provides

information on laws and regulations, statistical data and other information to both domestic and foreign firms. The Government has undertaken various initiatives concerning employment, training, conditions of work and life and industrial relations for Japanese enterprises that have expanded to other countries.

Kenya

The Government notes that labour laws have been reviewed and are now awaiting enactment. New laws do not have special provisions for MNEs but provide for common minimum employment standards.

Latvia

The Government states that several laws have been adopted during the period, although they are not specific to MNEs. They include the Labour Code (2001); the Act on informing and consulting employees of European Community-scale commercial companies and European Community-scale groups of commercial companies (2001); and the Labour Dispute Act (2002).

Lebanon

The Government reports that Ministerial Decision No. 210/1 was published in 2000. Adopted following a tripartite consultation process, the Ministerial Decision amends the existing Labour Code and is applicable to all enterprises operating in the country, including MNEs.

Madagascar

The Government notes that the Labour Code was reviewed in 2003 (Act No. 044/2003). In addition, the national employment policy framework was validated through national consultation in October 2003 and adopted by the Government in February 2004. The Office for Investment and Enterprise Development (GUIDE) was created in 2003 to promote and facilitate investment operations, and a committee was set up in 2002 to provide support to enterprises. The committee is a public-private partnership. Based within the Ministry for private sector development, the committee has responsibilities for taxation, credit to enterprises and social and legal issues.

Malaysia

The Government reports that in the period 2000-03 the harmonization of the three different major laws – Employment Act 1955 (Act No. 265), Labour Ordinance (Sabah Chapter 67) and Labour Ordinance (Sarawak Chapter 76) – was finalized to extend the labour policies, practices, welfare and worker protection systems found in Peninsular Malaysia to the states of Sabah and Sarawak. A draft amendment was expected to be tabled in Parliament for approval by the end of 2004. The Government further indicates that some of the provisions of the Employment Act 1955 were amended in 2001 to improve worker well-being in MNEs.

Mali

The Government notes that the labour administration system has been restructured to improve efficiency. In particular, a specific agency was created for the promotion of youth employment.

Mauritius

The Government notes that labour laws do not have special provisions for MNEs.

Moldova, Republic of

The Government indicates that legislation does not include laws or regulations that deal specifically with MNEs.

New Zealand

The Government reports that since the election of a Labour-led government in 1999, several legislative changes have taken place:

- Employment Relations Act 2000: the primary piece of legislation governing employment rights and regulations, based on the principle that employment relationships require good faith behaviour. This replaced the Employment Contracts Act of 1990.
- Health and Safety in Employment Act 1992: amended in 2002 to extend the coverage of the Act to all employees and target specific issues such as stress and fatigue, provide for employee participation in health and safety training, stress the duty to identify workplace dangers, and provide additional means for health and safety inspectors and representatives to raise and solve safety concerns.
- Parental Leave and Employment Protection Amendment Bill 2002: introduced 12 weeks' paid parental leave.
- Minimum Wage Review: in 2001 the age of eligibility for adult minimum wage was lowered from 20 to 18 years. The youth minimum wage increased from 60 per cent to 80 per cent by 2002.
- Minimum Wage Amendment Act 2003: established a minimum training wage applicable to trainees aged 16 or over and undertaking a certain amount of study, equivalent to the youth minimum wage.
- Holidays Act 2003: established a minimum of three weeks' paid annual holidays per year after the first year of employment, set to increase to four weeks on 1 April 2007. The Act also established a paid day off on a public holiday if it would otherwise be a day on which an employee worked, a minimum of five days' paid sick leave, up to three days' bereavement leave for the death of an immediate family member, and up to one day's paid leave for other bereavement leave, after six months of continuous employment.

The *New Zealand Council of Trade Unions (NZCTU)* observes that changes in government legislation mark an improvement in policies affecting employment.

Norway

The tripartite partners state that there have been several amendments to the Working Environment Act (WEA), including a new chapter on working conditions for expatriate workers, chapters dealing with recruitment of employees from other enterprises and another regarding the right to educational leave. They also note that provisions in the WEA which place stronger pressure on employers to draft written work agreements may also be relevant in the context of MNEs.

Panama

The Government indicates that Act No. 54 of 2001 allows call centres to benefit from the provisions of the law on export processing zones (EPZs).

Peru

The Government and the *National Confederation of Private Employers' Institutions (CONFIEP)* report that no laws or regulations have been adopted affecting MNEs exclusively. The Government indicates that a number of laws and regulations affecting all enterprises were adopted concerning employment promotion, equal opportunity, the competitiveness of micro- and small enterprises, industrial relations, human resources development, social security and social dialogue, all in line with the relevant ILO instruments.

Philippines

The Government states that to improve the quality of Filipino labour and transfer of technology, the Philippine Export Zone Authority allows companies in the export zone to deduct training expenses incurred in developing skilled or unskilled labour or for management development programmes.

Poland

The Government indicates that legislation makes no distinction between MNEs and domestic enterprises. MNEs are subject to the same labour laws that apply to Polish employers. Several safety and health regulations were issued or amended in the period 2000-03, including those related to the performance of manual transport operations and highest permitted concentrations and intensities of factors harmful to health in the work environments.

The *All-Poland Trade Union Alliance (OPZZ)* reports that there are no specific laws, policies and measures related to MNEs, especially in light of EU requirements.

Portugal

The Government reports that the following measures apply not only to MNEs, but to all enterprises:

- the Agreement on Employment Policy, Labour Market, Education and Training (2001);
- the Agreement on Labour Conditions, Occupational Safety and Health, and Accident Prevention (2001);
- the National Action Plan on Prevention (2001);
- the revised Labour Code (2003), which includes a series of legislative amendments concerning flexibility and security in training policies implemented by companies, collective bargaining, equality of opportunity, employment and social security.

Spain

During the period 2000-03 the Government adopted a series of Decrees and one Act in the area of occupational safety and health – Royal Decrees Nos. 1124/2000, 374/2001, 614/2001, 783/2001, 349/2003, 681/2003 and Act No. 54/2003. These apply to all

enterprises and were adopted following consultations in the National Commission on Occupational Safety and Health, in which employers' and workers' organizations are represented, including those representing MNEs and their workers.

Sweden

The Government reports the adoption of a new recruitment incentive in 2000 for people with tenuous connections with the labour market.

Switzerland

The *Confederation of Swiss Employers (UPS)* notes that the bilateral agreements with the EU on the free movement of persons entered into force in June 2002. In November 2002 the Unemployment Insurance Act was reviewed. As a result, the duration of benefit was reduced from 520 to 400 days, while the minimum contribution period increased from six to 12 months. In December 2002, Parliament adopted a new law on vocational training.

The *Swiss Federation of Trade Unions (USS/SGB)* states that the only notable changes were efforts to strengthen the National Contact Point for the Organisation for Economic Co-operation and Development (OECD) Guidelines. However, the USS/SGB observes that the National Contact Point still does not have access to all necessary means to promote the Guidelines and discharge its other functions.

Thailand

The Government states that promotional measures on labour protection, labour welfare, labour relations, and occupational safety and health have been undertaken by the Department of Labour Protection and Welfare for MNEs and domestic enterprises.

Turkey

The Government states that the Labour Act (No. 4857), which regulates labour relations and applies equally to MNEs, was enacted in 2003. The Eighth Five-Year Development Plan for 2000-05 supports the provision of qualified labour and employment creation to promote FDI. The framework of the Social Action Plan envisages centres for supporting and directing entrepreneurs to provide counselling services for both national and foreign investors. Multi-purpose social centres have been established in Adiyaman, Diyarbakir, Gaziantep, Mardin and Saliurfa to raise the status of women and integrate them into the development process. The Agreement on the Mutual Encouragement and Protection of Investments with 39 countries entered into force in September 2000.

United Kingdom

The Government reports that no distinction is made between MNEs and other enterprises, and thus no specific laws, policies, measures or actions have been directed towards the activities of MNEs as a specific group within the United Kingdom.

Zambia

The Government states that two new statutory instruments were issued under the Minimum Wages and Conditions of Employment Act. These set minimum wages and other conditions of work.

Question 4

Please provide information on intergovernmental dialogue to promote good social practice by MNEs as recommended in paragraph 12 of the MNE Declaration. (Examples might include but need not be limited to activities in connection with the OECD Guidelines for Multinational Enterprises, national multi-stakeholder forums, the Global Compact and bilateral initiatives.)

Austria

The Government reports that the Austrian Code of Corporate Governance was published in November 2002 (www.corporate-governance.at). It provides Austrian corporations with a framework for the management and control of enterprises. It covers the standards of good corporate management common in international business practice as well as the most important relevant provisions of Austrian corporation law. The Code applies primarily to Austrian companies listed on the stock exchange. It is recommended that companies not listed on the stock exchange follow the Code to the extent that the rules are applicable. Companies voluntarily undertake to adhere to the principles set out in the Code. A main instrument of Austrian corporate social responsibility (CSR) policy is the CSR Austria initiative (www.csr-austria.at), which was launched in late 2002 by the Federation of Austrian Industry and the Federal Ministry of Economics and Labour. Since May 2003, the Austrian Chamber of Commerce has been participating in CSR Austria, making it the main private sector contribution to the Austrian Sustainability Strategy, and, on the European level, a major Austrian contribution to the CSR debate and the Lisbon Strategy. Moreover, one of the major outcomes of CSR Austria is a guiding vision for Austrian business: “Economic Success – Responsible Action”. The Austrian Standards Institute has issued a guide on CSR principles, systems and tools. It is designed to support the development, documentation, implementation, maintenance and improvement of a CSR management system. Furthermore, this guide identifies possible interactions with other management systems. The initiatives listed above have all been developed with the full cooperation of the social partners and the relevant NGOs. Austria has also played an active role in the development of the OECD Guidelines for Multinational Enterprises as well as in the elaboration of the OECD Principles of Corporate Governance. The focal point for the OECD Guidelines for Multinational Enterprises is the Ministry of Economics and Labour, Division for Export and Investment Policy. The Advisory Committee includes other ministries, social partners and other interested organizations. Regular information exchange and exchange of views on ILO activities, particularly regarding the MNE Declaration, started more recently.

Belgium

The tripartite partners report that the Government is committed to promoting the OECD Guidelines and pays a great deal of attention to the discussions taking place between the National Contact Point and the social partners.

Brazil

The Government reports that the Ministry of Labour and Employment works on the articulation of development policies that focus on employment creation, work and income. Particular efforts are made in the framework of the Inter-American Conference of Ministers of Labor, which aims at integrating the social and economic dimensions of national and regional policies and the promotion of decent work as an effective instrument to improve conditions of life and allow people to further benefit from economic development.

Bulgaria

The Government reports that in 2003 it organized a national meeting on the Global Compact and invited foreign investors. In addition, meetings are organized at the initiative of social partners. For example, the Swiss Agency for Development and Cooperation (SDC) supported a conference on the OECD Guidelines and provided assistance in translating the OECD Trade Union Advisory Committee (TUAC) Users' Guide. The Bulgarian International Business Association (BIBA) publishes a white book for the Government every year which comprises ideas concerning changes in labour and social security legislation that are as a rule oriented towards liberalization of existing standards.

The *Confederation of Independent Trade Unions in Bulgaria (CITUB)* feels that intergovernmental consultations concern purely economic aspects of FDI and MNEs.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* notes that there is a permanent forum for dialogue between the Government and the employers, as well as effective frameworks for consultation at all levels.

Burundi

The tripartite partners state that MNEs are not involved in tripartite dialogues.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that no examples of intergovernmental dialogue exist for this period, but the UGTC does refer to tripartite dialogue within the framework of the Global Compact in collaboration with the ILO.

Canada

The federal Government states that the OECD Guidelines for Multinational Enterprises are an important element of the Government's approach to promoting CSR. Canada has established a National Contact Point. The web site and the official brochure were launched in 2001. The interdepartmental structure of the National Contact Point facilitates the promotion of the guidelines within the Government and with departmental constituencies, including business, labour and non-governmental organizations (NGOs). During the period under consideration, the National Contact Point has carried out specific promotional activities with individual stakeholders. Each year the Canadian National Contact Point publishes an annual report on promotional activities (http://www.ncp-pcn.gc.ca/national_contact-en.asp#report).

The Government also promotes the Global Compact with Canadian business. As a result of the Global Compact Policy Dialogue on "The role of the private sector in zones of conflict", a series of regional conferences have been organized to encourage dialogue and cooperation between business, labour, civil society and United Nations agencies at the local level.

Croatia

The Government and the *Croatian Employers' Association (HUP)* report that intergovernmental dialogue to promote good social practice by MNEs has taken place in one MNE between the governments of Croatia and Sweden. This focused on promoting good social practices and improving and expanding economic cooperation.

Fiji

The *Fiji Trades Union Congress (FTUC)* reports that the Government has not conducted intergovernmental dialogue to promote good social practice by MNEs.

Finland

The Government notes that the Finnish National Contact Point for the OECD Guidelines, established by Government Decree No. 335/2001, operates under the Ministry of Trade and Industry. It is responsible for promoting the Guidelines and acts as an advisory forum on other issues, including the specific instances procedure. Members of the National Contact Point come from various ministries including justice, finance, social affairs, labour, environment and trade and industry. The OECD Guidelines have been translated into Finnish and a web site has been set up. The National Contact Point has promoted the Guidelines to over 1,000 export-oriented firms; it has organized seminars on the Guidelines and participated in forums such as the EU's European Multi-stakeholder Forum on Corporate Social Responsibility. The Finnish Ethical Forum has been functioning since June 2001. It is a place where unions, companies and government discuss CSR. The Finnish Business and Society Network was established in 2000 and has 42 member organizations. Eleven Finnish companies have created a network to promote social responsibility in importing. Companies that are part of the network must commit to a set of common principles relating to the ethical quality of their products.

Hungary

The Government reports that intergovernmental dialogue to promote good social practice by MNEs has not been conducted.

The Government indicates that the employers' organizations consulted consider that an area for improvement is the inclusion of MNEs in tripartite conciliation practice in Hungary. They note the contributions that can be made by associations representing MNEs, specifically, the American Chamber of Commerce, the German-Hungarian Chamber of Industry and Commerce, the Joint Venture Association and the Club of Investors.

Indonesia

The Government states that bilateral cooperation to promote good social practice by MNEs has taken place, among others, with the Japan Club, the American Chamber of Commerce, the Government of the Netherlands, the China Chamber of Commerce and the Taiwan Economic and Trade Office. Multilateral cooperation has taken place, among others, with ASEAN-OSHnet; the Asian Productivity Organization (APO), the Asia Pacific Occupational Safety and Health Organization (APOSHO) and the Asia-Europe Meeting (ASEM). Examples of intergovernmental dialogue include the Code for Good Corporate Governance, the affirmation of the Principles of the Global Compact, the ASEAN Confederation of Employers and the Social Chapter.

Italy

The Government indicates that during the period under consideration it established the National Contact Point for the OECD Guidelines for Multinational Enterprises and started implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The Ministry of Labour and Social Affairs is implementing a project to promote CSR in response to the European Commission's call to encourage a CSR culture in all member countries. The Ministry has also set up a specific working group on CSR. The Ministry of Foreign Affairs is funding an ILO technical

cooperation project to promote the MNE Declaration, the Global Compact and the OECD Guidelines in developing countries where Italian companies operate.

Kenya

The Government states that MNEs are involved in tripartite dialogue through their membership in the Federation of Kenya Employers (FKE).

Malaysia

The Government indicates that in addition to its membership in multilateral associations such as the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC) and the Organization of the Islamic Conference (OIC), bilateral arrangements with major investing countries, including the United States and Japan, address issues such as investment and human resources development. Under the sponsorship of APEC, in December 2003 the Government organized a seminar on information sharing and best practices on teleworking. The Department of Labour, Peninsular Malaysia, has further conducted dialogue to promote good practice by MNEs in the areas of sexual harassment, foreign workers, and industry and labour. Such dialogues have involved representatives of workers' and employers' organizations and labour officers acting as mediators.

Mexico

The Government indicates that the National Committee on Foreign Investment ensures dialogue among different ministries, involving the social partners when appropriate, in order to monitor all aspects related to FDI, including the promotion of good social practices by MNEs.

Netherlands

The Government reports that it consults with all stakeholders, including MNEs or their representatives from business associations, on issues such as the OECD Guidelines or national CSR policy. Most MNEs in the Netherlands consult with their own stakeholders on a regular basis.

New Zealand

According to the Government, the Ministry of Economic Development (MED) is the department charged with promotion of the OECD Guidelines for Multinational Enterprises. MED is assisted by a liaison group consisting of representatives from the Department of Labour, Ministry for the Environment, Ministry of Foreign Affairs and Trade, Treasury, and the New Zealand Business Council for Sustainable Development. The group meets three times a year to promote and supply information about the Guidelines to stakeholders and work towards a cooperative approach to the Guidelines.

The *New Zealand Council of Trade Unions (NZCTU)* adds that it has two representatives in the liaison group. It reports that the Government frequently consults the social partners, including the NZCTU, on social employment initiatives and legislative change.

Panama

The Government indicates that it maintains a continuous dialogue with all enterprises to improve their productivity and efficiency and hence their competitiveness. In the case of

telecommunications and electricity, which are operated by MNEs, the Government has established a regulatory authority.

Peru

The Government considers that the following agreements are relevant in this context: the June 2001 protocol concerning the coordination of social policy, employment promotion, vocational training, occupational safety and health and labour migration in the Andean Integration System (Bolivia, Colombia, Ecuador, Peru and Venezuela); the January 2002 agreement regulating migration between Bolivia and Peru; and the August 2002 agreement between Chile and Peru on social security.

Poland

The Government reports that the operation of the National Contact Point for the OECD Guidelines and the Polish Agency for Foreign Investments provide the background for intergovernmental dialogue to promote good social practice by MNEs.

The *All-Poland Trade Union Alliance (OPZZ)* reports that tripartite dialogue initiated by the ILO came to an end in 2001 owing to a change in government. The new governing coalition has not yet reactivated the tripartite team for social policy in MNEs, which aimed at conducting a Memorandum of Social Understanding on the labour and social issues arising from MNE operations.

Sweden

The Government reports that it has intensified efforts to promote social and environmental responsibility of enterprises. In 2001 it issued the Globkom report, which led to the establishment of the Swedish Partnership for Global Responsibility. The partnership is built on the OECD Guidelines and the United Nations Global Compact, and thus directly concerns ILO issues. It undertakes seminars and workshops which focus on the practical implementation of the principles in these instruments, two of which have been carried out in collaboration with the ILO.

Switzerland

The *Confederation of Swiss Employers (UPS)* notes that social dialogue is well rooted in Switzerland and a forum for dialogue specially dedicated to MNEs is not considered necessary. In 2002 the Government organized a symposium to promote the Global Compact.

The *Swiss Federation of Trade Unions (USS/SGB)* remarks that the State Secretariat for Economic Affairs and the Federal Department of Foreign Affairs have invested considerable resources in the Global Compact.

Thailand

The Government reports that there has been intergovernmental dialogue to promote good social practices between the Department of Labour Protection and Welfare and the Thai Industrial Standards Institute in the Ministry of Industry.

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* reports that the Government has not conducted intergovernmental dialogue concerning MNEs.

Turkey

The Government reports that no intergovernmental dialogue to promote good social practice by MNEs has taken place

Zimbabwe

The Ministry of Public Service, Labour and Social Welfare has bilateral cooperation arrangements in the fields of labour and employment with counterparts in developing countries. The agreements are predominately with African nations. In the future the Government hopes to draft similar agreements with nations in the developed world with the goal of building relationships with MNEs.

Question 5

On a scale of 1 to 5 what do you consider has been the overall impact of MNE operations in your country in the following areas (1 corresponds to positive, 2 to somewhat positive, 3 to no impact, 4 to somewhat negative and 5 to negative)?

Table 2. Replies to question 5

Country	Respondent ¹	General economic and social welfare	Living standards	Employment	Equality of opportunity and treatment	Working conditions	Respect for fundamental principles and rights at work
Austria	G	-	-	-	-	2/3	-
Austria	W	1	1	1	2	2	2
Bolivia	G	2	2	2	2	2	2
Brazil	E	2	2	2	1	1	2
Bulgaria	G	2	2	1	3	2	1
Burkina Faso	E	1	2	2	2	1	-
Burundi	T	1	1	2	1	1	1
Cameroon	E	2	2	1	3	3	3
Cameroon	W	2	2	2	3	3	-
Canada	G	1	1	1	1	1	1
Chad	W	5	3	5	4	5	-
China	G	2	2	1	2	2	2
Chile	G	3	3	3	3	3	3
Chile	E	1	1	1	1	1	1
Colombia	E	1	1	1	1	1	1
Croatia	G	3	3	4	2	4	3
Croatia	E	1	2	2	1	2	1
Democratic Republic of the Congo	E	2	2	2	3	1	2
Eritrea	T	1	1	1	1	1	1
Fiji	W	4	4	2	2	3	3
Germany	E	1	1	1	1	1	1
Hungary	G	2	3	2	3	2	3

Country	Respondent ¹	General economic and social welfare	Living standards	Employment	Equality of opportunity and treatment	Working conditions	Respect for fundamental principles and rights at work
Indonesia	G	1	1	1	2	2	2
Jamaica	G	2	2	1	2	2	2
Japan	G	-	-	-	2	-	-
Japan	W	3	2	3	2	2	3
Kenya	E	2	2	2	2	2	2
Korea, Republic of	E	2	2	2	3	2	3
Lebanon	G	1	1	1	1	1	1
Madagascar	G	4	3	2	2	4	4
Madagascar	E	2	2	2	2	2	3
Mali	G	2	2	1	2	2	1
Mauritius	G	1	2	2	3	3	3
Nicaragua	G	1	1	1	2	2	2
Peru	G	-	1	1	-	-	-
Peru	E	1	2	2	1	1	1
Philippines	G	1	1	1	1	1	1
Poland	G	1/2	1/2	2	1/2	1/2	1/2
Poland	W	3	1/2	1/2	1/2	1/2	1/2
Portugal	G	2	2	2	2	2	2
Senegal	W	2	2	2	3	3	4
Switzerland	G	2	2	2	3	2	2
Switzerland	W	2	2	2	2	2	3
Thailand	G	2	2	2	2	2	2
Trinidad and Tobago	E	2	2	2	3	1	2
Turkey	G	2	2	1	3	1	2
Zambia	G	1	1	1	2	2	2
Zimbabwe	G	1	2	2	1	2	1

¹ G = government; E = employer; W = worker; T = tripartite.

Brazil

The Government states that the impact of MNE operations in the country cannot be assessed in such a general way since they operate in many different sectors. In general, MNEs have a positive effect. On the other hand, some publicly known cases of enterprises that do not respect workers' rights or do not contribute to social well-being or environmental protection should not be used to justify general statements on MNEs.

Eritrea

Despite the lack of information on the impact of MNEs operations in Eritrea, the tripartite partners consider the performance of the few MNEs present to be positive.

Jamaica

The Government reports that to date the experience with MNEs has remained positive. MNEs have contributed to the general economic development and social welfare of the country and improved living standards through the creation of employment opportunities, and the development of important sectors including bauxite, tourism, telecommunications and information technology (IT). It is difficult to quantify the level of employment opportunities generated by MNEs, as the existing labour force survey and large establishment survey do not usually take the nationality of enterprises into consideration.

Latvia

The Government reports that as statistical information on MNEs is not collected separately, it is unable to indicate the overall impact of MNE operations.

Moldova, Republic of

The Government reports that as information on MNEs is not collected separately, it is unable to provide a comprehensive assessment of their effects on the economic and social welfare of the country. Nonetheless, available employment information indicates that MNEs have had a positive impact on employment creation and the labour field.

New Zealand

According to the *New Zealand Council of Trade Unions (NZCTU)*, the impact of MNEs has been mixed. MNEs have had positive impacts; however, privatization processes have seen MNEs benefit and then abandon the investment.

Question 6

Please indicate in which sectors MNE operations in your country have led to a concentration of economic power.

Austria

The Government refers to the 2002-03 report of the Federal Cartel Office, which indicates the activities of MNEs have not led to any significant changes in the market structure or in market behaviour that would have warranted a different assessment of the competitiveness of particular sectors.

The *Federal Chamber of Labour (BAK)* points out that Austria has a comprehensive system of institutions that monitor competition and market concentration. Nevertheless, there are a number of industries where MNEs play an important role and where there is high market concentration, such as the retail food trade, construction, the media, banking and insurance. However, there are no official or easily available data on this.

Bolivia

The Government reports that there is a concentration of economic power in the mineral, financial and communication sectors.

Brazil

The Government states that in a globalized economy the country is particularly vulnerable to concentration of economic power by MNEs. In the IT industry, for example,

the concentration of power is explicit, since almost 90 per cent of the software on the internal market is produced by a single company. Other sectors where concentration of economic power occurs are automobile manufacturing, beverages, telecommunications and food.

The *National Confederation of Financial Institutions (CNF)* reports that it does not have data on the concentration of economic power by sector.

Bulgaria

The Government reports that the highest concentration of economic power is found in sectors such as financial intermediation, processing, transport, storage and communications, commerce, car repair works and technical services, household facilities and equipment.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* observes that concentration of economic power has occurred in the banking and insurance sectors.

Burundi

The tripartite partners report that concentration of economic power has occurred in the agro-processing industry.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* report that sectors where MNE operations have led to a concentration of economic power include banking, insurance, transport, oil and gas, agriculture, construction, food, automobile, metal, chemistry, hotels, tourism, electricity, electronics, paper and wood.

Canada

The federal Government reports that according to the 1996 survey of the Corporations and Labour Union Returns Act (the most recent instance of the Canadian federal Government gathering corporate ownership statistics), MNEs owned 68 per cent of assets in the chemicals sector, 54 per cent in transportation equipment (100 per cent of car and truck manufacturing) and 50 per cent in electrical industries. In Ontario, the dominance of foreign-based MNEs is long established. In Alberta, MNEs play a central role in the oil and gas industry.

Chad

The *Confederation of Trade Unions of Chad (CST)* observes a concentration of economic power in the oil sector.

Chile

The Government reports that MNEs are active in all sectors of the economy, with some concentration in mining (34.9 per cent), public services (17.4 per cent), financial services and insurance (15 per cent) and telecommunications (8.5 per cent). The origin of these investments is mainly the United States, Spain and Canada. These three countries represent 62.9 per cent of investments for the period.

Costa Rica

According to the Government, most FDI has been in high technology.

Croatia

The Government and the *Croatian Employers' Association (HUP)* both report that MNE operations in Croatia have led to a concentration of economic power in the telecommunications and banking sectors.

Fiji

According to the *Fiji Trades Union Congress (FTUC)*, MNEs have a concentration of economic power in the garment and financial sectors.

Finland

The *Central Organization of Finnish Trade Unions (SAK)* states that economic power has traditionally been concentrated in Finland and that international restructuring and expanding MNEs have accelerated the trend, particularly in banking, insurance, forestry and electronics.

Hungary

The Government reports that MNEs have a significant share of the machine industry.

The *Independent Trade Union of Tungsram Workers* considers MNEs to hold an economic concentration of power in the food industry, telecommunications and electricity.

Indonesia

The Government indicates that MNE operations in the services and trade sectors have led to a concentration of economic power, although the assertion cannot be supported by statistical data or research.

Italy

The Government reports that investments made by Italian MNEs abroad, as well as investments made by foreign MNEs in Italy, are no longer concentrated in the manufacturing industry but have spread to other sectors such as electronics, telecommunications, and the pharmaceutical and chemical industries. In the manufacturing sector, FDI outflows are higher than FDI inflows. The number of Italian investors abroad has increased thanks to the success of small and medium-sized enterprises (SMEs) investing outside the country.

Jamaica

The Government reports that some industries have a higher representation of MNEs than others, including bauxite, mining, utilities (electricity and telecommunications), IT, tourism, financial services (including insurance and banking) and manufacturing. The Government notes that this has not led to a concentration of economic power in the abovementioned sectors.

Kenya

The Government reports that, given their dominant positions, MNEs were able in the past to fix prices in the oil industry. This led the Government to threaten the reintroduction of price control mechanisms to stabilize prices in the country. MNEs are also major players in the banking sector. This enables them to keep the cost of credit fairly high. In 2004 the Government introduced the “in duplum” rule, which prevents operators from charging interest on loans beyond the initial principal loan amount.

Latvia

The Government reports that no data are available to indicate in which sectors MNE operations have led to a concentration of economic power.

Lebanon

The Government indicates that MNEs are mainly active in industry, agriculture, tourism, information and insurance.

Lithuania

The Government indicates that MNE operations in the energy, construction, telecommunications, retail trade and banking sectors have led to a concentration of economic power.

Madagascar

The Government reports that duty-free companies are predominant in garments, fishing and agro-processing.

The *Association of Duty-Free Enterprises and Partners (GEFP)* observes that a concentration of economic power has occurred in the textile and garments sector.

Malaysia

The Government reports that the manufacturing sector and the electrical and electronics industry have shown the highest levels of concentration of economic power.

Mali

The Government reports that MNE operations have led to a concentration of economic power in the oil, mining, banking and energy sectors.

Mauritius

The Government reports that MNEs are engaged in almost all sectors but there are no signs of concentration of economic power.

Mexico

The Government reports that legislation includes mechanisms to avoid concentration of economic power by MNEs. One of those mechanisms is the Foreign Investment Act.

Morocco

The Government reports that MNEs are active in all sectors, including those in which technology is important such as electricity, electronics, and information and communication. Some 920 MNEs operate in the country, accounting for 12.5 per cent of the companies in the manufacturing sector. They generate 41 per cent of total profits, 40.7 per cent of production, 39.6 per cent of added value, 44.4 per cent of investment and 45 per cent of exports in manufacturing.

New Zealand

The Government reports that MNEs do not hold a concentration of power in any sector.

The *New Zealand Council of Trade Unions (NZCTU)* reports that MNEs hold a concentration of economic power in several sectors (rail transport, telecommunications, television, radio, newspapers, banks and retail), adding that special treatment is given to MNEs in two sectors. One is the film sector, which relies on the use of independent contractors instead of hiring employees. The NZCTU considers that employment practices by MNEs in the film industry are detrimental to employment standards in other parts of the creative sector, and that investment decisions by MNEs in the film sector are affected by the preference for lower costs, including labour costs. The fishing and maritime sector is also influenced by a concentration of economic power. Some foreign ships fail to meet international labour standards, as a result of which some New Zealand employers attempt to employ migrant workers in similar circumstances. Shipowners are pressing the Government to grant concessions to have foreign crews load and unload their ships. There are examples in which legal provisions fail to adequately protect workers and unions in bargaining situations. The NZCTU also reports growing power of MNEs in the call centre industry, citing that work practices need to be addressed to raise minimum standards (particularly concerning health and safety and variable shiftworkers).

Nicaragua

The Government reports that information is available at the Central Bank of Nicaragua web site at www.bcn.gob.ni.

Panama

The Government indicates that MNEs dominate in telecommunications, electricity, technology, trade and transport.

Peru

The Government has not undertaken any studies itself but indicates that an NGO study appears to show considerable concentration of economic power in the following sectors: communications, mining, air transport, electricity, agro-industry and finance.

Philippines

The Government reports that MNE operations in the country have not led to a concentration of economic power.

Poland

The *All-Poland Trade Union Alliance (OPZZ)* reports that MNEs are present in all sectors of the economy.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* observes that concentration of economic power has occurred in the manufacturing sector, fishing and tourism.

Switzerland

The *Confederation of Swiss Employers (UPS)* observes that there has not been a concentration of economic power in any sector.

The *Swiss Federation of Trade Unions (USS/SGB)* reports a concentration of economic power in the banking and insurance, chemical, pharmaceutical and watchmaking sectors.

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* reports that MNEs are present in most sectors, but hold a concentration of power in the energy and manufacturing sectors.

Zambia

The Government reports that economic power is concentrated in the industry and commercial trade sectors.

Zimbabwe

The Government reports that there is a concentration of economic power in the mining, construction and manufacturing sectors.

Question 7

Please indicate if your government consults with enterprises, individually or as a group, on development issues and priorities. If so, do MNEs participate actively in this process? Information is particularly sought on whether such consultations have:

- *led to the actual involvement of MNEs in development activities;*
- *involved employers' and/or workers' organizations;*
- *been encouraged by MNE home countries;*
- *been encouraged by international development agencies.*

Austria

The Government reports that consultations have taken place as from 2003, in particular in the context of the CSR debate. Several events drew attention to the importance of subcontractors of MNEs in the field of development cooperation. There is no formalized involvement of MNEs in Austrian development cooperation, although there have been initiatives for improved coordination and cooperation between the relevant ministries (foreign affairs, finance, economics and labour, environment), the Austrian Chamber of Commerce and the Export Credit Agency. Employers' and workers' organizations have not yet been involved, neither has there been any encouragement for such consultations by MNE home countries. Up to now there has not been any support in

the framework of Austria's development cooperation, but consultations have started with the United Nations Industrial Development Organization (UNIDO) and the EU.

The *Federal Chamber of Labour (BAK)* reports that the Austrian Government traditionally consults with enterprises – individually or through employers' organizations – in matters related to economic policy. MNEs are active participants in this process. The level of consultation with workers' organizations, however, has decreased considerably in the reporting period as a result of the political change under the Government that took office in 2000.

Brazil

The Government reports that the Economic and Social Development Council (CDES) was created in 2003 to promote the debate on national development with the involvement of the main social actors. The CDES is tripartite and acts as a consultative body for the Presidency. Its members include representatives of employers' and workers' organizations in different sectors, from agriculture to trade and industry, which represent managers and employees from MNEs as well.

The *National Confederation of Financial Institutions (CNF)* states that MNEs are effectively involved in development activities and, generally speaking, also in employers' and workers' organizations.

Bulgaria

The Government reports that the monthly meetings of the Council for Economic Growth are the main avenue through which consultations are held. While business membership is limited to business associations, MNEs are represented by the Bulgarian International Business Association (BIBA).

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* reports that the Government consults with companies at sectoral level or through their federations. MNEs effectively participate in development activities through their professional association.

Burundi

The Government does not consult directly with MNEs.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* report that the Government consults enterprises through the employers' organizations. These consultations have helped to involve MNEs in development activities, but most of them define their activities individually. These consultations have been encouraged by international development institutions.

Canada

The Government of Alberta reports that active consultations with enterprises have led to the actual participation of MNEs and other enterprises in development activities and have involved employers' and workers' organizations.

The Government of Newfoundland and Labrador reports that, through its Women's Policy Office, the Government consults with companies working in petroleum-related

sectors, forestry and other areas that involve natural resources, to ensure that women have access to jobs in these areas and that community needs are taken into account.

The Government of Ontario indicates that government ministries consult with enterprises on development issues. Depending on the nature of the issue, stakeholder groups may also include labour unions. Individual enterprises may also attend, but no effort is made to distinguish or discriminate between MNEs and domestic enterprises. In addition, individual enterprises frequently make representations in person or in writing to ministries on matters of particular or unique concern to them. Again, no special effort is made to provide access for MNEs as opposed to domestic enterprises. The Ministry of Economic Development and Trade is consulting with the Canadian Manufacturers and Exporters (CME), and the Standards Council of Canada on the issue of CSR. Consultations are focusing on outreach to encourage Canadian firms to adopt voluntary CSR codes and reporting systems, and the preparedness of Canadian companies for the proposed social responsibility standard of the International Organization for Standardization (ISO), and raising CSR awareness among global consumers.

Chad

The *Confederation of Trade Unions of Chad (CST)* reports that the Government does not consult with companies on priorities or development issues, and domestic companies sometimes suffer from this lack of dialogue.

Chile

The *Confederation of Production and Trade (CPC)* reports that occasional consultations take place. Both domestic enterprises and MNEs participate actively in development activities; for example, vocational training centres are managed by employers' organizations.

China

The Government reports that it consults with enterprises on development issues and priorities and MNEs take an active part in these consultations. The consultations involve employers' and workers' organizations and are encouraged by MNE home countries and international development agencies.

Colombia

The Government reports that tripartite consultation commissions on wages and labour policies were reactivated in 13 regions to discuss matters that concern all the social partners, including MNEs.

Costa Rica

The Government has regular consultations with MNEs either directly or through employers' organizations.

Croatia

The Government consults with enterprises through the National Competitiveness Council, which is composed of representatives of the Government, employers and trade unions. It notes that MNEs participate in this body through the Croatian Employers' Association (HUP), which gives them access to all development plans and priority projects.

Eritrea

The Government consults with private sector operators (including MNEs) on development issues and priorities. The two MNEs consulted to answer the survey are engaged in development activities. One of them actively participates in afforestation and social conservation projects and follows precise instructions given by the head office, which also rewards such involvement.

Fiji

The *Fiji Trades Union Congress (FTUC)* reports that the Government of Fiji does not consult with enterprises regarding development issues and priorities.

Finland

The *Central Organization of Finnish Trade Unions (SAK)* states that dialogue between the Government and industry is common. It notes that attention has mainly been focused on how the Finnish economy can remain competitive globally, while less consideration has been given to development issues and the social impact of globalization.

Hungary

The Government reports that it regularly consults MNEs, particularly on investment incentives, promotion of regional service centres, increasing the level of technological innovation, and the utilization of skilled labour.

The Government indicates that the employers' organizations consulted state that MNEs do not participate in consultations with the Government and consider that associations representing MNEs should be included in Hungarian tripartite conciliation practices.

Italy

The Government reports that it consults enterprises, including MNEs, through technical meetings on subjects such as development, competitiveness and economic growth. These meetings are organized either on their own initiative or at the request of the social partners.

Indonesia

The Government reports that it consults with MNEs on development issues and priorities through their respective associations and those consultations have led to the actual involvement of MNEs in development activities. On certain occasions, such as monetary crisis and the introduction of new regulations, MNEs participate actively in the consultation process.

Jamaica

According to the Government, MNEs abide by the same legislation as domestic enterprises and therefore are in line with the established policy objectives and development priorities of Jamaica. To establish businesses in the county, MNEs must consult with the Jamaica Promotions Corporation (JAMPRO) as well as governmental agencies to ensure that investment and infrastructure plans are in keeping with the country's development goals and environmental regulations.

Kenya

The Government consults with enterprises through the Federation of Kenya Employers (FKE), but individual enterprises are free to address the Government directly.

Latvia

The Government reports that it consults with the Latvian Employers' Confederation and the Free Trade Union Federation of Latvia (LBAS), but does not consult directly with enterprises.

Lebanon

The Government reports that although no consultations take place directly with MNEs, the latter participate in employers' organizations with which the Government engages in active dialogue.

Madagascar

The Government indicates that consultations with enterprises take place regularly with sectoral and professional associations and federations and through the Committee on Competitiveness, which brings together various national councils, the Government and donor partners. Duty-free enterprises participate through the Association of Duty-Free Enterprises and Partners (GEFP).

Malaysia

The Government states that consultations have taken place with foreign chambers of commerce to gather and disseminate information. The Ministry of International Trade and Industry has held annual dialogues since the early 1980s. This is an effective forum for dealing with international trade and industry issues, including MNEs and human resource issues. The National Labour Advisory Council, which comprises representatives of the Government and workers' and employers' organizations, meets at least twice a year. In addition, through the Malaysia Incorporated Policy, the Government holds regular consultations with all stakeholders, including various workers' organizations, chambers of commerce and industry and NGOs.

Mali

The Government consults with enterprises through employers' organizations, of which MNEs are fully fledged members.

Mauritius

The Government consults with enterprises regularly through the Joint Economic Council (JEC), Mauritius Employers' Federation (MEF) and the Mauritius Chamber of Commerce and Industry (MCCI). Some major forums of consultation are the Public-Private Partnership (PPP), the Economic Coordination Committee (ECC), government/private sector meetings and the National Economic and Social Council (NESC).

Mexico

The Government reports that its policies concerning economic growth and employment are coordinated with MNE strategies. The Government aims at ensuring the participation of all sectors in the definition of economic and social priorities and strategies

and has created mechanisms that allow employers' and workers' organizations and representatives of academia to exchange views and make proposals concerning the economic agenda. These have proved to be very helpful in reaching consensus and taking decisions on how to solve concrete problems.

Moldova, Republic of

The Government reports that the National Employment Agency cooperates with MNEs to promote employment creation.

Netherlands

The Government reports that with respect to development issues MNEs are increasingly being called upon to act as a partner in reducing poverty in developing countries. The Ministries of Economic Affairs and Development Cooperation work with MNEs in public-private partnerships. One example is a seminar on poverty reduction that invited MNEs and other stakeholders to work on possible partnerships.

New Zealand

The Government reports that, though not required to do so, it generally consults with Business New Zealand and the New Zealand Council of Trade Unions (NZCTU) regarding employment-related proposals and employment legislation. Thus, enterprises can raise and discuss areas of concern with the Government and make submissions to specific committees on proposed legislation.

The *New Zealand Council of Trade Unions (NZCTU)* adds that it has participated in government-coordinated tripartite consultations, along with Business New Zealand, although such consultations have not specifically included MNEs. Generally, consultations have been related to general policies and not specific investment proposals.

Nicaragua

The Government reports that it consults with enterprises, including MNEs, and employers' and workers' organizations on development issues and priorities, and that this has led to the actual involvement of MNEs in development activities. Such consultations have been encouraged by MNE home countries and by international development agencies.

Panama

The Government reports that MNEs participate in different types of consultations through employers' organizations.

Philippines

The Government states that although tripartite consultations have always been conducted, it lacks information on whether these consultations have led to a strengthened involvement of MNEs in development activities and whether this is encouraged by MNE home countries.

Poland

The Government reports that consultations with various business organizations, including employers' organizations and foreign chambers of commerce, take place on initiatives aimed at promoting enterprises. On initiatives related to entrepreneurship,

consultations take place with entrepreneurs through their intermediary business organizations. Furthermore, regular meetings are held with businesspersons to inform them on government initiatives. A resolution of the Council of Ministers envisages the inclusion of an impact assessment of proposed regulations. The assessment is to contain an indication of the entities the regulations are expected to impact; results of conducted consultations; sources of financing; and an assessment of the expected impacts, particularly on public finances, the labour market, the internal and external competitiveness of the economy, the regional situation and development.

The *All-Poland Trade Union Alliance (OPZZ)* reports that information on government actions on consultations can be found in the Programme for Economic Promotion of Poland through 2005. It notes that consultations bring about real involvement of MNEs in development activities; that they result in the involvement of employers' and/or workers' organizations in the consultation process; that they are supported by countries from which the MNEs originate; and that they are supported by international development organizations.

Portugal

The Government states that it usually consults the most representative employers' and workers' organizations on economic and social development issues, through the Economic and Social Council, which is tripartite.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* reports that MNEs effectively participate in consultations at all levels.

Switzerland

The *Confederation of Swiss Employers (UPS)* reports that the Government consults with companies at sectoral level or through their federations. MNEs effectively participate in development activities through their professional associations.

Thailand

The Government states that it has consulted with enterprises on issues of labour relations, labour protection, labour welfare, and occupational health and safety and that MNEs have participated actively in these consultations.

The *Employers' Confederation of Thailand (ECOT)* states that some MNEs have worked with the Government on an HIV/AIDS project.

Trinidad and Tobago

According to the *Employers' Consultative Association of Trinidad and Tobago (ECA)*, the Government consults with employers' and workers' organizations and NGOs on development issues and priorities. MNEs take part in consultations through the representation of their respective employers' associations. Government consultations are a result of initiatives advanced by national legislation, policy guidelines or international development agencies.

Turkey

The Government reports that consultations with MNEs, employers' and workers' organizations have not yet taken place.

Zambia

The Government states that it does consult with enterprises in groups, and this is usually with employers' and workers' organizations through the Tripartite Consultative Labour Council meetings.

Zimbabwe

The Government states that MNEs are members of the Employers' Confederation of Zimbabwe (EMCOZ), a group that engages both labour and the Government in socio-economic discussions under the auspices of the Tripartite Negotiation Forum.

Employment (paragraphs 13-28)

Employment promotion

13. With a view to stimulating economic growth and development, raising living standards, meeting manpower requirements and overcoming unemployment and underemployment, governments should declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.³

14. This is particularly important in the case of host country governments in developing areas of the world where the problems of unemployment and underemployment are at their most serious. In this connection, the general conclusions adopted by the tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour (Geneva, June 1976) should be kept in mind.⁴

15. Paragraphs 13 and 14 above establish the framework within which due attention should be paid, in both home and host countries, to the employment impact of multinational enterprises.

16. Multinational enterprises, particularly when operating in developing countries, should endeavour to increase employment opportunities and standards, taking into account the employment policies and objectives of the governments, as well as security of employment and the long-term development of the enterprise.

17. Before starting operations, multinational enterprises should, wherever appropriate, consult the competent authorities and the national employers' and workers' organizations in order to keep their manpower plans, as far as practicable, in harmony with national social development policies. Such consultation, as in the case of national enterprises, should continue between the multinational enterprises and all parties concerned, including the workers' organizations.

18. Multinational enterprises should give priority to the employment, occupational development, promotion and advancement of nationals of the host country at all levels in cooperation, as appropriate, with representatives of the workers employed by them or of the organizations of these workers and governmental authorities.

19. Multinational enterprises, when investing in developing countries, should have regard to the importance of using technologies which generate employment, both directly and indirectly. To the extent permitted by the nature of the process and the conditions prevailing in the economic sector concerned, they should adapt technologies to the needs and characteristics of the host countries. They should also, where possible, take part in the development of appropriate technology in host countries.

³ Convention (No. 122) and Recommendation (No. 122) concerning Employment Policy.

⁴ ILO, World Employment Conference, Geneva, 4-17 June 1976.

20. To promote employment in developing countries, in the context of an expanding world economy, multinational enterprises, wherever practicable, should give consideration to the conclusion of contracts with national enterprises for the manufacture of parts and equipment, to the use of local raw materials and to the progressive promotion of the local processing of raw materials. Such arrangements should not be used by multinational enterprises to avoid the responsibilities embodied in the principles of this Declaration.

Equality of opportunity and treatment

21. All governments should pursue policies designed to promote equality of opportunity and treatment in employment, with a view to eliminating any discrimination based on race, colour, sex, religion, political opinion, national extraction or social origin.⁵

22. Multinational enterprises should be guided by this general principle throughout their operations without prejudice to the measures envisaged in paragraph 18 or to government policies designed to correct historical patterns of discrimination and thereby to extend equality of opportunity and treatment in employment. Multinational enterprises should accordingly make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of their staff at all levels.

23. Governments should never require or encourage multinational enterprises to discriminate on any of the grounds mentioned in paragraph 21, and continuing guidance from governments, where appropriate, on the avoidance of such discrimination in employment is encouraged.

Security of employment

24. Governments should carefully study the impact of multinational enterprises on employment in different industrial sectors. Governments, as well as multinational enterprises themselves, in all countries should take suitable measures to deal with the employment and labour market impacts of the operations of multinational enterprises.

25. Multinational enterprises equally with national enterprises, through active manpower planning, should endeavour to provide stable employment for their employees and should observe freely negotiated obligations concerning employment stability and social security. In view of the flexibility which multinational enterprises may have, they should strive to assume a leading role in promoting security of employment, particularly in countries where the discontinuation of operations is likely to accentuate long-term unemployment.

26. In considering changes in operations (including those resulting from mergers, take-overs or transfers of production) which would have major employment effects, multinational enterprises should provide reasonable notice of such changes to the appropriate government authorities and representatives of the workers in their employment and their organizations so that the implications may be examined jointly in order to mitigate adverse effects to the greatest possible extent. This is particularly important in the case of the closure of an entity involving collective lay-offs or dismissals.

27. Arbitrary dismissal procedures should be avoided.⁶

28. Governments, in cooperation with multinational as well as national enterprises, should provide some form of income protection for workers whose employment has been terminated.⁷

⁵ Convention (No. 111) and Recommendation (No. 111) concerning Discrimination in Respect of Employment and Occupation; Convention (No. 100) and Recommendation (No. 90) concerning Equal Remuneration for Men and Women Workers for Work of Equal Value.

⁶ Recommendation (No. 119) concerning Termination of Employment at the Initiative of the Employer.

Question 8

Please provide information on direct or indirect employment effects, whether negative or positive, of MNE operations in the period 2000-03. In particular please indicate whether or not they have resulted in:

- increased employment opportunities;
- promotion of equality of opportunity and treatment;
- provision of stable employment; and
- promotion of security of employment.

Austria

The Government reports positive effects on employment creation and investment levels resulting from FDI in Austria in 2003.

The *Federal Chamber of Labour (BAK)* indicates that it is not in a position to comment on this in the absence of disaggregated data on MNEs. It notes that in view of continued global liberalization, it is easier for MNEs to adapt to changing conditions and that, as a result, the trend towards moving activities to cheaper locations has continued. It cites the example of an MNE that closed its tyre manufacturing in Austria. On the other hand, there are also examples where the activities of the MNE have had positive employment-creation effects. However, the positive employment effects have not automatically led to a stable employment situation in one of the federal states (Styria), marked by a high degree of dependency of suppliers to MNEs in the automotive industry on global economic and industry trends in the reporting period.

Belarus

The Government reports that total employment in enterprises with mixed ownership and sole foreign ownership increased from 81,400 in 2000 to 138,400 in 2003.

Belgium

The tripartite partners indicate that specific statistics on the employment impact of MNEs are not collected.

Bolivia

The Government considers that even though MNEs create relatively few direct employment opportunities, they make an important contribution to overall economic growth and thus indirectly to employment. In terms of equality of opportunity and treatment and of employment stability and security, MNEs are subject to the same legislation and regulations as domestic enterprises.

Brazil

The *National Confederation of Financial Institutions (CNF)* reports that MNEs have contributed to increased employment opportunities in the productive sector, as well as to promoting equality of opportunity and treatment in general. MNEs have not contributed

⁷ *ibid.*

positively to the provision of stable employment owing to competitive conditions and excess supply in the labour market. As regards the promotion of security of employment, MNEs follow the same policies as domestic enterprises.

Bulgaria

The Government reports that in the opinion of the *Confederation of Independent Trade Unions in Bulgaria (CITUB)*, there is almost always a decrease in payroll staff after privatization, and the employment provisions of privatization contracts are not usually made available to staff and trade unions. With respect to the promotion of equality of opportunity, some discriminatory requirements were found in recruitment, in particular gender and age discrimination. With respect to employment security, the CITUB believes newer jobs in restructured enterprises are characterized by security.

The *Bulgarian Industrial Association* is reported to state that MNE activities have led to increased employment as well as stability and security, and that no discriminatory practices are found.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* reports that during the period under review, some MNEs suspended their activities, while others initiated operations. It is therefore difficult to assess the overall impact on employment.

Burundi

The tripartite partners indicate that MNEs have reduced the number of employees as a result of economic difficulties.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that, according to data made available by employers' organizations, MNE activities have led to an increase in employment and have helped to strengthen employment stability and to promote equality of opportunities and treatment. The *General Workers' Union of Cameroon (UGTC)* states that competition between banks has led some to reduce their workforces. They note that in Cameroon it is unusual to experience problems with equal opportunities.

The *Council of Business Managers and Professional Associations of Cameroon (GICAM)* reports that, during the period under review, the number of MNEs has increased as a result of the country's favourable economic performance. This led to a positive trend also in terms of employment. However, GICAM notes that MNEs are also the first to suspend their activities as soon as economic difficulties appear on the horizon. The process of privatization has also led to job losses.

Canada

The Government of Alberta reports that MNEs have contributed to the increased employment opportunities, promotion of equality of opportunity and treatment, provision of stable employment and promotion of security of employment. Although Alberta statistics do not differentiate between MNEs and other enterprises, overall employment in all industries has increased over the 2000-03 period, which can be largely attributed to the involvement of MNEs.

The Province of Newfoundland and Labrador indicates that FDI, particularly in the mining, oil and gas sectors, has resulted in increased employment opportunities. The

Government has made an effort to provide training and employment in the offshore oil and gas sector to residents of the province. Companies using natural resources are required to have women's employment plans with specific mechanisms to promote the recruitment, hiring and retention of women. MNEs have been open to discussions regarding equal opportunity and in particular the employment of women in non-traditional sectors. With regard to the promotion of secure and stable employment, the operation of MNEs has been positive, offering increased opportunities for different areas of the province.

The Government of Quebec indicates that MNEs usually provide more stable and better remunerated employment. While the Government cannot estimate the direct and indirect impact of MNEs, they use an intersectoral economic model to estimate the direct and indirect employment impact of specific investments.

Chad

The *Confederation of Trade Unions of Chad (CST)* reports that during the period under review, MNEs have negatively affected employment, particularly in the oil sector, where people were laid off after the construction phase was over.

Chile

The Government indicates that no specific data on MNEs are available. However, the data available for large enterprises show that there are opportunities for employment creation. Salmon farms, which created some 24,000 new jobs (12,000 indirectly), are a good example. At the same time mergers such as those in the banking and privatized sectors have led to employment losses. After the 1998-2000 crises, the proportion of short-term employment became larger, and the tenure is shorter in large enterprises than in small ones. Data on unemployment insurance shows that most of the employment in large enterprises is of a transitory nature.

The *Confederation of Production and Trade (CPC)* considers that MNEs have contributed significantly to the reactivation of economic activity in 2002-03 by increasing investment and maintaining or raising employment levels.

China

The Government indicates that MNE operations have had a positive effect on increasing employment opportunities, the promotion of equality of opportunity and treatment, and the promotion of security of employment.

Colombia

The Government considers that the reduction of labour costs through lower weekend and holiday remuneration, the increased working day, the reduced indemnities and increased training provided for in Act No. 789 of 2002 have resulted in increased employment levels. Some 114,000 jobs were created between 2001 and 2002, and 846,000 between 2002 and 2003. Moreover, the average time spent in unemployment fell from 52 to 50 weeks. One of the aims of Act No. 789 was to increase employment stability. Indeed, before the passage of the law there was a high probability of dismissal before reaching the tenth year of continuous employment in the enterprise: dismissal compensation was doubled for each additional year after that, since the employer had to pay 40 days' remuneration for each additional year, instead of the 20 day' remuneration prior to reaching the tenth year of employment.

Costa Rica

The Government considers that MNEs have been instrumental in creating employment, both directly and indirectly.

Croatia

The Government reports that there were both positive and negative employment effects of MNE operations between 2000 and 2003. In cases where MNEs purchase or acquire an interest in national firms through privatization, the employment impacts are usually negative as a result of workforce reductions. However, in these same cases, MNEs can have the effect of promoting greater productivity and stimulating wages. The overall contribution of MNEs to increased employment opportunities can certainly be described as positive in the case of “greenfield” investments. MNE operations are also said to promote equality of opportunity and treatment, and to maintain the same levels of employment stability and security as domestic enterprises.

The *Croatian Employers’ Association (HUP)* reports that one MNE employed 431 new university graduates. With respect to equal opportunities, one MNE subsidiary received an internal company award on equal opportunity and equal treatment of men and women, despite intense competition from other European subsidiaries of the same company. Furthermore the company published a code of business ethics that forbids all forms of discrimination.

Finland

The Government notes that there is no detailed information on the impact of MNE operations on gender equality. However, enterprises with more than 30 employees are required to prepare and implement equality plans. In 2003, a report by the Equality Ombudsman found that large enterprises with more than 500 employees had met the requirements concerning equality planning better than small enterprises.

The *Central Organization of Finnish Trade Unions (SAK)* notes that there is little evidence to suggest that jobs have been moved outside Finland because of the investments of Finnish MNEs abroad. It also notes that MNEs’ operations lead to both increases and decreases in employment.

Gabon

The *Confederation of Gabonese Employers (CPG)* reports that during the period under review, MNEs contributed considerably to job creation. Employment generated by MNEs also makes an important contribution to the national social protection system.

Germany

According to the *Confederation of German Employers’ Associations (BDA)*, German MNEs, especially those operating in developing countries, contribute in many ways to increased employment opportunities, for example, through newly created plants, which in turn attract additional subsidiaries of German and European suppliers in the region. MNEs also cooperate with local suppliers, thus strengthening linkages to the local economy. The promotion of equal opportunities is a basic element of the human resources policy of German MNEs.

The BDA also reports that one MNE indicated that it created some 2,200 direct and 9,000 indirect jobs in one location in 2003-04.

Guinea

The *National Council of Employers (CNP)* reports that during the period under review, MNEs significantly contributed to employment creation in Guinea. Although wages in MNEs are not adjusted on the basis of the minimum guaranteed wage, wages in the services industry and mines sectors are subject to a special regime. The initial phase of MNE investments is also quite labour intensive. Both MNEs and domestic enterprises pay special attention to working conditions through medical services and ergonomics (as in the case of aluminium production).

Hungary

The Government considers the impact of MNEs to be largely positive and to have contributed directly and indirectly to improved employment levels and security of employment.

The Government indicates that the employers' organizations consulted consider the impact of MNEs to be mixed. Employers' organizations report that FDI has traditionally led to increases in employment, but of late has been negative owing to capital flight to cheaper labour markets elsewhere.

The *Independent Trade Union of Tungsram Workers* considers that the employment effects of MNEs have been mixed. MNEs have both led to the loss of established jobs and created new employment with the increased development of service centres.

Indonesia

The Government indicates that MNEs have contributed to increased employment opportunities and the promotion of equality of opportunity and treatment. It notes further that all types of enterprises must apply employment security schemes.

Italy

The Government states that the impact of FDI on employment has been quite remarkable. In 2000, employment in Italian MNEs with FDI accounted for 15.3 per cent of total employment, while employment in foreign MNEs with Italian investment represented 17.5 per cent.

Jamaica

The Government reports that for the most part MNEs have positively impacted on direct and indirect employment, resulting in increased employment opportunities, as the Government stipulates that a high proportion of the workforce within all MNEs be Jamaican nationals. Therefore additional nationals are employed with the establishment of each new MNE in the country. The Government reports FDI (net) at US\$850 million.

Japan

The *Japanese Trade Union Confederation (JTUC-RENGO)* reports that MNEs have contributed to increased employment opportunities, as the total number of employees in MNEs has seen a significant increase since 2000, growing 1.5 times in the past three years. However, in the manufacturing and metal industries, there is a downward trend in the number of employees working in MNEs. JTUC-RENGO notes that security of employment is vulnerable in MNEs owing to the limited responsibilities and decision-making powers of local management.

Kenya

The Government indicates that MNEs have contributed to employment creation through their operations in the EPZs, where employment opportunities rose from an average of 15,000 jobs in January 2003 to around 49,000 by the end of 2003. The Government expects MNEs to observe the provisions of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) (ratified in 2001). Cases of violation have not been reported. The Government indicates that efforts have been made to sensitize MNEs about the need to provide stable employment opportunities. However, a sizeable number of investors, particularly in the textile and garment sectors, still use casual and short-term workers. The dependence on confirmed orders in the garment and textile industry has been accentuated. Labour laws have also contributed to the creation of casual employment by failing to fix the maximum period an employee may work as a casual worker. Laws have been reviewed and are presently awaiting enactment. Labour flexibility policies resulting from increased competition on the global markets have also triggered a gradual phasing out of permanent employment contracts and their replacement with fixed and renewable contracts.

MNEs are bound by “redundancy provisions” contained in the labour laws and collective bargaining agreements (where they exist) to provide for guarantees and procedures in case of mergers, takeover or relocation of operations.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that the increase of FDI during the period 2000-03 appears to have led to increased employment opportunities. The implementation by MNEs of personnel management systems such as performance-based remuneration and job-based pay have contributed to enhancing equal opportunities and treatment of workers based on their ability and have had a positive effect on domestic companies. Employment security in MNEs is characterized by the concept of “lifelong profession”, as compared to “lifelong workplace”. Employment systems in MNEs evaluate workers on ability, rather than excessively protecting regular workers. Although the ratio of contract workers is much higher in MNEs compared to domestic enterprises, employees of MNEs in general are treated according to their ability. A stable employment environment is maintained in MNEs through active use of an outplacement services system based on self-development of workers' capabilities. Labour migration from domestic companies to foreign companies and vice versa is not high. Western management methods show clear signs of increased productivity. These are directly and indirectly impacting on domestic enterprises.

Latvia

The Government reports that it is unable to indicate the direct or indirect employment effects of MNE operations.

Madagascar

The Government indicates that during the period under consideration, some 128 enterprises were established in the duty-free zone with a view to providing employment for more than 75,000 people. This target was achieved in 2000, and in 2001 an additional 125,000 jobs were created. However, a period of crisis in 2002 forced many companies to close and reduce personnel.

Malaysia

The Government reports that during the period 2000-03, MNEs generated a total of 174,770 jobs in manufacturing. Of that total, the electrical and electronics industry created 55.2 per cent, followed by food manufacturing, fabricated metal products and rubber products.

Mali

The Government reports that MNEs have contributed positively to employment creation by giving priority to the recruitment of nationals. Precarious contracts are an exception.

Mauritius

The Government indicates that MNEs have contributed to employment creation in tourism and the manufacturing sector.

Mexico

The Government provides the following data for employment in *maquiladoras* in 2003: 2.64 per cent of the total labour force, 2.7 per cent of total employment, and 15.7 per cent of employment in the processing industry. In *maquiladoras*, 51.1 per cent of the workers are men and 48.9 per cent are women, which represents 3.84 per cent of the total female workforce in the country.

Moldova, Republic of

The Government indicates that MNE operations in general have resulted in increased employment opportunities.

Morocco

The Government reports that MNEs contribute substantially to economic growth, employment creation, and regional and local development. MNEs employ 33 per cent of the industrial workforce.

Netherlands

The Government reports that the role of the Netherlands as both a host and a home country for MNEs contributes to economic growth, productivity growth and employment. It notes that MNEs in the information and communications sector provide some 55,000 jobs.

New Zealand

The *New Zealand Council of Trade Unions (NZCTU)* reports that recent strong growth in employment has included employment by MNEs.

Nicaragua

While the Government does not have reliable figures, it considers that MNEs play an important role in employment creation, both directly and indirectly, particularly in EPZs.

Panama

The Government indicates that FDI has helped create jobs in the following areas: call centres, construction, transport and breweries. It considers that as a result of privatization and efficiency drives, employment stability was negatively affected in the telecommunications sector.

Peru

The *National Confederation of Private Employers' Institutions (CONFIEP)* refers to a case study of FDI in the electric power sector which has generated considerable new indirect employment.

Philippines

The Government does not maintain disaggregated statistics on different types of enterprises and thus no statistical data are available.

Poland

The Government reports that lack of research prevents it from determining the direct and indirect employment effects of MNEs. It notes that according to information from the Polish Information and Foreign Investment Agency, MNEs employed around 1 million people at the end of 2002.

The *All-Poland Trade Union Alliance (OPZZ)* reports that in the period 2000-03, social packages governing employment stability and occupational health and safety existed in most MNEs. Those MNEs beginning operations more recently have less advantageous guarantees of employment stability and working conditions, but generally comply with Polish labour law.

Portugal

The Government reports that it has no information on any measures taken by MNEs to promote stable and secure employment. Security of employment is a fundamental principle of the country's legislation, with which all enterprises must comply. There are some examples of good practices in the area of equality of opportunity and treatment by MNEs in partnership with local actors.

The *General Union of Workers (UGT)* considers that enterprise closures and transfers of operations have negative effects on security of employment and conditions of work.

Sweden

The Government reports that employment by MNEs increased between 2001 and 2002 by 1.54 per cent. It also reported that there was a decrease in employment from 667,000 to 520,600 between 1996 and 2002 in MNEs, while employment for this category of enterprises abroad increased.

Switzerland

The *Confederation of Swiss Employers (UPS)* reports that there are no differences between MNEs and domestic enterprises in terms of their impact on employment. During the period under consideration, there was an increase in employment, particularly in services. In terms of equality of treatment, MNEs enjoy a good reputation. In January 2001, the UPS presented a report containing recommendations for a work-family balance.

Thailand

The Government states that it has never collected statistics on the direct or indirect employment effects of MNE operations.

The *Employers' Confederation of Thailand (ECOT)* states that despite the lack of statistical information, the impact on equal opportunities is positive, but that with respect to stability and security the picture remains unclear.

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* reports that data are not gathered on the direct and indirect employment effects of MNEs.

Turkey

The Government indicates that MNEs operating in the mining, tourism, construction, foreign trade, agriculture, food, aircraft, marble-processing, textiles, chemicals, tobacco, and beverage industries in the Province of Eskisehr have contributed to direct and indirect employment opportunities. In the Province of Manisa, MNEs generally operate in the manufacturing industry and employment in MNEs increased by 20 per cent. Through the purchase of spare parts, processing materials and services, MNEs have also contributed to indirect employment opportunities. The Government notes that large MNEs are generally found in the manufacturing industry, and that their effect on employment is mainly direct. Small and medium-sized MNEs, on the other hand, are generally found in the services sector and their impact on employment is mainly indirect.

United Kingdom

The Government refers to the United Kingdom's 2004 report under article 22 of the ILO Constitution on the Employment Policy Convention, 1964 (No. 122), which provides details of United Kingdom policies in this area. The information found within the report applies to all enterprises operating in the United Kingdom, including MNEs.

Zambia

The Government states that between 2000 and 2003, employment opportunities declined owing to liquidations of companies and reorganization of their operational activities.

Zimbabwe

The Government reports that owing to perceptions held by developing countries concerning the political developments within Zimbabwe, some MNEs from industrialized countries have either ceased or scaled down their operations within the country.

Question 9

Please provide details of the relevant clauses of the government's foreign direct investment policy and regulations that pay special attention to employment issues (including bilateral and multilateral agreements and export credit and risk insurance measures).

Austria

The Government reports that export and FDI guarantees for Austrian companies are granted as long as the business activity improves the national current account. FDI of Austrian companies is generally considered positively, as it is expected to lead to increased exports and transfer of know-how, thus contributing to employment creation abroad, while at the same time maintaining skilled jobs in Austria. MNEs play a minor role, as the Austrian economy is characterized by a predominance of SMEs. Requests for soft loans for exports have to meet certain sustainability criteria, including possible employment effects of soft loan projects in the country concerned.

The *Federal Chamber of Labour (BAK)* indicates that there is no differentiation in the treatment of MNEs and domestic enterprises.

Belarus

The Investment Code No. 37-3 of 22 June 2001 superseded the Act on foreign investments in Belarus, Code No. 1241-XII of 14 November 1991, and the Act on investment activity in Belarus, Code No. 824-XII of 29 May 1991. The Investment Code is intended to support investment and protect the rights of investors in Belarus.

Bulgaria

The Government reports that it has a functioning legislative framework for the regulation of labour migration and labour market protection, including the Foreigners Act, the Employment Promotion Act, and the Regulations on the Terms and Conditions for the Issue, Rejection and Suspension of Work Permits for Foreigners in the Republic of Bulgaria. The latter introduced a liberal framework for internal transfers for employees of a foreign entity.

The *Confederation of Independent Trade Unions in Bulgaria (CITUB)* reports that the Government does not have a special policy on employment in the context of FDIs, but that to date there have been certain preferences for investments in employment-sensitive areas, although these are likely to be discontinued owing to conflict with EU competition policies.

Burkina Faso

The National Employers' Council of Burkina Faso (CNPB) reports that the Investment Code is currently under review. The CNPB feels that the new regulations will be very attractive for foreign investors and will generate additional employment.

Burundi

The tripartite partners indicate that one of the benefits of the Investment Code has been the creation of employment.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* states that it has no knowledge regarding the relevant clauses of the Government's FDI policy and regulations and whether these pay special attention to employment issues. The *Cameroon Workers' Trade Union Confederation (CSTC)* states that the Code for Investors puts forward employment issues.

Chile

The Government indicates that Chile has adhered to the OECD Ministerial Declaration of 2000 on employment, equality of treatment, employment security, child labour, safety and health, labour relations, forced labour and freedom of association. The Labour Code makes no distinction between domestic enterprises and MNEs. There are, however, special provisions concerning labour in the trade agreements with the United States, the EU and MERCOSUR.

Colombia

The Government reports that FDI policy and regulations are contained in Decree No. 2080 issued in 2000, and partially modified by Decree No. 1844 of 2003. These Decrees are complemented by Decisions Nos. 291 and 292 of 1991 of the Andean Community, which ensure the same treatment for all enterprises of the community as that given to Colombian investors, and provide for Andean MNEs, respectively. These regulations do not concern employment or labour matters but deal mainly with the registration of investments, transfer of foreign currencies and the repatriation of benefits.

Costa Rica

The Government reports that of the 14 bilateral investment treaties, the one concluded with the Netherlands includes specific provisions on labour, while the bilateral labour agreement between Canada and Costa Rica is geared towards the promotion of fundamental principles and rights at work.

Croatia

The Government reports that it is carrying out measures to promote industrial investments through the Investment Promotion Agency. It also reports that business zones are being opened in underdeveloped areas possessing the required infrastructure, which helps create new jobs in a situation of serious unemployment caused by economic transition and recovery from war.

Eritrea

The tripartite partners indicate that Investment Proclamation No. 59/1994 regulates both local investment and FDI. Article 7(5) indicates that expatriate technical experts or managers may only be employed in the absence of national expertise. The same article puts investors under an obligation to train nationals to replace expatriates.

Hungary

The Government reports that it supports investment in the country, adding that the indirect employment impact is greater than that created by direct employment, reaching 15 per cent in the processing sector and 40 per cent in the regional business centres.

Indonesia

The Government lists the following clauses of its FDI policy and regulations that pay special attention to employment issues: Act No. 1/1967 concerning foreign investment (articles 10, 11, 12); Act No. 6/1968 concerning national investment; Act of 1998 concerning anti-monopoly; Agreement between the Government of Indonesia and the International Monetary Fund concerning economic improvement measures (White Paper); Agreement between the Government and the Head of the Japanese Government concerning investment climate improvement; Working Group on Investment Climate; Agreement

between the Government and the Consultative Group on Indonesia (CGI) concerning the CGI commitment to support Indonesian economic improvement and investment growth; and the establishment of an exporting improvement and investment improvement team coordinated by the Ministry of Economic Affairs.

Kenya

The Government states that its FDI policy provides for the following incentives: a ten-year tax holiday and a flat 25 per cent tax rate for the next ten years for EPZs; no restrictions on foreign capital repatriation; work permits for technical and managerial staff; repatriation of capital and profits; guarantees against expropriation.

Latvia

The Government reports that its FDI policy and regulations do not pay special attention to employment issues.

Lebanon

The Government reports that articles 11, 12 and 13 of Law No. 360 of 2001 and the accompanying application Decree concern employment, including provisions on the number of jobs to be created in specific regions and areas.

Lithuania

The Government reports that the law on investment (*Official Gazette*, No. 66-2127, 1999) sets forth the terms and conditions of investment in the country, the rights of investors, and investment protection measures for all types of investment except investment in commercial banks, insurance companies, credit institutions and other financial services, which are regulated by other laws. The Government notes that it “may allocate funds and give loans and loan guarantees for investment in the restructuring of the sectors of the economy, and the reduction of economic and social differences between separate regions of the country”. Furthermore, the Government “may conclude investment agreements with special conditions for investment and business in regions where the unemployment level is lower than the country’s average unemployment rate”.

Madagascar

The Government reports that job creation is one of the conditions of the agreement to benefit from duty-free provisions.

Malaysia

The Government reports that in the manufacturing sector guidelines exist on the employment of expatriate staff. The level of employment of expatriate personnel depends on the amount of foreign paid-up capital.

Mali

The Government reports that questions concerning employment are part of the investment agreement signed by the Government and the MNE. The investment agreement also includes indications on the number of employment opportunities that should be created by the company.

Mauritius

The Government reports that Mauritius provides national treatment for foreign investors as part of its liberal investment policy. The investment policy is export-oriented. The employment policy pursues a non-discriminatory practice towards expatriates, i.e. all bilateral and multilateral agreements contain a “promotion and protection of investment” clause which provides for entry and other permits for expatriate staff.

Mexico

The Government reports that by subscribing to the OECD Guidelines for Multinational Enterprises, it has committed itself to continually improving national and international policies.

Netherlands

The Government reports that employment most likely decreased in Dutch MNEs between 2000 and 2003 owing to unfavourable economic conditions. The Government uses the OECD Guidelines and CSR criteria to screen export programmes and export credits.

New Zealand

According to the Government, MNEs and domestic enterprises must abide by statutory employment requirements.

Nicaragua

Although the Government grants certain fiscal advantages to MNEs to attract FDI, all enterprises have to respect the provisions of existing labour and social security legislation.

Panama

The Government refers to Law No. 28 of 1995, which regulates incentives.

Peru

The Government reports that the relevant documents are: articles 62 and 63 of the 1993 Constitution, which establish equal treatment before the law; Legislative Decrees Nos. 662 (August 1991) and 757 (November 1991), which concern the types of contract; and Decision No. 291 of the Cartagena Agreement, which indicates that foreign nationals from member countries are to be treated as if they were nationals of the country where they work.

Poland

The Government reports that it pays attention to the form and sectoral composition of FDI. It prefers greenfield and export-orientated forms of investment and investment into technologically advanced sectors such as the automotive and ancillary, chemicals and pharmaceuticals sectors, with accompanying research and development. FDI is also channelled to less developed regions to address regional development discrepancies. In order to integrate these strategies, the Polish Information and Foreign Investment Agency was established in 2003. The Act on financial support for new investment of strategic importance to the economy came into force on 1 January 2004. A programme for accelerating the country’s economic development by dismantling barriers to investment was adopted in 2003. Under the provisions of the action plan of the Ministry of Economy,

Labour and Social Policy for 2003, an investors' spokesperson was appointed to serve in liaison and to signal improvements that could be made to attract investors.

Sweden

The Government reports that Swedish labour law applies to all enterprises registered as employers, with the exception of citizens from other EU countries who are in Sweden on short-term contracts and employed by enterprises based in other EU countries. Furthermore, it states that the Swedish Export Credits Guarantee Board (EKN), an agency under the authority of the Government, can provide export credit guarantees and investment guarantees. Currently EKN has to inform its customers about the OECD Guidelines and the United Nations Global Compact.

Switzerland

The *Confederation of Swiss Employers (UPS)* considers that it is not feasible to impose employment clauses in investment agreements. A flexible labour market has been found to favour employment and investment. This should be combined with effective vocational training that addresses the needs of enterprises.

The *Swiss Federation of Trade Unions (USS/SGB)* reports that it has requested a revision of the law concerning export guarantees with a view to including provisions obliging enterprises to respect international labour standards and the OECD Guidelines for MNEs.

Turkey

The Government reports that Act No. 4875 concerning FDI was enacted on 5 June 2003. A clause in that Act concerns the employment of expatriate staff.

Zambia

The Government reports that it has implemented a policy of liberalizing the FDI regime, which has encouraged inflows from the subregion and overseas. They note that while jobs were lost in the short term and unemployment levels rose after the restructuring of operations of privatized companies, the recapitalization of privatized companies has resulted in a steady rise in employment levels.

Zimbabwe

The Government notes that its policy and legal framework requires that FDI should give priority to nationals seeking employment. MNEs within Zimbabwe can recruit externally if skills are not available locally.

Question 10

*Please provide information, if available, on consultations that may have taken place between MNEs and the government and/or workers' organizations in your country concerning changes in MNE operations with major employment effects.*⁸

⁸ When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

Austria

The *Federal Chamber of Labour (BAK)* cites three examples of consultations where there have been negative employment effects.

Brazil

The *National Confederation of Financial Institutions (CNF)* reports that, usually in cases of changes in MNE operations or other situations that may have major employment effects, consultations take place between employers' and workers' organizations at the sectoral level. The CNF does not have information on specific cases.

Cameroon

The *Council of Business Managers and Professional Associations of Cameroon (GICAM)* reports that MNEs have participated in collective bargaining activities aimed at increasing wages and improving working conditions.

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that they have no knowledge of consultations between MNEs and the Government or workers' organizations on the employment effects of changes in MNE activities.

Canada

The Government of Alberta reports that a booming oil and gas industry has led to large increases in employment. The Alberta Government is involved in ongoing discussions and consultations with businesses (including MNEs) regarding major economic projects that lead to increased employment.

The Government of Ontario indicates that all employers under provincial jurisdiction are required to advise the Ministry of Labour of certain changes in their operations with major employment effects. Under the Employment Standards Act 2000, all employers who give notice of termination to 50 or more employees at the employer's establishment within a four-week period are required to provide information on the terminations to the Director of Employment Standards in a form approved by the Director. This information form has to be posted in the affected establishment and is publicly available. However, summaries of such information are not published.

The Government of Ontario places a high priority on maintaining and enhancing the province's share of North American automotive manufacturing activity. A \$500 million Automotive Fund has been set aside to help match the incentive packages offered by state and local governments in the United States to attract automotive manufacturing investments.

The Government of Quebec does not collect specific information on MNEs. However, since 1997 the Commission of Partners of the Labour Market is the main consultative forum for social dialogue and labour matters, where the major decision-makers of the world of labour get together to share experience and provide inputs to policies and programmes. Members are appointed by the Government and come from employers' organizations, unions, communities, education networks and ministries with an economic mandate.

Croatia

The Government reports that consultations with MNEs take place through the tripartite socio-economic councils at local, regional and national levels and through the National Council for Competition. Special attention is paid to cases in which MNEs, having acquired majority ownership over a domestic company, cut the workforce as part of business modernization. In such cases, mobile business reform support centres in the Croatian Employment Bureau offer assistance to deal with the re-employment of redundant workers. The Government notes that consultations between workers' organizations and MNEs occur where unions are present in the company, but that in newly established MNEs, it is difficult to organize union activities at the shop-floor level.

The *Croatian Employers' Association (HUP)* reports that where MNEs are members of the HUP, communications with trade unions are well developed, and include collective agreements which regulate issues related to rights and obligations of the employment relationship.

Democratic Republic of the Congo

The *Enterprise Federation of Congo (FEC)* reports that no consultations have been organized.

Eritrea

The joint response indicates that no changes in MNE operations with major employment effects have taken place.

Fiji

The *Fiji Trades Union Congress (FTUC)* reports that no consultation has taken place between MNEs and workers' organizations or the Government.

Hungary

According to the Government, consultations regularly take place between MNEs and the Government. MNEs participate in the Economic Council and, since 2004, in the Hungarian Economic-Social Council.

Indonesia

The Government reports that examples of consultations between MNEs and trade unions concerning changes in MNE operations with major employment effects include the consultations facilitated by the Friedrich Ebert Stiftung, whereby MNEs and trade unions have agreed that there will not be any improvement in social welfare without improvements in employment opportunities.

Italy

The Government reports that the Ministry of Labour and Social Affairs holds consultations with the social partners in order to prevent and resolve disputes concerning employment issues, in particular in the case of collective dismissals. During the period considered, 25 per cent of those consultations involved MNEs.

Japan

The *Japanese Trade Union Confederation (JTUC-RENGO)* reports that it is not aware of labour-management consultations concerning changes in MNE operations with major employment effects.

Kenya

The Government reports that MNEs usually negotiate with the relevant trade unions, but specific information is not available.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that MNEs do not operate their own interest group. MNEs consult with unions and with labour and management councils of their own companies on issues that gravely affect employment, but they are not engaged in separate discussions with the Government or with non-enterprise-level labour organizations.

Latvia

The Government reports that no information is available on consultations that may have taken place between MNEs and the Government or workers' organizations concerning changes in MNE operations with major employment effects.

Mali

The Government reports that consultations take place with employers and trade unions. There are no specific arrangements for MNEs outside the provisions of the investment agreement.

Mexico

The Government reports that there have been some critical situations in the automobile industry that were resolved by agreements with the enterprises involved in an attempt to minimize negative effects on the workplace and employment.

Netherlands

The Government indicates that it has no information on consultations between MNEs and workers' organizations concerning changes in MNE operations with major employment effects. It further indicates that, in some cases, trade unions have questioned whether the changes were in accordance with the OECD Guidelines for MNEs. While some of these questions have been withdrawn during the negotiations on a social plan for some closures, others are still to be reviewed by the OECD National Contact Point.

New Zealand

The Government reports that no consultations have been held between MNEs and the Government or workers' organizations.

The *New Zealand Council of Trade Unions (NZCTU)* adds that while no central level consultations with unions concerning employment effects have taken place, some individual unions have been consulted on major investment changes.

Peru

The Government reports that this type of consultation has taken place on two occasions.

Poland

The Government reports that consultations took place at the initiative of the ILO but came to an end in 2001. It also notes that there are some cases of individual consultations.

The *All-Poland Trade Union Alliance (OPZZ)* concurs with the Government.

Trinidad and Tobago

According to the *Employers' Consultative Association of Trinidad and Tobago (ECA)*, information is not available regarding consultations between MNEs and workers' organizations.

Turkey

The Government indicates that consultations have not taken place between MNEs and the Government or workers' organizations concerning changes in MNE operations with major employment effects.

United Kingdom

The Government reports that about 100 United Kingdom MNEs have European works councils. The works councils are required to conduct consultations concerning significant developments in business and employment impacts with the appropriate employee representation groups. Consultations are required to cover many significant industrial relations issues, specifically if there is a dismissal of at least 20 employees within a 90-day period. MNEs are also required to notify government agencies and the Jobcentre Plus Rapid Reaction Service of such actions. The Jobcentre Plus Rapid Reaction Service coordinates activities and works with the employers and local partners to ensure the best possible outcome of the dismissals. The actions of the Jobcentre Plus Rapid Reaction Service are tailored to the needs of the individuals, the employer, the local economy and the labour market impacted. Their efforts include best practice consultancy, information and advice, skills training and analysis, and early access to a range of Jobcentre Plus initiatives and retraining opportunities.

Zimbabwe

The Government states that a tripartite negotiation forum (TNF) is utilized for consultations between the Government and MNEs concerning employment issues in the mining sector. In such negotiations, the Employers' Confederation of Zimbabwe (EMCOZ) represents MNEs.

Training (paragraphs 29-32)

29. Governments, in cooperation with all the parties concerned, should develop national policies for vocational training and guidance, closely linked with employment.⁹ This is the framework within which multinational enterprises should pursue their training policies.

30. In their operations, multinational enterprises should ensure that relevant training is provided for all levels of their employees in the host country, as appropriate, to meet the needs of the enterprise as well as the development policies of the country. Such training should, to the extent possible, develop generally useful skills and promote career opportunities. This responsibility should be carried out, where appropriate, in cooperation with the authorities of the country, employers' and workers' organizations and the competent local, national or international institutions.

31. Multinational enterprises operating in developing countries should participate, along with national enterprises, in programmes, including special funds, encouraged by host governments and supported by employers' and workers' organizations. These programmes should have the aim of encouraging skill formation and development as well as providing vocational guidance, and should be jointly administered by the parties which support them. Wherever practicable, multinational enterprises should make the services of skilled resource personnel available to help in training programmes organized by governments as part of a contribution to national development.

32. Multinational enterprises, with the cooperation of governments and to the extent consistent with the efficient operation of the enterprise, should afford opportunities within the enterprise as a whole to broaden the experience of local management in suitable fields such as industrial relations.

Question 11

*Please provide statistical data or examples of initiatives concerning human resources development and vocational training undertaken by MNEs for their employees in your country.*¹⁰

Question 12

*Please provide information on the contribution that MNEs make to human resources development, education and vocational training in your country, in addition to training their own workers and managers, in particular in terms of strengthening training policies and delivery systems at the national, sectoral and enterprise levels, including through active participation in any tripartite bodies concerned.*¹¹

Belgium

The tripartite partners report that some MNEs take part in events to promote information about employment and professional development. Some MNEs also sponsor learning events, particularly on medical engineering and pharmaceuticals.

⁹ Convention (No. 142) and Recommendation (No. 150) concerning Vocational Guidance and Vocational Training in the Development of Human Resources.

¹⁰ When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

¹¹ *ibid.*

Bolivia

The Government reports that MNEs use the public vocational training institutions for the training of their staff.

Brazil

The *National Confederation of Financial Institutions (CNF)* reports that initiatives concerning human resources development and vocational training are usually negotiated between employers' and workers' organizations at the sectoral level, but information in that regard is not always made available. MNEs make an effective and positive contribution to human resources development by undertaking programmes and agreements aimed at implementing government policies. Specific policies are also developed at the enterprise or sectoral level.

Bulgaria

The Government provides one example of one MNE's initiatives concerning human resources development and vocational training. The company in question organized many training programmes in 2003, including a supervisor programme for employees in senior management positions, crane operators, motor and electric crane operators, and firefighters. It also organized training for staff in preparation for the ISO-9001 certification process. The Government reports that international hotel chains have training for staff on service quality standards.

The Government indicates that the *Confederation of Independent Trade Unions in Bulgaria (CITUB)* considers that human resources departments rarely develop staff and more attention is paid to personnel promotion and employee commitment to the companies. They note that each company develops annual training plans and various courses are offered, depending on the company. They state that some employers also offer training on language and computer skills. Workers' organizations also organize training with their own funds.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* does not have statistical data in this regard, but MNEs in the banking, insurance, industry and IT sectors generally organize training for their employees.

Burundi

The tripartite partners report that MNEs have contributed in the area of training on new technologies.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* states that while initiatives concerning human resources development are taken and training is often provided by MNEs, they are not obliged to communicate statistics and little information is communicated in their social reports. The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that it does not have any information on human resources development or training initiatives undertaken by MNEs. However, like other private sector enterprises, MNEs pay 1 per cent of their employees' wages into the National Employment Fund, the public institution that specializes in skills training and job searching.

The *Council of Business Managers and Professional Associations of Cameroon (GICAM)* recognizes the positive contributions of MNEs to human resources development. In some cases, international posts have been given to nationals after they had been sent for training at MNE headquarters.

Canada

The Government is committed to responding to skills and labour force demands of the economy through its Innovation Strategy (www.innovationstrategy.gc.ca). In the context of this strategy, research focuses on: labour market and skills implications of population ageing; employer-supported training; adjustments in markets for skilled workers; and international mobility of skilled workers.

The federal Government of Canada reports that some jurisdictions provided examples of how the pharmaceutical industry has promoted human resources development and education in both direct and indirect ways. For instance, direct physician education is a significant component of company marketing, although the size of the investment is not known. Periodic physician education events organized by the Medical Society are almost invariably co-sponsored by drug manufacturers. Indirectly, education and vocational training are influenced by manufacturer funding of clinical trials in hospitals and drug research in universities. Students and clinicians may develop skills in certain fields by participating in such projects, although the companies do not provide the actual training.

The Government of Alberta reports that MNEs play a significant role in contributing to human resources development, education and vocational training. MNEs are engaged in frequent dialogue with the Government regarding identification of skills requirements and content of training curriculum.

The Government of Quebec reports that the law for the promotion of training of workers is underpinned by the participation of different actors, such as the Commission of Partners of the Job Market, which comprises representatives of employers, unions, communities, education networks and ministries with an economic mandate, the Public Employment Office, and the Ministry of Finance. According to the law, those employers that do not invest the prescribed amounts in training have to remit the balance to the Ministry of Finance. This constitutes the National Fund for the Training of Workers. Enterprises with an annual wage bill larger than CAN\$1 million are obliged to invest 1 per cent of the wage bill in training for staff. More than 85 per cent of employers falling into this category invest more than the required 1 per cent in human resources development.

The Government of Ontario reports that MNEs make valuable contributions to the Ontario training system and provide advice on aspects of apprenticeship training, including curriculum and training standards, as well as identifying emerging industry skills training needs.

Chad

The *Confederation of Trade Unions of Chad (CST)* reports that it is difficult to obtain data from the MNEs themselves, and that even if MNEs conduct human resources development activities, the impact is not perceivable.

Chile

The *Confederation of Production and Trade (CPC)* reports that employers' organizations certify worker competencies, thus contributing to their future employability. Information on this practice has been shared with the Government in order to prepare a law. Enterprises are working with the Government in the design and implementation of the

pro-growth agenda, which seeks to improve education and training and use IT to improve the quality of life of the population.

China

The Government reports that it considers initiatives concerning human resources development and vocational training undertaken by MNEs for their employees as falling within the private domain of the enterprises concerned and that it consequently refrains from interfering.

Colombia

The *National Association of Entrepreneurs (ANDI)* reports that MNEs train their workers directly and also through public training institutions.

Costa Rica

The Government reports that some MNEs participate actively in training and education in Costa Rica through the National System of Technical Education (SINTEC). The University of Costa Rica and the Technological Institute of Costa Rica have increased their offering of courses in systems engineering and other related areas.

Croatia

The Government reports that MNEs implement company-wide training schemes. It mentions one MNE which continually invests in foreign language instruction, telecommunications, and special courses for new managers. The Government had no information on the contribution of MNEs to strengthening training policies and delivery systems at the national, sectoral or local levels or through participation in tripartite bodies.

The *Croatian Employers' Association (HUP)* outlines the training practices of one MNE. One of the company's main strategic guidelines is continuous care for human resources development. At the beginning of each year, within the framework of defining the business plan, training plans for each employee are also defined. In the period 2000-03, the company spent an average of 8.3 million kuna annually on training; an average of 7,117 kuna per employee. Some of the specific programmes the company had during the 2000-03 period included a programme for the development of professional competencies in cooperation with the University of Zagreb. Scholarships were awarded for postgraduate courses. The company also used its corporate web portal to deliver approximately 20,000 courses in different fields.

Cuba

A domestic entity supplying workers to a mixed enterprise is required to recruit and select those who best meet the requirements of the job in question. In addition, once a worker is employed directly or indirectly by a mixed enterprise, both parties together (the mixed enterprise and the domestic entity) are obliged to train workers for any new competencies required.

Democratic Republic of the Congo

The *Enterprise Federation of Congo (FEC)* reports that MNEs have not contributed to human resources development beyond the training provided for their own employees.

Eritrea

The tripartite partners indicate that one MNE in the tourism sector set up a training department to coordinate professional and vocational training, career development and other learning programmes. Some 160 new staff members, with no previous experience, were trained at the beginning of the operation. Another 49 technicians and professional staff were retrained to meet certain standards. Staff members were also sent abroad on exchange programmes. During the period under consideration, an MNE in the tobacco sector provided training opportunities for 36 trainees, including courses ranging from one to 14 days.

Fiji

According to the *Fiji Trades Union Congress (FTUC)*, specific information concerning training supported by MNEs is not available. Most training conducted by MNEs is done in-house.

Finland

The Government reports that employees in MNEs have the same training opportunities as everyone else in Finland. It notes that there has been a steady expansion in foreign language courses, and that there are no exact figures on how many MNE staff members take part in training since most courses are funded by enterprises themselves. Finnish MNEs which maintain vocational training institutions for their staff can also receive state support for their training activities, but state support rarely exceeds one-third of the overall training costs.

Gabon

The *Confederation of Gabonese Employers (CPG)* reports that the Labour Code creates an obligation for MNEs to provide training to nationals and to report on this matter to the relevant authorities.

Germany

The *Confederation of German Employers' Associations (BDA)* has collected a number of examples of good practice, available on its web site www.csrgermany.de. These include activities of companies in the field of human resources development and vocational training. It has forwarded the response of one MNE, which has initiated several projects to promote academic education and research.

The BDA reports that German companies spend more than 17 billion euros per year on human resources development. The focus is on activities that adapt the know-how of employees to technical and organizational challenges, and on training for career development, which comprises a series of regulated courses that lead to further formal qualifications.

Hungary

The Government reports that MNEs provide training on such subjects as communication, motivation, conflict management, project management, problem solving, team building, conflict and crisis, information and communication technology. This involves 50-80 per cent of MNE employees. The highest rates of training exist in the financial, insurance, postal, telecommunications, energy and water supply sectors, ranging from 68 to 79 per cent. No evidence exists of MNEs cooperating among themselves or with Hungarian enterprises on the subject of training and development. MNEs must pay

1.5 per cent of gross wages to the government budget for vocational training, although they can reduce that percentage if they provide training themselves. The Government also notes that it has the option of demanding employee training and development by ministerial order. Training and development undertaken by MNEs tends to emphasize training in connection with their own technology.

The Government indicates that the employers' organizations consulted consider that much of the training and development offered by MNEs is designed to manage the replacement of their own specialized workforce. MNEs, in general, provide training above the national average.

Indonesia

The Government indicates that Act No. 13/2003 concerning manpower obliges all enterprises to provide appropriate human resources development and vocational training for their employees. It notes that MNEs, especially in the mining, petroleum and automotive sectors, have made use of national training initiatives such as the National Vocational Training System (*Sistem Pelatihan Kerja Nasional*) and the National Board of Profession Standardization (*Badan Nasional Standarisasi Profesi*). MNEs that utilize expatriate staff have also contributed to the Indonesian Workers' Skills and Competency Development Fund (*Dana Pengembangan Keahlian dan Ketrampilan Tenaga Kerja Indonesia*), which aims to encourage the transfer of technology and management skills to Indonesian workers.

Italy

The Government reports that the Institute for Workers' Development and Skills Training in 2002 carried out a study on skills training in enterprises, involving 109 big companies, of which 102 were MNEs. The findings reveal that overall, large Italian enterprises are slightly more active in training than foreign MNEs.

Kenya

The Government reports that MNEs and domestic companies alike train their employees through a scheme operated by the Directorate of Industrial Training and other national institutions. Through their participation in this scheme, the Federation of Kenya Employers (FKE) ensures the participation of MNEs in the formulation and participation of policies pertaining to human resources development. At sectoral and enterprise level, MNEs provide on-the-job training, while a sizeable number of middle and senior management employees are sent for short and specialized training abroad.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that MNEs undertake much investment in human resources development to enhance productivity and corporate competitiveness. However, most of the investment is focused on marginal, not core, technologies. Most MNEs invest only in training that can contribute to improving their business effectiveness and product quality. Furthermore, most MNEs focus on headhunting skilled workers, rather than nurturing employees. This practice affects domestic companies in a negative way and hinders current efforts to solve the youth unemployment problem. MNEs do not make adequate efforts to bolster the national training and human resources development system through social consensus mechanisms such as the Korea Tripartite Commission. They appear to lack awareness of the fact that they are a part of the business community; this is due to the inherent nature of MNEs doing business under the direction of parent firms. MNEs often tend not to act in concert with other enterprises in certain circumstances, which has led to criticism of some MNEs as "free riders".

Latvia

The Government reports that no statistical data or information are available on the contributions made by MNEs to human resources development, education and vocational training.

Lithuania

The Government reports that trade unions cooperate with MNEs in organizing training for representatives of employees.

Malaysia

The Government reports that it undertook a feasibility study on introducing dual training approaches to improve the present technical, educational and vocational training system. The dual training approaches involve a collaborative effort between the Government and the private sector, whereby public training institutions provide training facilities while the private sector takes charge of the practical aspects. The dual training approaches include a greater implementation of apprenticeship schemes; review of curriculum development; review of training and retraining systems; and enhancement of the role of the National Vocational Training Council in administering and coordinating policies and vocational training.

The Government undertakes various training initiatives including the Human Resources Development Fund, the Skills Development Fund, Skills Upgrading Grants for the Small and Medium Industries Development Corporation (SMIDEC), the Industrial Training Programme and state training institutes. The Industrial Linkage Programme encourages SMEs to become suppliers to MNEs with support from the latter. The programme is focused on the electrical and electronics, automotive and resource-based sectors. The Global Supplier Programme, implemented by SMIDEC in collaboration with MNEs and skills development centres, also nurtures SMEs through training in critical skills and linkages with large corporations. The programme is targeted at the senior management level.

In order to support human resources development in the MNEs, the Manpower Department Training Institution (ILJTM) conducts short-term modular and customized courses for employees from industry and MNEs. The ILJTM also has an advisory committee, in which 80 MNEs were involved between 2001 and 2003, to facilitate the identification and implementation of training needs and strategies that meet the needs of industry and to provide advice and feedback on various training-related issues. Some MNEs also participate actively in developing the National Occupational Skills Standard. MNEs have also been approved as accredited centres by the National Vocational Training Council and conduct vocational training for their own workers.

Mali

The Government reports that mining companies have opted for on-the-job training for human resources development. The Government also indicates that MNEs contribute to basic education in their area of operation and positively impact enrolment rates.

Mauritius

The Government provides a list of training courses dispensed by MNEs. Seven MNEs organized a total of 195 training courses during the period under consideration, both in house and open to the public. MNEs, like all private enterprises, are required by law to contribute 1 per cent of their wage bill as a training levy. The levy is managed by the

Industrial and Vocational Training Board (IVTB), which is governed by a council with an equal number of representatives from the public and private sectors. In return, employers are eligible to refunds/tax deductions of up to 75 per cent of the cost of the training. MNEs are members of the IVTB and also of sectoral training advisory committees. MNEs are also members of the Board of Administration of some schools of the IVTB (in specific trades such as IT, electronics, design, hotels, etc.). MNEs participate in the delivery of training under the National Apprentice Scheme and help with practical assessment in areas such as hotels and tourism. MNEs involve their employees in the elaboration of training programmes and plans.

Mexico

The Government reports that, in accordance with labour law, all enterprises, including MNEs, provide training to their workers at all levels. Statistical data do not differentiate between multinational and domestic enterprises.

Moldova, Republic of

The Government reports that MNEs provide training to their employees on aspects necessary for the development of corporate activities.

Morocco

The Government reports that statistical data on training programmes undertaken only by MNEs are not available. All enterprises, including MNEs, collaborate with the Ministry of Employment and Skills Training in the implementation of three different training programmes. The first is aimed at developing skills training in two specific sectors, namely, hotels and tourism and textiles and garments. The second programme combines courses with on-the-job training and apprenticeship schemes. Both programmes are intended for young professionals looking for a first employment. The third programme consists of on-the-job training to workers already employed.

Netherlands

The Government reports that training is organized mainly through sectoral level collective agreements. Collective agreements specify the type of training that is open for employees such as: general training; training related to work; language training, apprenticeships; the possibilities for career development, such as career guidance; personal development plans and budgets; and training leave. Employers and trade unions together determine policy and regulate activities at the sectoral level. Employers and trade unions are also involved in the Knowledge Centres for Vocational Training (Trade and Industry), which form the links between the education system and organized industry. In specific terms, the centres develop qualifications for intermediate vocational training, bring in companies providing opportunities for professional training, and monitor the quality of these learning companies.

Nicaragua

The Government reports that the National Technological Institute (INATEC) develops policy, guidelines and regulation for vocational training. The national vocational training programme is funded by a payroll contribution of 2 per cent. Workers of MNEs benefit from this programme, while MNE technical staff participate in curriculum development. MNE managers are active in the Tripartite Vocational Training Board.

Panama

The Government reports that a number of MNEs are working closely with the National Vocational Training Institution (INAFORP).

Peru

The Government's reply includes detailed information about different public and private human resources development initiatives and programmes, including the way they are funded. The statistics do not distinguish between domestic enterprises and MNEs, but the reply does include statistics which show that larger enterprises, including MNEs, generally invest more resources in this type of activity.

The *National Confederation of Private Employers' Institutions (CONFIEP)* refers to a case study of one MNE, which shows that it has invested in training, not only of its own workers, but also of those working for subcontractors. The same MNE is active in a number of training and education initiatives, including fellowships for students in universities and technical training institutions, environmental training for primary and high school students, and occupational safety and health training for public officials.

Philippines

The Government reports that one MNE conducted IT skills training seminars for employees. Representatives from 19 MNEs sit as members of technical expert panels and technical advisory panels which assist in developing competency standards, assessment instruments and training regulations. Seven MNEs are reported to sponsor, conduct or provide technical assistance in local national and international skill competitions, 49 MNEs are partners in dual training systems, 38 are partners in the implementation of apprenticeship and leadership programmes, four companies have received awards, six MNEs have offered various forms of scholarship and sponsorship. Ten sponsored the "immersion" training of industry trainers and administrators.

Poland

The Government indicates that there is little information available on the involvement of MNEs in human resources development. Some 41 per cent of all enterprises organized training for their staff in 2002 and 36 per cent of employees took part in training. Job skills training was organized by 59 per cent of enterprises employing between 50 and 249 people and by 78 per cent of enterprises employing more than 250 people. By sector, 75 per cent of enterprises in the financial intermediation sector provided training, followed by the electricity, gas and water utilities (67 per cent), mining and excavating (51 per cent) and property management (57 per cent). Most of the training concerned technical aspects of production and service provision. Training was administered mainly for people aged between 25 and 44 years who were working full time and not threatened by redundancy. The average training duration for an employee was 28 hours. The Government further reports that information compiled in a non-systematic manner indicates that large MNEs seem to invest more in human resources development programmes, as illustrated by their participation in human resources management competitions. The Institute of Labour and Social Studies and the Management Institute have a joint initiative that covers a programme entitled "Investor in human capital" and a competition entitled "Human resources management leader". Many MNEs have participated in and won the competition.

The *All-Poland Trade Union Alliance (OPZZ)* reports that its information, which is confirmed by surveys, indicates that most MNEs have considerable achievements in the area of training. A survey report commissioned by the Polish Entrepreneurship Development Agency found that 80 per cent of firms with a majority or 100 per cent

foreign equity undertake effective training, compared to 60-73 per cent of domestic enterprises.

Portugal

The Government reports that during the period considered, all enterprises – national and multinational – carried out activities aimed at developing their human resources using the training facilities provided by the Institute of Employment and Skills Training (IEFP). A number of MNEs also contributed to upgrading the skills of unemployed workers by collaborating with the IEFP in the implementation of specific programmes.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* indicates that provisions for the application of the “social balance sheet” (*bilan social*) have not been enforced. For this reason there are no statistical data on training and human resources development activities promoted by MNEs. Employers contribute through a levy to a vocational training fund.

Switzerland

The *Confederation of Swiss Employers (UPS)* reports that, according to a study published in 2003 by the Federal Office for Training and Technology, enterprises operating in Switzerland invest around 5 billion Swiss francs every year in training activities. Two-tiered vocational training (which alternates time in school and within enterprises) is widely used in Switzerland. MNEs contribute to these efforts through their training centres and by offering opportunities for internships abroad. Both MNEs and local employers are also keen on supporting continuing education.

Thailand

The Government states that the Skill Development Promotion Act aims to promote vocational training and skills development among domestic enterprises and MNEs. The Act provides for tax exemptions for companies providing such training or skills development.

Trinidad and Tobago

According to the *Employers’ Consultative Association of Trinidad and Tobago (ECA)*, national data are not available on human resources development and vocational training provided by MNEs. However, a sample enterprise-level survey indicated that MNEs spend less than domestic enterprises on employee training and education.

Turkey

The Government reports that most MNEs provide periodic training programmes for employees, and that MNEs encourage their staff to participate in seminars geared to human resources development. For example, one MNE in the aircraft industry, together with the Turkish Employment Organization (ISKUR), provides training programmes to nurture qualified personnel. The Government notes that MNEs utilize reward and remuneration systems based on performance to put into practice mechanisms for human resources interaction and to familiarize employees with enterprise policies, strategies and targets. In the Province of Manisa, the Government reports that MNEs have jointly implemented programmes with high schools and universities to give students opportunities to put into practice the knowledge they have acquired. MNEs also provide universities and other

institutions with industry introduction and orientation courses. Apprenticeship training centres have provided certified training to MNE employees.

United Kingdom

The Government reports on sector skills councils (SSCs), which are nationwide employers' organizations composed of groups of influential employers in industry or business sectors of economic or strategic significance. Their purpose is to tackle the skills and productivity needs of their respective sectors throughout the United Kingdom. In return, they receive substantial public investment and are guaranteed significant dialogue with government departments across the country. This enables sector employers to have a far greater impact on policies affecting skills and productivity, and an increased influence with education and training partners. Each SSC agrees on sector priorities with its employers and partners, addressing four key goals: reducing skills gaps and shortages; improving productivity, business and public service performance; increasing opportunities to boost the skills and productivity of everyone in the sector's workforce, including action on equal opportunities; and improving learning supply, which includes apprenticeships, higher education and national occupational standards.

In 2003, there were 21 licensed SSCs with four additional SSCs in development; they cover 90 per cent of the United Kingdom workforce. The organizations are employer-led but actively involve trade unions, professional bodies and other stakeholders in the sector. They are licensed by the Secretary of State for Education and Skills, in consultation with government ministers in Scotland, Wales and Northern Ireland. Most SSCs have completed labour market analyses that cover a sector's current and future skills needs and are the basis for action plans to prioritize and address such needs.

With regard to the development of SSCs, MNEs are able to participate on the same terms as domestic enterprises. In addition, the Economic and Social Research Council is conducting a study, *Globalization and skill strategies of multinational corporations: A comparative study of seven counties*, on skills development practices within MNEs. This will be ready for review in 2007.

Zambia

The Government reports that MNEs undertake initiatives on human resources development and vocational training, and lists six MNEs as examples. It notes that no statistical data are available to help quantify the magnitude of the contribution made to human resources development and vocational training.

Zimbabwe

As reported by the Government, major MNEs in the mining sector have sent local employees to operations in other countries and to operations in the country of origin. MNEs also assist in the training of apprentices across sectors through their contributions to the Zimbabwe Manpower Development Fund.

Conditions of work and life (paragraphs 33-40)

Wages, benefits and conditions of work

33. Wages, benefits and conditions of work offered by multinational enterprises should be not less favourable to the workers than those offered by comparable employers in the country concerned.

34. When multinational enterprises operate in developing countries, where comparable employers may not exist, they should provide the best possible wages, benefits and conditions of work, within the framework of government policies.¹² These should be related to the economic position of the enterprise, but should be at least adequate to satisfy basic needs of the workers and their families. Where they provide workers with basic amenities such as housing, medical care or food, these amenities should be of a good standard.¹³

35. Governments, especially in developing countries, should endeavour to adopt suitable measures to ensure that lower income groups and less developed areas benefit as much as possible from the activities of multinational enterprises.

Minimum age

36. Multinational enterprises, as well as national enterprises, should respect the minimum age for admission to employment or work in order to secure the effective abolition of child labour.¹⁴

Safety and health

37. Governments should ensure that both multinational and national enterprises provide adequate safety and health standards for their employees. Those governments which have not yet ratified the ILO Conventions on Guarding of Machinery (No. 119), Ionising Radiation (No. 115), Benzene (No. 136) and Occupational Cancer (No. 139) are urged nevertheless to apply to the greatest extent possible the principles embodied in these Conventions and in their related Recommendations (Nos. 118, 114, 144 and 147). The codes of practice and guides in the current list of ILO publications on occupational safety and health should also be taken into account.¹⁵

38. Multinational enterprises should maintain the highest standards of safety and health, in conformity with national requirements, bearing in mind their relevant experience within the enterprise as a whole, including any knowledge of special hazards. They should also make available to the representatives of the workers in the enterprise, and upon request, to the competent authorities and the workers' and employers' organizations in all countries in which they operate, information on the safety and health standards relevant to their local operations, which they observe in other countries. In particular, they should make known to those concerned any special hazards and related protective measures associated with new products and processes. They, like comparable domestic enterprises, should be expected to play a leading role in the examination of causes of industrial safety and health hazards and in the application of resulting improvements within the enterprise as a whole.

39. Multinational enterprises should cooperate in the work of international organizations concerned with the preparation and adoption of international safety and health standards.

40. In accordance with national practice, multinational enterprises should cooperate fully with the competent safety and health authorities, the representatives of the workers and their organizations, and established safety and health organizations. Where appropriate,

¹² Recommendation (No. 116) concerning Reduction of Hours of Work.

¹³ Convention (No. 110) and Recommendation (No. 110) concerning Conditions of Employment of Plantation Workers; Recommendation (No. 115) concerning Workers' Housing; Recommendation (No. 69) concerning Medical Care; Convention (No. 130) and Recommendation (No. 134) concerning Medical Care and Sickness Benefits.

¹⁴ Convention No. 138, Article 1; Convention No. 182, Article 1.

¹⁵ The ILO Conventions and Recommendations referred to are listed in the *Catalogue of ILO Publications on Occupational Safety and Health*, 1999 edition, ILO, Geneva. See also <http://www.ilo.org/public/english/protection/safework/publicat/index.htm>.

matters relating to safety and health should be incorporated in agreements with the representatives of the workers and their organizations.

Question 13

Please provide information, whether positive or negative, on MNE operations in regard to:

- *provision of wages, benefits and conditions of work not less favourable than those offered by comparable domestic employers;*
- *respect for the minimum age for employment and contribute to the elimination of child labour;*
- *maintenance of the highest standards of occupational safety and health in conformity with national laws or collective agreements.*

Austria

The Government reports that, according to the Austrian labour inspectorate, MNE operations range from barely meeting the legal requirements to going far beyond the protection required by law. Despite isolated examples of company standards not being compatible with domestic legal requirements, labour protection in MNEs is generally at a very high level, if not higher than in domestic enterprises. This applies, in particular, to manufacturing enterprises, but also to the catering and hotel industry. The positive examples are characterized by an increased emphasis on meeting legal requirements even at the planning stage, and by a willingness to invest more. Employees are trained extensively, and programmes are being introduced that aim at improving workers' health. Negative cases have been reported by labour inspectors in the area of commerce, where there are frequently concerns regarding working time.

According to the *Federal Chamber of Labour (BAK)*, there are no noticeable differences in the behaviour of MNEs and domestic enterprises in these areas. Larger enterprises generally seem to fare better than smaller ones. Since MNE subsidiaries located in Austria tend to be relatively large, it might be assumed that their standards are above average; however, there is no statistical evidence for this. The BAK also notes that, as far as breaches of labour and social law (as well as the law on employing foreign workers) are concerned, there is only limited scope for legal action by chambers of labour and trade unions against companies that have their headquarters outside Austria.

Belarus

The Government states that working conditions in MNEs are no less favourable than those provided by comparable Belarusian employers. Furthermore, MNEs comply fully with national occupational safety and hygiene standards, and pay wages higher than the national average.

Belgium

The tripartite partners observe that the way MNEs relate to working conditions is often related to the size of the company. MNEs are generally big and conform to legislation concerning labour and social protection, as they have operational support and expertise from their headquarters. This factor is crucial for them in developing policies, operating preventive and protective measures, and evaluating risks. However, the Federal Office for Employment, Labour and Social Dialogue has on occasions identified an inclination to import practices that do not necessarily offer better protection for workers

than Belgian legislation. At times, the authority responsible for monitoring the working environment has found that MNEs have a tendency to request medical examinations that are not authorized by Belgian regulations and represent a violation of workers' privacy.

Brazil

The *National Confederation of Financial Institutions (CNF)* states that, in general, MNE behaviour is positive.

Bulgaria

The Government states that the *Confederation of Independent Trade Unions in Bulgaria (CITUB)* reports that MNEs provide salaries that are 50-100 per cent higher than local companies and comply strictly with the minimum age for admission to employment and the highest health and safety standards. However, the Government notes that this does not necessarily apply to small and medium-sized investors from neighbouring countries. They note that some MNEs provide a lump-sum payment to individuals for regular attendance at work.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* reports that MNEs generally conform to the legislation concerning labour and social protection as they enjoy more financial stability.

Burundi

The tripartite partners report that the majority of MNEs offer better salaries and working conditions than domestic enterprises.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* states that MNEs respect national legislation with regard to salaries, benefits and conditions of work, the minimum age, and health and safety. The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that MNEs, like national enterprises, must follow national laws and sectoral collective agreements negotiated by the most representative employers' and workers' organizations.

The *Council of Business Managers and Professional Associations of Cameroon (GICAM)* reports that MNEs generally offer better working conditions than domestic employers with regard to salaries, respect of the minimum age and health and safety.

Canada

The federal Government reports that MNEs are subject to the same labour laws as domestic enterprises. Some jurisdictions report that MNEs respect their legislation and provide wages, benefits and incentives that are at least comparable to domestic employers. Others report that MNEs are generally the leading enterprises that set high standards for comparable domestic employers.

Chad

The *Confederation of Trade Unions of Chad (CST)* considers that MNEs generally tend not to discharge their full responsibilities with regard to negotiations on wages.

China

The Government reports that MNEs in general provide wages and benefits not less favourable than those offered by comparable domestic employers. MNEs respect the minimum age for employment, and most MNEs have established adequate safety and health facilities that guarantee safety as required by law. However, some MNEs, mainly small foreign and joint-venture enterprises in the metallurgical, electronic and packaging materials manufacturing sectors, have not given adequate consideration to occupational safety and health issues. This has led to incidents of machine-related injuries and chemical poisoning.

Colombia

The Government reports that all MNEs must comply with the Colombian Substantive Labour Code. There is no difference between MNEs and national enterprises. Employers can employ persons between the ages of 14 and 18 years only after obtaining authorization from the Ministry of Social Protection.

The *National Association of Entrepreneurs (ANDI)* considers that MNEs provide wages, benefits and conditions of work not less favourable than those offered by comparable domestic employers. They have made an important contribution not only to employment but also to the overall social economic and cultural environment. ANDI considers that most MNEs maintain the highest standards of occupational safety and health.

Costa Rica

The Government reports that all enterprises must comply with national laws and regulations including those concerning minimum wages and safety and health. Moreover, given the high technical level of the MNEs investing in Costa Rica, it considers that the employees in those firms tend to work under better conditions than those in domestic enterprises.

Croatia

The Government states that MNEs provide conditions of work equal to those offered by domestic employers, and offer better wages, especially for highly qualified staff. The minimum age for admission to employment is respected, and MNEs maintain standards of occupational safety and health in conformity with national laws and collective agreements. Trade unions view the introduction of work on Sundays and the prevention of union activity in the workplace as negative developments.

The *Croatian Employers' Association (HUP)* outlines the practices of one MNE which pays salaries well above the national and city averages. It points out that the company pays particular attention to working conditions and ergonomics, offering benefits for employees in terms of flexible working hours, subsidized food in the restaurant located on company premises, improved primary health protection (including obligatory check-ups and health education), cell phones with a paid subscription fee, loans on favourable terms, and special advantages when obtaining a credit card. The company reported that a unit was responsible for supervising employee health and safety, and that teams of employee and management representatives implement work safety. These activities include monitoring of work safety policy and procedures, regular risk analysis and assessment, evacuation and rescue plans and training, ergonomics, education related to smoking, sports activities for employees, and lectures on health protection.

Cuba

The law governing FDI (Law No. 77 of September 1995) stipulates that mixed enterprises have an obligation to respect existing national labour and social security legislation. In addition, resolution No. 23/2003 specifies that workers employed by national entities but working in “mixed enterprises” at a level different from the one that they had in the national entity are entitled to receive the corresponding higher salary and benefits for the duration of their assignment to the mixed enterprise.

Democratic Republic of the Congo

The *Enterprise Federation of Congo (FEC)* is generally pleased with MNE operations with regard to wages, minimum age and observance of standards.

Eritrea

The joint response indicates that MNEs generally offer conditions equivalent to those offered by domestic employers. As regards respecting the minimum age for employment, contributing to the elimination of child labour and maintaining the highest standards of occupational safety and health, MNE operations in Eritrea have a positive record.

Fiji

According to the *Fiji Trades Union Congress (FTUC)*, MNEs provide wages, benefits and conditions of work at least comparable to those offered by domestic employers, respect minimum age requirements, and maintain the highest standards of occupational health and safety in accordance with national laws and collective agreements.

Finland

The Government reports that there are few differences in pay and benefits between MNEs and domestic enterprises, and this is partly due to the general applicability of collective agreements. Few problems have arisen, and terms of employment are well observed. There is no child labour in Finland.

Gabon

The *Confederation of Gabonese Employers (CPG)* reports that MNEs generally respect freedom of association and seek to maintain good industrial relations. This is also indicated by the CPG’s participation in social dialogue and continued efforts to improve working conditions, particularly in relation to health issues. The CPG actively collaborates with the Ministry of Labour, the Ministry of Health and the Ministry for Women, Children and Family in HIV/AIDS campaigns. It is planning to create better access to information on HIV/AIDS through documents and a web site that will provide employers with up-to-date notions on international practices and links to other relevant sources of information.

Germany

The Government is not aware of any significant violations by MNEs of the legal provisions on child labour. In some 90 per cent of cases, wages and working conditions of workers and employees are governed, either directly or indirectly, through collective agreements. Consequently, it can be assumed that the provisions of collective agreements also apply to MNEs.

The *Confederation of German Employers' Associations (BDA)* refers to the answers provided by the Government, adding that working conditions and safety and health are covered by collective agreements, while child labour is not a relevant issue in Germany.

Hungary

According to the Government, guidelines for occupational health and safety and the National Inspectorate of Labour do not differentiate between MNEs and domestic enterprises. The Government notes that MNEs generally offer wages, benefits and conditions of work not less favourable than domestic enterprises, respect the minimum age for employment, and maintain high standards of occupational health and safety. The Government adds, however, that in the commerce sector there has been disagreement concerning collective agreements, working time and overtime, which has not been resolved with sectoral trade unions. Sectoral committees established in Hungary may be able to resolve the situation.

Indonesia

The Government reports that MNEs usually provide better wages and social security compared to domestic enterprises, and that they have in general applied working hours and periods of rest in line with those stipulated in laws. The Government notes that workers in MNEs are normally above 18 years of age, and that they apply occupational health and safety standards in a better and more appropriate manner, in line with prevailing laws and regulations. As some provisions define only minimum standards and are outdated owing to rapid technological development, MNEs have been expected to apply standards more in line with the current situation.

Jamaica

The Government reports that in most cases, wages, benefits and conditions of work within MNEs are on a par with those of domestic enterprises. There is a general respect for the minimum age for admission to employment, and tangible contribution to the elimination of child labour. Most MNEs maintain excellent standards of occupational safety and health in conformity with national requirements. Others have applied standards from their home country.

Japan

The *Japanese Trade Union Confederation (JTUC-RENGO)* indicates that the level of wages and benefits is dependent on the size of the MNE. It notes that in 10 per cent of MNEs, which employ almost 50 per cent of all employees, wages and other benefits are supposedly 10 to 15 per cent higher compared to local firms. In the remaining MNEs, rather poor wages and working conditions are found. JTUC-RENGO reports that there is among MNEs a lack of compliance with and recognition of national legislation in the area of occupational health and safety.

Kenya

The Government reports that the majority of MNEs respect the minimum age of entry to employment. The Factories and Other Places of Work Act gives MNEs directions in terms of minimum health and safety standards.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that in general wages in MNEs are higher than in domestic companies. Levels of welfare and benefits in MNEs, however, do

not meet those of domestic companies. Welfare and benefit programmes, such as education assistance for children of employees and loan programmes for housing, are provided by domestic firms but not by MNEs. In recent years, however, the number of MNEs strengthening welfare and benefits programmes has increased in accordance with localization strategies. According to the survey conducted by the largest national job-referral company, jobseekers prefer MNEs for their general treatment, promotion based on employee performance, wage levels, welfare and benefits, broad opportunities for self-development, and the working environment and corporate culture. The increase in the number of MNEs has contributed to the spread of the performance-based wage system such as annual pay and profit sharing, and has diffused rational personnel evaluation systems. MNEs strictly observe the statutory minimum age for employment. However, the Ministry of Labour points out a few workplaces that were found to be violating regulations. MNEs in general make large investments in order to maintain a relatively high level of safety and health management. Some MNEs implement safety and health management according to those of their home countries, which are relatively stricter than national laws. Given that the safety and health level of a company reflects its image, many MNEs are voluntarily promoting high standards of safety and health.

Latvia

The Government reports that no information is available on MNE operations in regard to conditions of work and life.

Lithuania

The Government reports that trade unions have indicated that it is slightly easier to negotiate and sign collective agreements with MNEs than with domestic enterprises.

Malaysia

The Government notes that all enterprises have to comply with the Occupational Safety and Health Act 1994, the Factory and Machinery Act 1967 and all regulations under the Acts. The Government reports that MNEs undertake many positive measures to maintain the highest standards of occupational safety and health, in conformity with national laws and regulations. Most MNEs implement good occupational safety and health management systems, compared to the majority of local employers, as shown by the formulation of comprehensive safety and health policies and the establishment of safety and health committees. These committees play an important role in investigating and reviewing the measures taken by employers. The majority of MNEs have demonstrated a strong commitment to complying with relevant safety and health acts and regulations. At the same time, a safety and health management audit revealed that the operations of MNEs conformed on average to 75 per cent of national laws and regulations. While the percentage indicated the efficiency of MNEs in managing safety and health issues, there was a need for MNEs to maintain a safe and healthy work culture at all times.

Mali

The Government reports that MNEs generally offer better working conditions and higher salaries. Labour inspectors have not reported any violations of the minimum age provision.

Mauritius

The Government reports that MNEs are subject to the same laws and regulations as domestic enterprises. Wages and conditions of employment are catered for in the (Remuneration Order) Regulations and in the Labour Act, where minimum rates are

prescribed. The Additional Remuneration Act covers increases in living costs; the Workmen's Compensation Act/National Pension Act caters for accidents. The Labour Act stipulates that the minimum age for employment is 15 years. Existing occupational safety and health legislation applies also to MNEs.

Mexico

The Government states that MNEs, like domestic enterprises, are expected to comply with national law regarding labour and employment conditions.

Moldova, Republic of

The Government states that labour conditions in MNEs are in general more favourable than those offered by comparable employers in the same industry, and that MNEs showed a tendency towards continuous and sustainable improvements in labour conditions. The Government notes further that MNEs abide by national legislation on wages, and that the average salary of employees in the majority of MNEs is higher than the national average.

Netherlands

The Government reports that there is no difference in the standards applied by MNEs and domestic employers.

New Zealand

The Government considers that MNEs, like domestic enterprises, generally comply with the Health and Safety in Employment Act 2000. MNEs and domestic enterprises are subject to the same legislative requirements, with wages, benefits and working conditions negotiable under the Employment Relations Act 2000 (although subject to minimum standards set out in the legislation).

The *New Zealand Council of Trade Unions (NZCTU)* adds that concerns have been raised with respect to the service, culture and fishing sectors and the impacts of MNE operations on wages, benefits and conditions of work.

Nicaragua

The Government reports that MNEs have to comply with all relevant legislation.

Norway

The tripartite partners state that the Working Environment Act (WEA) applies to all enterprises, although there are derogations for work on board ships, fishing vessels and for military aviation, which are subject to special legislation. Chapter IX of the WEA includes a prohibition against child labour. The prohibition concerns children under the age of 15 years or subject to compulsory schooling, except for light work which children aged at least 13 years may do if it is regarded as harmless and does not interfere with schooling. Persons under the age of 18 years are prevented from doing work that causes damage to health. For young persons aged between 15 and 18 years who are not attending compulsory schooling, derogations are permitted for vocational training purposes. Norway has ratified the Conventions mentioned in paragraph 37 of the MNE Declaration with the exception of Convention No. 136, on which it will report to the regular ILO supervisory machinery.

Peru

Referring to the case study of one MNE, the *National Confederation of Private Employers' Institutions (CONFIEP)* indicates that the enterprise offers salaries and conditions more favourable than those offered by comparable domestic employers, that its minimum age for employment is 18 years, and that it has an internationally recognized occupational safety and health management system.

Philippines

The Government reports statistics that demonstrate that MNEs provide higher levels of benefits than local companies with respect to social security, sick leave, vacation leave and paternity leave, and that 99.9 per cent of MNEs adhere to compulsory social security schemes. The Government also provides statistics showing that MNEs largely allow management to determine wages for managers, supervisors, and rank and file employees in 75.9, 76.5 and 61.3 per cent of cases respectively, compared to the 13.1 per cent of employees who have their wages determined by collective bargaining agreements.

Poland

The Government reports that MNEs are subject to the same requirements as Polish employers in respect of labour law. The National Labour Inspectorate exercises responsibility for informing MNEs of minimum requirements for employment. It notes that no complaints have been received in regard to the issues raised with the OECD National Contact Point.

The *All-Poland Trade Union Alliance (OPZZ)* reports that according to a 1999 survey, labour law is respected in most MNEs and working conditions are similar to, or even better than, those in domestic firms. Exceptions to the generalization are newly established MNEs in the retail trade sector.

Portugal

The Government reports that even though MNEs follow the same laws as domestic enterprises, as well as the same sectoral collective agreements, they generally offer better labour conditions than the average. As regards occupational safety and health, the Government is implementing the New Communitarian Strategy on Occupational Safety and Health as well as the Agreement on Labour Conditions, Occupational Safety and Health and Accident Prevention that was adopted in 2001 by all the social partners. These policies seek to ensure the highest standards.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNAS)* reports that MNEs generally conform to national legislation concerning the elimination of child labour and health and safety measures. MNEs also follow more proactive social policies than domestic enterprises.

Spain

The Government is not aware of any differences in the way that MNEs treat their employees in terms of salaries, working conditions or minimum age for employment as compared to domestic enterprises.

Switzerland

The *Confederation of Swiss Employers (UPS)* reports that MNEs generally offer wages comparable to similar domestic employers. MNEs conform to national legislation concerning labour, safety and health and social protection as it applies to all enterprises operating in Switzerland.

The *Swiss Federation of Trade Unions (USS/SGB)* reports that MNEs generally conform to the legislation concerning labour and social protection, as do domestic employers.

Thailand

The Government states that MNEs maintain the same level of minimum labour standards, including wages, minimum age for admission to employment, and occupational health and safety.

The *Employers' Confederation of Thailand (ECOT)* states that MNEs mostly pay higher wages than domestic enterprises.

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* considers that MNE operations provide more favourable conditions of work, occupational health and safety and wages and benefits than domestic employers and national laws and standards.

Turkey

The Government reports that there are no differences between domestic enterprises and MNEs with regard to the provision of wages, benefits and conditions of work; respect for the minimum age of employment and the elimination of child labour; and the maintenance of the highest standards of occupational safety and health in conformity with national laws or collective agreements. Act No. 4857 regarding safety and health at work applies to all enterprises and employees covered by the law.

United Kingdom

The Government reports that MNEs tend to pay higher wages than domestic firms. This may be accounted for by evidence that MNEs tend also to have higher productivity or a willingness to pay a premium to attract the right workers or retain existing workers. Additional information on this subject can be found in a recent University College London report on the subject.

United Kingdom health and safety law does not make any distinction; the same standard of compliance is expected from all employers on the issues of child labour and health and safety.

Generally, MNEs operate to very high standards of health and safety in terms of protecting their workforces and reputation, and ensuring business efficiency. They generally have a strong core of in-house health and safety specialists capable of formulating comprehensive safety policies and operating rigorous safety management systems. MNEs actively participate in the work of industry associations in taking safety issues to more advanced levels.

The Government also notes that MNE influence can extend along the supply chain in terms of requiring contractors and suppliers to adhere to specified standards. MNE

representatives participate in committees and working groups in the European Committee for Standardization and the International Organization for Standardization. MNE participation in such groups takes place through trade bodies.

Zambia

The Government reports that most MNEs provide wages, benefits and other conditions of work that are favourable when compared to those of domestic employers, and refers to four examples. It also reports that MNEs observe the minimum age for admission to employment and generally maintain high occupational safety and health standards.

Zimbabwe

The Government states that MNEs respect the agreed minimum wage in their respective sectors, and tend to provide higher wages and benefits and better conditions of work than some domestic employers. They also adhere to the safety and health regulations laid down in the Factories and Works Act and the Pneumoconiosis Act.

Industrial relations (paragraphs 41-59)

41. Multinational enterprises should observe standards of industrial relations not less favourable than those observed by comparable employers in the country concerned.

Freedom of association and the right to organize

42. Workers employed by multinational enterprises, as well as those employed by national enterprises should, without distinction whatsoever, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.¹⁶ They should also enjoy adequate protection against acts of anti-union discrimination in respect of their employment.¹⁷

43. Organizations representing multinational enterprises or the workers in their employment should enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.¹⁸

44. Where appropriate, in the local circumstances, multinational enterprises should support representative employers' organizations.

45. Governments, where they do not already do so, are urged to apply the principles of Convention No. 87, Article 5, in view of the importance, in relation to multinational enterprises, of permitting organizations representing such enterprises or the workers in their employment to affiliate with international organizations of employers and workers of their own choosing.

46. Where governments of host countries offer special incentives to attract foreign investment, these incentives should not include any limitation of the workers' freedom of association or the right to organize and bargain collectively.

47. Representatives of the workers in multinational enterprises should not be hindered from meeting for consultation and exchange of views among themselves, provided that the

¹⁶ Convention No. 87, Article 2.

¹⁷ Convention No. 98, Article 1(1).

¹⁸ Convention No. 98, Article 2(1).

functioning of the operations of the enterprise and the normal procedures which govern relationships with representatives of the workers and their organizations are not thereby prejudiced.

48. Governments should not restrict the entry of representatives of employers' and workers' organizations who come from other countries at the invitation of the local or national organizations concerned for the purpose of consultation on matters of mutual concern, solely on the grounds that they seek entry in that capacity.

Collective bargaining

49. Workers employed by multinational enterprises should have the right, in accordance with national law and practice, to have representative organizations of their own choosing recognized for the purpose of collective bargaining.

50. Measures appropriate to national conditions should be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiation between employers or employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements.¹⁹

51. Multinational enterprises, as well as national enterprises, should provide workers' representatives with such facilities as may be necessary to assist in the development of effective collective agreements.²⁰

52. Multinational enterprises should enable duly authorized representatives of the workers in their employment in each of the countries in which they operate to conduct negotiations with representatives of management who are authorized to take decisions on the matters under negotiation.

53. Multinational enterprises, in the context of bona fide negotiations with the workers' representatives on conditions of employment, or while workers are exercising the right to organize, should not threaten to utilize a capacity to transfer the whole or part of an operating unit from the country concerned in order to influence unfairly those negotiations or to hinder the exercise of the right to organize; nor should they transfer workers from affiliates in foreign countries with a view to undermining bona fide negotiations with the workers' representatives or the workers' exercise of their right to organize.

54. Collective agreements should include provisions for the settlement of disputes arising over their interpretation and application and for ensuring mutually respected rights and responsibilities.

55. Multinational enterprises should provide workers' representatives with information required for meaningful negotiations with the entity involved and, where this accords with local law and practices, should also provide information to enable them to obtain a true and fair view of the performance of the entity or, where appropriate, of the enterprise as a whole.²¹

56. Governments should supply to the representatives of workers' organizations on request, where law and practice so permit, information on the industries in which the enterprise operates, which would help in laying down objective criteria in the collective bargaining process. In this context, multinational as well as national enterprises should respond constructively to requests by governments for relevant information on their operations.

¹⁹ Convention No. 98, Article 4.

²⁰ Convention (No. 135) concerning Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking.

²¹ Recommendation (No. 129) concerning Communications between Management and Workers within the Undertaking.

Consultation

57. In multinational as well as in national enterprises, systems devised by mutual agreement between employers and workers and their representatives should provide, in accordance with national law and practice, for regular consultation on matters of mutual concern. Such consultation should not be a substitute for collective bargaining.²²

Examination of grievances

58. Multinational as well as national enterprises should respect the right of the workers whom they employ to have all their grievances processed in a manner consistent with the following provision: any worker who, acting individually or jointly with other workers, considers that he has grounds for a grievance should have the right to submit such grievance without suffering any prejudice whatsoever as a result, and to have such grievance examined pursuant to an appropriate procedure.²³ This is particularly important whenever the multinational enterprises operate in countries which do not abide by the principles of ILO Conventions pertaining to freedom of association, to the right to organize and bargain collectively and to forced labour.²⁴

Settlement of industrial disputes

59. Multinational as well as national enterprises jointly with the representatives and organizations of the workers whom they employ should seek to establish voluntary conciliation machinery, appropriate to national conditions, which may include provisions for voluntary arbitration, to assist in the prevention and settlement of industrial disputes between employers and workers. The voluntary conciliation machinery should include equal representation of employers and workers.²⁵

Question 14

Please provide information on any limitations on the ability of workers in MNEs in your country, or their representatives, to exercise fully the right to freedom of association and collective bargaining (for example, labour law exceptions in special economic zones, limited scope for local bargaining since MNE representatives have to refer most matters to headquarters, lack of trade union facilities, relevant information on overall company performance not provided by local MNE affiliate).²⁶

²² Recommendation (No. 94) concerning Consultation and Cooperation between Employers and Workers at the Level of the Undertaking; Recommendation (No. 129) concerning Communications within the Undertaking.

²³ Recommendation (No. 130) concerning the Examination of Grievances within the Undertaking with a View to their Settlement.

²⁴ Convention (No. 29) concerning Forced or Compulsory Labour; Convention (No. 105) concerning the Abolition of Forced Labour; Recommendation (No. 35) concerning Indirect Compulsion to Labour.

²⁵ Recommendation (No. 92) concerning Voluntary Conciliation and Arbitration.

²⁶ When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

Austria

The Government emphasizes the autonomy of the social partners in the area of wage determination through collective bargaining and the setting of labour regulations. Membership in representative organizations, the main ones being the Federal Chamber of Labour (BAK) and the Austrian Chamber of Commerce (WKÖ), is compulsory for employers and workers. Collective bargaining is conducted for branches of industry through the WKÖ and the Austrian Confederation of Trade Unions (ÖGB). Since collective agreements are by law equally applicable to all employees in the same branch of industry, some 95 per cent of all employees are covered by collective bargaining.

The *Federal Chamber of Labour (BAK)* is not aware of any legal disadvantages for trade unions in MNEs. It emphasizes, however, that the Austrian management of an MNE has only limited scope for negotiation since the main authority rests with the company's headquarters.

Bolivia

The Government indicates that, since MNEs are subject to the same legislation as domestic enterprises, they have to respect the right to freedom of association and collective bargaining.

Brazil

The Government reports that current legislation permits only one trade union per economic sector or occupation in a given jurisdiction, which must at least be a municipality. One union therefore has a monopoly over representation of the workers of a given sector or occupation. The reform that has been discussed in the National Labour Forum (FNT) since 2003 is aimed at democratizing the system by introducing the following amendments: allow and recognize more than one union per sector or occupation in each municipality; strengthen the value of collective bargaining; allow workers to be represented at the workplace; and encourage dialogue between workers and employers. The FNT is expected to submit a proposal of amendment to the Constitution and a draft law in 2005.

Bulgaria

The Government reports that some impediments to the exercise of freedom of association and collective bargaining include disagreement over collective provisions in labour contracts concerning conditions of work and the recruitment of new workers into the union. These have resulted in a tendency towards decreasing trade union membership in MNEs. Unions are often excluded from the decision-making process in companies and the workers' right to timely and exhaustive information is often violated.

The *Confederation of Independent Trade Unions in Bulgaria (CITUB)* reports that security regulations of enterprises make it more difficult to gain access to premises and thus hinders the functioning of union structures and opportunities for organizing.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* states that there are no limitations on freedom of association and collective bargaining, and that MNEs are generally keen on conforming to labour and social protection legislation.

Burundi

The tripartite partners indicate that freedom of association is not limited.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* states that MNEs respect national law as regards freedom of association and collective bargaining. The *General Workers' Union of Cameroon (UGTC)* considers that MNEs do not always respect Conventions Nos. 87, 98 or 135.

Canada

The federal Government indicates that there are no limitations in the Canada Labour Code on the ability of workers in federally regulated MNEs to exercise fully the right of freedom of association and collective bargaining.

The Government of Newfoundland and Labrador reports that the only time there would be any change in the regular procedure of industrial relations would be if the employer were operating in offshore oil and gas fabrication and construction, and a site were designated a special project.

There is no special treatment for MNEs in Quebec and Ontario. Under the Ontario Labour Relations Act (1995), the employees of MNEs, like those of domestic employers, have the ability to exercise their right to freedom of association and collective bargaining. However, there is evidence to suggest that certain MNEs have shown greater resistance to unionization than comparable domestic employers. In some cases, there is also evidence of opposition to specific aspects of the labour relations regime.

Chad

The *Confederation of Trade Unions of Chad (CST)* indicates that there are no limitations on freedom of association and collective bargaining within MNEs. However, exercising these rights is sometimes difficult.

Chile

The Government indicates that the labour laws adopted in 2001 have increased safeguards in the exercise of freedom of association and collective agreements. There are some restrictions, however, in that collective agreements can only be made at enterprise level, contrary to international practice. The same applies to the protection of temporary and public employees.

Referring to the labour survey of 2002, the *Confederation of Production and Trade (CPC)* emphasizes the high degree of respect for labour standards.

China

The Government reports that laws and regulations do not limit the ability of workers in MNEs to exercise fully the right to freedom of association and collective bargaining.

The *All-China Federation of Trade Unions (ACFTU)* adds that some MNEs have failed to observe relevant laws, refusing or even obstructing efforts to establish trade unions under the pretext that workers do not wish to establish them. These violations have been noted in a report of the National People's Congress on the reinforcement of the law on trade unions.

Colombia

The Government and the *National Association of Entrepreneurs (ANDI)* indicate that the same laws apply to workers of MNEs and domestic enterprises.

Costa Rica

The Government reports that all enterprises, including MNEs, must allow workers to exercise fully the right to freedom of association and collective bargaining.

Croatia

The Government reports that MNEs opening greenfield investments usually do not have trade unions, but when an MNE merges with an existing enterprise, existing trade union organizations can enjoy full freedom of association without any restrictions. The Government has observed delays in collective bargaining between unions and MNEs because local managers need to refer back to MNE headquarters.

The *Croatian Employers' Association (HUP)* states that it has no information on any limitations on the ability of workers to exercise freedom of association and collective bargaining. In one MNE it reported good cooperation between management and the trade union, with employees free to join the trade union. In the same MNE data on regular company operations are not secret and reports on company operations are prepared every three months, while annual reports are public and also available on company web pages.

Cuba

Workers in mixed enterprises but employed by national entities are covered by existing national legislation concerning industrial relations. The contracts covering the services to be provided are drawn up in consultation with the trade union of the national entity concerned, respecting the relevant provisions of resolution No. 23/2003.

Eritrea

The tripartite partners do not report any limitation of freedom of association and collective bargaining. The Labour Proclamation does not make any distinction between MNEs and domestic enterprises with regard to fully exercising the right to freedom of association and collective bargaining.

Fiji

The *Fiji Trades Union Congress (FTUC)* considers that both trade unions and collective bargaining face significant limitations.

Germany

The Government reports that there are no limitations as MNEs are subject to the same regulations as domestic employers. The German Constitution does not permit limitations on freedom of association, the right to organize and the right to collective bargaining. If these rights are violated, the employee concerned is protected by labour law.

Greece

The Government indicates that freedom of association and collective bargaining practices are upheld by collective labour agreements.

Hungary

The Government reports that national law provides for the right to representation, consultation and information in MNEs and domestic enterprises (with the exception of the public service).

The *Independent Trade Union of Tungsram Workers* considers that some MNEs limit the ability of workers to exercise freedom of association because of management practices that discourage worker association.

Indonesia

The Government notes that the right to freedom of association not only applies to MNEs, but is also widely implemented by local firms. MNEs generally enable workers to exercise more fully the right to freedom of association and the right to bargain collectively. More trade unions have been established and most of them have negotiated collective labour agreements. The Government observes that MNEs that have negotiated collective labour agreements have better conditions compared to those that have not.

Italy

The Government indicates that there are no limitations on the ability of workers to freely exercise the right to associate and bargain collectively in MNEs. Furthermore, the legislation grants special protection to members of the negotiating workers' delegation, to employees of European enterprises, to members of European works councils and to all workers' representatives who operate in the specific framework set by the law for consultations.

Jamaica

The Government reports that MNEs are usually made aware of labour laws and local experts are typically employed to represent MNEs with respect to labour issues. This results in unionization in many MNEs, though not all.

Kenya

The Government indicates that freedom of association is upheld in the Constitution as well as in the institutional framework for collective bargaining. Unions that face problems with MNEs can use the dispute resolution machinery available in Kenya.

Latvia

The Government reports that there are no limitations on the ability of workers in MNEs to exercise the right to freedom of association and collective bargaining.

Lithuania

The Government indicates that the Labour Code does not provide for any exception concerning the application of this legislation depending on the type of company.

Madagascar

The *Association of Duty-Free Enterprises and Partners (GEFP)* states that workers' fundamental rights are respected but unionization is very limited.

Mali

The Government indicates that freedom of association is not limited within MNEs and workers are free to join trade unions.

Mauritius

The Government indicates that there are no limitations on freedom of association. It is upheld in the Constitution as well as in the Industrial Relations Act.

Mexico

The Government states that MNEs do not limit in any way the ability of workers to exercise their trade union and social rights. Labour inspection and trade unions constantly monitor MNE compliance with these fundamental rights contained in the Constitution.

Netherlands

The Government states that there is no difference between domestic enterprises and MNEs with respect to the ability of workers or their representatives to exercise fully the right to freedom of association and collective bargaining.

New Zealand

According to the Government, all employees of MNEs and domestic enterprises (except non-civilian members of the armed forces) can exercise the right to freedom of association. The right to collective bargaining is restricted to members of registered unions.

The *New Zealand Council of Trade Unions (NZCTU)* considers that in some cases, MNEs limit freedom of association and collective bargaining rights, particularly in the fast-food and service sectors. The difficulties encountered include discouraging employees from joining unions and delays in concluding collective bargaining agreements, as local managers do not have decision-making abilities.

Nicaragua

The Government reports that workers in all enterprises are free to exercise fully the right to freedom of association and collective bargaining.

Peru

Referring to the case study of one MNE, the *National Confederation of Private Employers' Institutions (CONFIEP)* indicates that two trade unions operate within the enterprise and can fully exercise the right to freedom of association and collective bargaining.

Poland

The Government reports that MNEs are subject to the same requirements as Polish employers in respect to the right to freedom of association and collective bargaining.

The *All-Poland Trade Union Alliance (OPZZ)* reports that breaches of labour law and the right to freedom of association are sporadic, except in the retail trade sector. When breaches occur, it is often because management is not aware of national, European and

international standards. Trade union interventions with foreign employers usually yield the desired results.

Portugal

The Government states that national law does not allow any kind of enterprise to limit the ability of workers to exercise the right to freedom of association and collective bargaining. There are no exceptions to this rule in EPZs, where enterprises are only granted fiscal benefits.

The *General Union of Workers (UGT)* states that deregulation policies have, to some extent, made it more difficult to exercise trade union rights in MNEs.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* indicates that the way MNEs handle industrial relations leaves little freedom to workers to organize and negotiate collectively.

Switzerland

The *Confederation of Swiss Employers (UPS)* reports that there are no limitations on freedom of association and collective bargaining, which are an integral part of the federal Constitution.

The *Swiss Federation of Trade Unions (USS/SGB)* states that, unlike domestic employers, MNEs often do not conform to Switzerland's tradition of freedom of association and collective bargaining and tend to follow practices that may limit these rights.

Trinidad and Tobago

According to the *Employers' Consultative Association of Trinidad and Tobago (ECA)*, workers have the constitutional right to association and collective bargaining. However, association is dependent on reaching 51 per cent of worker affiliation with the trade union.

Turkey

The Government indicates that MNEs are subject to national legislation, including the Trade Union Act, No. 2821, and Act No. 2822 on collective agreements, strikes and lockouts.

United Kingdom

The Government reports that it does not distinguish between workers in MNEs and those in other companies when upholding workers' rights to freedom of association and collective bargaining.

Zambia

The Government reports that employers with more than 25 employees are required to allow their workers to exercise the right to freedom of association and collective bargaining. It notes that MNEs observe the statutory requirements, although there are situations where the scope of local bargaining is limited owing to the practice of referring issues back to MNE headquarters. Trade union facilities are readily available in Zambia.

Zimbabwe

The Government reports that employees of MNEs have no limitations on their ability to exercise their right to freedom of association.

Question 15

*Please provide information on incentives offered to MNEs to attract them to invest in your country that may adversely affect the realization of fundamental principles and rights at work.*²⁷

Austria

The Government indicates that according to the Austrian Business Agency (ABA), there are no investment incentives in Austria that could adversely affect the realization of fundamental principles and rights at work.

The *Federal Chamber of Labour (BAK)* is not aware of the existence of such practices in Austria.

Brazil

The Government reports that tax legislation differs from one state to the other and so do the taxes payable by companies. Consequently, enterprises are more inclined to operate in those states that offer the best benefits in this regard.

The *National Confederation of Financial Institutions (CNF)* states that it does not have any knowledge of the existence of such measures.

Bulgaria

The Government reports that the Investment Promotion Act contains no incentives that may adversely affect the realization of fundamental principles and rights at work.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that legislation concerning EPZs prohibits the establishment of trade unions and designation of workers' representatives.

Canada

The federal Government states that labour laws are maintained and enforced over all those investors who wish to have an established presence and staff within Canadian territory.

Chad

The *Confederation of Trade Unions of Chad (CST)* considers that the issue of incentives has lost priority on the Government's agenda.

²⁷ *ibid.*

Chile

The Government indicates that it does not provide any such incentives.

China

The Government indicates that incentives offered do not adversely affect the realization of fundamental principles and rights at work. The Government attracts MNEs based on comparative advantage, by creating a favourable economic and social environment, and by offering fiscal incentives such as preferential taxation.

Colombia

The Government reports that the law does not authorize such practices.

Eritrea

The Investment Proclamation (No. 59/1994) treats all kinds of investments equally. There are no examples of incentives that may have adversely affected the realization of fundamental principles and rights at work.

Greece

The Government states that no incentive can affect the realization of fundamental principles and rights at work.

Hungary

According to the Government, incentives that may directly or indirectly affect fundamental principles and rights at work are not offered.

Indonesia

The Government reports that incentives offered to foreign investors do not adversely affect the realization of fundamental principles and rights at work. The Government's commitment to these principles and rights at work is reflected in the ratification of the eight Conventions embodied in the ILO Declaration on Fundamental Principles and Rights at Work.

Jamaica

The Government states that for the most part, the incentives offered do not adversely affect the realization of fundamental principles and rights at work.

Mali

The Government reports that the new investment code provides facilitation for the procurement of certain materials but no incentive is intended to affect the realization of fundamental principles and rights at work.

Mauritius

The Government indicates that no incentive can affect the realization of fundamental principles and rights at work.

New Zealand

According to the Government, MNEs are not offered incentives that may adversely affect the realization of fundamental principles and rights at work.

Panama

The Government indicates that in 2004, through Act No. 41, it established a special economic area with separate, more flexible labour regulations in areas such as the type of contract, working time, holidays, working conditions, termination of employment and employment of foreign nationals.

Poland

The Government reports that the system of incentives does not impact negatively on the enforcement of fundamental principles and rights at work.

The *All-Poland Trade Union Alliance (OPZZ)* reports that the incentives proposed in the Economic Programme for Poland through 2005 do not exert a negative impact on the enforcement of the fundamental principles and rights at work.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSA)* informs that the Investment Code and the Labour Code offer financial incentives and more flexibility in matters of recruitment and restructuring.

Sweden

The Government states that there are no such incentives offered to MNEs.

Switzerland

The *Confederation of Swiss Employers (UPS)* emphasizes the importance of a conducive environment for investment, including a flexible labour market.

The *Swiss Federation of Trade Unions (USS/SGB)* reports that competition among cantons to attract foreign investors has often resulted in requests addressed to unions by public authorities not to put pressure on new investors.

Zambia

The Government reports that it offers tax concessions of ten years, which has attracted MNEs to the country. However, at the end of the concessionary period the companies are closed and workers declared redundant, which raises unemployment and poverty levels. It considers that this adversely affects the realization of fundamental principles and rights at work.

Zimbabwe

The Government reports that workers in the EPZs are not covered by the Zimbabwe Labour Act but by an alternative yet similar set of regulations. In general, outside EPZs, MNEs do not infringe on the freedom to realize fundamental principles and rights at work.

Question 16

Please provide information on any efforts by your government to encourage the development and improvement of industrial relations policies and practices and bring them into conformity with the principles of the MNE Declaration.

Austria

The Government's main effort in this area relates to providing information about the MNE Declaration. The web site of the Federal Ministry of Economics and Labour contains a summary of the MNE Declaration. On an international level, and for national CSR initiatives, the MNE Declaration is treated on a par with EU CSR policy, the OECD Guidelines and the Global Compact.

Belarus

The Government reports no efforts to encourage the development and improvement of industrial relations policy and practices or measures to bring industrial relations practices into conformity with the provisions of the MNE Declaration.

Brazil

The Government reports that the creation of the National Labour Forum is aimed at updating legislation concerning labour and industrial relations in order to contribute to national development and improvement of policies and practices. The proposed reform is in line with the provisions of the MNE Declaration.

Bulgaria

The Government refers to sections 2 to 7 and 33 to 49 of the Labour Code, which define the principles of tripartite cooperation on the basis of ILO standards.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* considers that a partnership project between the Government of Burkina Faso and the ILO is an expression of the Government's commitment to promote fundamental principles and rights at work and thereby improve industrial relations.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that the Government carries out tripartite consultations and promotes social dialogue among employers' and workers' organizations with a view to encouraging the development and improvement of industrial relations policies and practices. The *General Workers' Union of Cameroon (UGTC)* considers, however, that no efforts have been made by the Government to encourage the development and improvement of industrial relations policies and practices and bring them into conformity with the principles of the MNE Declaration.

Canada

The federal Government reports that in the last round of amendments to the Canada Labour Code, there was active involvement by trade unions and employers' organizations in an extensive consultation process leading to the formulation of amendments to the Code. Jurisdictions encourage the development and improvement of industrial relations policies and practices on a continuous basis. The British Columbia Labour Relations Code

Amendment Act, adopted on 30 May 2002, provides a framework for labour and management to build modern, healthy and competitive workplaces.

Chile

The Government indicates that it constantly seeks to improve labour relations and practices. It has done so during the 2000-03 period by increasing safeguards in the exercise of freedom of association and collective agreements, by improving the supervisory capacity of the public authorities responsible for the verification of labour standards practices in the export sector, by enhancing social dialogue, by introducing international labour standards in free trade agreements, by eradicating child labour, increasing the minimum working age from 14 to 15 years, and by the introduction of a law to speed up procedures in the labour justice system.

China

The Government reports that upon the entry into force of the labour law, it has actively promoted the development of collective negotiations and collective contracts, efforts which are in conformity with the principles of the MNE Declaration. Eighteen provinces to date have gained experience on legislating for collective negotiations and have adopted rules and regulations on collective contracts. These efforts have greatly facilitated the development of collective negotiations and collective contracts in various types of enterprises.

The *All-China Federation of Trade Unions (ACFTU)* adds that the tripartite consultation system on labour relations is in place at the provincial and municipal levels and has been utilized to implement the development of minimum wages, standards and labour dispute arbitrations at these levels.

Colombia

The Government indicates that the project “Promotion of Fundamental Rights at Work in Colombia” is currently being implemented and does not make any distinction between national enterprises and MNEs.

Costa Rica

The Government reports that the Department of Labour Relations, the Centre for Alternative Dispute Resolution and the National Labour Inspectorate help encourage the development and improvement of industrial relations policies and practices, including in MNEs.

Croatia

The Government reports that labour legislation will have to be harmonized with Council Directive 94/45/EC on the establishment of a European works council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, and provide for the establishment and operation of works councils in MNEs. It aims to decentralize industrial relations, and thus is seeking to reshape social dialogue from the existing tripartite basis to a bipartite one.

Eritrea

The tripartite partners emphasize that a large number of the provisions made under paragraphs 41-59 of the MNE Declaration are already incorporated in the Labour Proclamation.

Fiji

The *Fiji Trades Union Congress (FTUC)* reports that no information is available regarding government initiatives to support industrial relations policies and practices.

Greece

The Government reports that Greece has ratified Conventions Nos. 87, 98, 111, 122, 138 and 182.

Guinea

The *National Council of Employers (CNP)* notes that since the National Commission for Labour and Social Policies stopped functioning, it is not in a position to know whether Government and trade unions refer to the MNE Declaration in social dialogue. The CNP is a member of the Commission and used to participate in discussions concerning MNEs.

Hungary

The *Independent Trade Union of Tungsram Workers* notes that sectoral dialogue committees encourage the development and improvement of industrial relations.

Indonesia

The Government indicates that Act No. 13/2003 concerning manpower encourages the development and improvement of industrial relations practices by establishing proper policies.

Italy

The Government reports that its global CSR approach includes the promotion of workers' involvement at the enterprise level through active and informed participation of trade unions in internal processes. New European guidelines recognize good industrial relations as the basis for establishing cooperation and information mechanisms between management and workers. Accordingly, regulations concerning European works councils and European enterprises require central management to consult and inform workers' representatives regularly.

Kenya

The Government reports that labour laws are under review.

Latvia

The Government reports that no activities were undertaken to encourage the development and improvement of industrial relations policies and practices to bring them into conformity with the principles of the MNE Declaration.

Lebanon

The Government indicates that in its efforts to promote harmonious industrial relations, the Ministry of Labour works with employers' organizations that include both MNEs and domestic enterprises among their members.

Mali

The Government reports that MNEs participate in collective labour negotiations and consultative commissions through employers' organizations.

Mauritius

The Government reports that consultations are being held with workers' and employers' organizations to replace the Industrial Relations Act.

Mexico

The Government reports that it promotes a set of values and principles aimed at developing a new labour paradigm that gives human dignity its central place. Through constant dialogue with all the economic sectors and social partners, gradual change, legality and justice, this initiative seeks to achieve new habits, practices and values in the workplace that will make it possible to improve productive capacity and competitiveness of enterprises and raise the standard of living of workers and their families.

Moldova, Republic of

The Government reports that MNEs and their employees, as well as others, benefit from all the rights and facilities provided by national legislation on social dialogue, which follows the provisions of the relevant international labour standards. In addition to these rights, they have the right to take part, directly or through their representatives, in collective bargaining, the right to conclude collective agreements, and the right to participate in the drafting of regulatory instruments, including economic development programmes. Furthermore, trade unions and employers also have the right to comment on any draft law or regulation.

Netherlands

The Government reports that the principles of the MNE Declaration are embedded in national legislation. Collective agreements are the most important means of self-regulation, and these are supported through their extension by the Government, resulting in their general applicability to an industry.

New Zealand

The Government reports that the Employment Relations Law Reform Bill 2004, which amends the Employment Relations Act 2000, enables the Act to better meet the objectives of promoting fair, productive and effective employment relationships. The Bill supports the principle of good faith in individual and collective relationships between employees, employers and unions; promotes collective bargaining and settlement; offers problem resolution mechanisms; provides for the protection of employees in restructuring situations by ensuring that terms and conditions are not undermined; and encourages a new employer to use existing resources.

Poland

The Government indicates that the Tripartite Commission for Socio-Economic Affairs aims to achieve and uphold social peace by constituting a forum for public debate to reconcile the interests of employees, employers and the public. It is also possible to set up a social dialogue commission at the local level if requested by at least one representative employer and worker organization. Work has been undertaken to bring Polish statutes into conformity with EU laws and regulations.

The *All-Poland Trade Union Alliance (OPZZ)* reports that efforts to implement EU law are still at an early stage.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* states that a social framework has been adopted to better define and utilize social dialogue mechanisms.

Switzerland

The *Confederation of Swiss Employers (UPS)* considers that industrial relations have not changed much since the last report and are still very good.

The *Swiss Federation of Trade Unions (USS/SGB)* has encountered difficulties in the telecommunications sector with regard to negotiating collective agreements.

Thailand

The Government reports that it is currently revising certain provisions of the Labour Relations Act to bring it into conformity with the principles of freedom of association and the right to collective bargaining.

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* reports that it is not aware of government initiatives to encourage the development and improvement of industrial relations practices.

Turkey

The Government reports that it has undertaken consistent efforts to harmonize labour relations with ILO standards. As a result, significant changes have been introduced in related legislation.

Zambia

The Government reports that efforts to encourage the improvement of industrial relations policies and practices are facilitated through the meetings of the Tripartite Consultative Labour Council, where MNEs are represented through the Zambia Federation of Employers.

Zimbabwe

The Government notes that while workers in EPZs are currently not covered in full by the Labour Act, it is currently pursuing an amendment that will provide EPZ workers with full coverage.

Question 17

Are you aware of any enterprises, be they domestic or multinational, that have considered or are considering a transfer of their activities to another country for reasons related to the respect of fundamental principles and rights at work, as reflected in national legislation? If so, please provide details.

Austria

The Government is not aware of any such transfers and refers to the comments of the Federal Chamber of Labour.

The *Federal Chamber of Labour (BAK)* notes that investments in, or transfers of activities to, countries in Central and Eastern Europe or China largely take place for cost reasons. Another factor is certainly environmental legislation. The role of labour legislation in transfer decisions is not known.

Brazil

The Government reports that it does not know of any cases of MNEs that would like to transfer operations to another country, since Brazilian labour legislation is less rigorous, in particular as regards wages.

Bulgaria

The Government reports that no MNEs have indicated their intention to leave the country. It reports that the *Confederation of Independent Trade Unions in Bulgaria (CITUB)* has stated that some MNEs have exerted pressure by threatening to pull out investments, particularly in the textiles and clothing sectors. The reasons include lower labour costs, more liberal labour regimes and weaker industrial relations systems.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* is not aware of cases of MNEs or domestic enterprises intending to transfer their activities to another country for reasons related to the respect of fundamental principles and rights at work. Reasons for relocation of activities are mostly linked to differentials in factor costs and the fiscal pressure that makes companies in Burkina Faso less competitive.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* does not have any information concerning enterprises that have considered a transfer of their activities to another country for reasons related to the respect of fundamental principles and rights at work.

Chile

The Government is not aware of any enterprises, be they domestic or multinational, that have considered or are considering a transfer of their activities to another country for reasons related to the respect of fundamental principles and rights at work.

Croatia

The Government reports that amendments to the Labour Act in 2003 brought legislation into conformity with the *acquis communautaire* of the EU. This eased previous

rigidities with regard to collective dismissals and mandatory notice periods. Croatia still scores high on the composite severity index of long-term and short-term employment security and this may lead to a desire to transfer activities, but the Government is unable to provide any corroborative details.

Hungary

The Government reports that it does not and cannot know the relocation plans of MNEs, as decision-making on such matters does not take place in Hungary. Hungarian management is informed from MNE headquarters after decisions have been taken.

Indonesia

The Government reports that there is no certain indication regarding companies' willingness to transfer their operations to another country owing to the practice of industrial relations, especially the exercise of the right to freedom of association. The Government notes, however, that the *Indonesian Employers' Association (APINDO)* indicates that some MNEs had considered transferring their operations mainly owing to the prevalence of strikes. The Government states, however, that the number of strikes decreased from over 300 cases in 2002 to slightly over 200 in 2003.

Japan

The *Japanese Trade Union Confederation (JTUC-RENGO)* reports that there are a few cases of companies that have considered or are considering a transfer of their activities to another country for reasons related to the respect of fundamental principles and rights at work, but it lacks detailed information.

Malaysia

The Government reports that statistics indicate that in the period 2000-03 a total of 40 MNEs transferred their operations to another country, with the number of companies increasing every year during the period. The transfers were not only due to reasons related to the respect of fundamental principles and rights at work, but also to other reasons such as cheaper labour and operational costs in other countries.

Mali

The Government indicates that MNEs see Mali as providing a stable political environment for investment. A programme of action for the implementation of the ILO Declaration on Fundamental Principles and Rights at Work has been set up to support the Government's efforts to promote workers' rights.

Poland

The *All-Poland Trade Union Alliance (OPZZ)* reports that it is difficult to prove that enterprises have considered transferring operations to another country for reasons related to the respect of fundamental principles and rights at work. It does not doubt that the decision to move operations to another country is shaped by labour costs, social guarantees for workers and the ease with which profits can be transferred back to the home country, amongst other considerations.

Switzerland

The *Swiss Federation of Trade Unions (USS/SGB)* reports cases in the wool sector.

Zambia

The Government reports one case of an MNE relocating and returning under another name, although it is not clear whether this was due to reasons related to the respect of fundamental principles and rights at work.

Question 18

Please provide details on any particular industrial relations problems in the period 2000-03 specific to MNEs operating in your country, as distinct from those experienced by domestic enterprises (for example, job loss or relocation, discrimination against women including pregnancy at work, trade union recognition, freedom of association and collective bargaining).

Austria

The Federal Ministry of Economics and Labour is not aware of such problems.

The *Federal Chamber of Labour (BAK)* cites one MNE that does not recognize the principle of workers' representation, even though it is common practice in Austria.

Belgium

The tripartite partners state that the evaluation of restructuring operations in Belgium will be published on the Labour Law Association web site at www.ajpds.be. Massive restructuring is under way in many sectors, from telecommunications to steel production. In general, enterprises seem to conform to the existing legislation concerning restructuring operations. Cases similar to the one registered in 1997 in the automotive sector do not occur. This sector is still undergoing substantial restructuring, and job losses have been registered. In the banking sector, reductions in employment levels are anticipated as a result of the increased utilization of systems such as self-banking, Internet banking, etc. In line with Belgium's long tradition of social dialogue, both domestic enterprises and MNEs are assisted in the adoption of social plans in the event of restructuring, even when there is no legal obligation to do so. The Government tends to favour the adoption of social plans by providing legal advice, rather than imposing them on enterprises.

Brazil

The Government reports that there have been problems of violations of workers' rights, such as non-compliance with collective agreements or delays in the payment of wages or overtime, both in multinational and in domestic enterprises. It is not possible to correlate the type of problem with the nature of the company. The ongoing labour law reform will contribute to preventing this kind of problem by providing a legal framework that encourages mutual respect and dialogue between the parties.

Bulgaria

The Government reports that the *Confederation of Independent Trade Unions in Bulgaria (CITUB)* outlines the following allegations: cases of suspension of trade union membership owing to promotion to senior management positions, threatening to withhold pay premiums if trade union membership is not withdrawn, refusal of some employers to sign collective labour contracts, and attempts to eliminate trade unions in certain organizations. The CITUB cites four MNEs which use delaying tactics in the bargaining process and signature of collective contracts. In two MNEs where contracts were already signed, they noted non-compliance with the agreement in terms of payments and social benefits. They also observe that access to information on the economic and financial

situation of the enterprise is often difficult to obtain. Furthermore, in cases where trade union membership is weak it is often difficult to get MNEs to sign up to sectoral negotiations.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* mentions issues concerning the better salary and fringe benefits accorded to employees at MNE headquarters as opposed to employees in local branches.

Burundi

The tripartite partners report that the political crises affected all enterprises.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that there is no difference in the industrial relations problems of MNEs and domestic enterprises. Specific industrial relations problems relate to trade union recognition and collective bargaining.

The *Council of Business Managers and Professional Associations of Cameroon (GICAM)* reports that industrial relations within MNEs and domestic companies are alike. However, there are some cases of collusion with labour inspectors to hide certain practices.

Canada

The federal Government reports that there were no particular industrial relations problems identified in the period 2000-03 specific to MNEs. One jurisdiction indicated that international competition has affected both MNEs and domestic employers, including examples of job relocation by MNEs over the period in question.

Croatia

The Government reports that the industrial relations practices of MNEs and domestic companies are largely similar. It draws attention to MNEs in the retail sector, where trade union activities and bargaining were impossible. The Government cites cases of relocation of workers, dismissal of pregnant women and substandard working conditions, which were dealt with by the state inspectorate.

Fiji

The *Fiji Trades Union Congress (FTUC)* reports that industrial relations problems and strikes have occurred in the hotel industry.

Finland

The Government reports that a Finnish company closed its production unit in Finland and transferred its activities to Germany, resulting in the loss of 400 jobs. The trade unions requested that the OECD National Contact Point discuss the company's plans. The National Contact Point consulted the parties and the German National Contact Point but could not issue a statement while legal proceedings were initiated on the basis of the Finnish Act on Cooperation within Undertakings. The National Contact Points in the Netherlands and France have asked the Finnish National Contact Point to obtain supplementary information from two Finnish parent companies for specific cases in their countries.

The *Central Organization of Finnish Trade Unions (SAK)* states that reconciling the managerial approach of MNEs with Finnish industrial relations culture can be difficult. It is also concerned that some MNEs take a negative view of the activities of trade unions.

Guinea

The *National Council of Employers (CNP)* reports that industrial relations are sometimes difficult between workers and expatriate management.

Indonesia

The Government reports that no information is available on any particular industrial relations problems specific to MNEs as data do not differentiate between multinational and domestic enterprises.

Japan

The *Japanese Trade Union Confederation (JTUC-RENGO)* reports that there are many cases of forced resignation that ignore national legislation and practices.

Kenya

The Government reports that in 2003 there were general strikes in the EPZs concerning terms and conditions of employment and the right to freedom of association. Dialogue has moved the majority of EPZs to accept trade unionism and observe minimum labour standards.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that industrial relations disputes in MNEs have taken place in relation to demands for various committees, such as the personnel committee, disciplinary committee and employment security committee, to have the same number of representatives from labour and management. Disputes have also occurred in relation to demands for meetings of the board of directors to be open to participation by employees. Industrial disputes arise in MNEs owing to differences between national industrial relations customs and the customs of MNEs. Some try to reduce or abolish wages for full-time union officials and close union offices. When production has stopped owing to industrial disputes, some MNEs have manufactured goods in another country and have imported the goods, which unions view as violating the legal provision on the "restriction on replacement during disputes", and as serving to prolong industrial disputes. Industrial disputes erupted in some MNEs owing to protests by unions demanding employment protection and a prohibition on deteriorating working conditions in the face of restructuring. In some MNEs disputes have been due to the fact that unions were against the implementation of performance-related pay.

Poland

The *All-Poland Trade Union Alliance (OPZZ)* reports that industrial relations problems are present in the retail sector, where union membership or attempts to form unions have resulted in dismissals and where legal norms are not respected. Further information can be found in the reports of the Chief Labour Inspectorate on the operations of the National Labour Inspectorate for 2002 and 2003.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* reports industrial relations problems in the fishing, tourism and cosmetics sectors.

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* reports that industrial relations problems with MNEs have taken place in the construction sector. A specific case involved a domestic enterprise and one MNE which were awarded a contract. They subsequently employed the services of more than 20 local subcontractors, of which four were unionized. Collectively, the subcontractors employed more than 1,800 workers. Subcontractors had a Memorandum of Agreement with the MNE, based on consultations with the Government and on local collective agreements. According to the ECA, the Memorandum provided pay scales above the national minimum wage, allowed subcontractors to recognize varying levels of skills in relation to pay, and prohibited competition by subcontractors. During construction, a dispute arose over the energy construction sector minimum wage that had been offered as an election promise. Subcontracted employees walked off the job to secure better wages and terms and conditions of service. After six weeks, the Government announced that the proposed revision of the sectoral minimum wage would not be introduced. Striking workers requested negotiating meetings with representatives from the MNE, which led to three meetings with MNE representatives, representatives from the domestic enterprise, workers' representatives and advisers, and members of the Oilfield Workers' Trade Union (OWTU) and the National Trade Union Centre (NATUC). After some time a settlement was reached. The agreement included no victimization of workers, workers' right to be accompanied by a representative for dispute and grievance settlement, an enhanced Memorandum of Understanding with increased salaries, a change in payment of wages schedule, payment of fringe benefits, payment for two holidays and payment of an early completion performance benefit. Workers agreed to health and drug testing for all returning workers, an inventory review and overhaul of idle equipment, safety briefings and orientation, and mobilization of subcontractors. The dispute lasted a total of 11 weeks.

Ukraine

The *Confederation of Free Trade Unions of Ukraine (CFTUU)* outlines two violations by MNEs of workers' rights during the establishment of trade unions. In one MNE managers launched an anti-trade union campaign, violating paragraphs 8, 42-44 and 46 of the MNE Declaration, article 36 of the Constitution of Ukraine and articles 5, 6 and 7 of the Act on trade unions, their rights and guarantees for their activities. Management has now entered into negotiations with the union. In the other situation, a Ukrainian-German joint venture in the tobacco sector launched an anti-union campaign, targeting its leader.

Question 19

*Please provide information, if available, on changes in the collective bargaining practices of the MNEs operating in your country in the period 2000-03, including an indication as to whether such changes were the result of framework agreements signed by global trade union federations and MNE headquarters.*²⁸

²⁸ *ibid.*

Brazil

The Government reports that changes in collective bargaining practices are expected from the discussions in the National Labour Forum. During the period under consideration, there were a few changes as a consequence of new laws that directly or indirectly affect collective bargaining, such as Act No. 9,957/2000 aimed at accelerating the resolution of labour disputes and Act No. 9,958/2000 establishing preliminary conciliation committees within enterprises to resolve individual labour disputes.

The *National Confederation of Financial Institutions (CNF)* states that MNE collective bargaining practices are in line with national standards.

Bulgaria

The Government reports that according to the *Confederation of Independent Trade Unions in Bulgaria (CITUB)* collective contracts are concluded in almost all branches of MNEs. Positive results are due to good advance preparation and sharing of preliminary information on financial and economic problems of the enterprise, where the prevailing relationship is constructive and cooperative. The Government provides examples of some of the gains in terms of health services, holiday time, higher rates of paid leave and social security premiums. Problems are reported with respect to the provision of information to trade unions and workers on the financial condition of the enterprise, as well as coordination with European and international trade union federations.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* reports on the existence of framework agreements for collective bargaining in the banking, insurance and other sectors that offer some advantages in terms of pension, allowances and vocational training. These framework agreements are usually the result of pressure exercised by the employees on the management of the company.

Burundi

The tripartite partners indicate that collective bargaining practices are not well developed in Burundi.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* states that a number of collective agreements have been negotiated since 2000 with the participation of MNEs. The *Cameroon Workers' Trade Union Confederation (CSTC)* adds that in 2002 the Ministry of Labour encouraged the renegotiation of old collective agreements between the Council of Business Managers and Professional Associations of Cameroon (GICAM) and the CSTC. MNEs that are members of GICAM respect and implement the new agreements thanks to the encouragement they receive from GICAM and, where applicable, from their own international framework agreements.

Canada

The Government of Quebec indicates that changes in collective bargaining practices are mostly the result of local agreements.

China

The Government reports that changes in collective bargaining practices of MNEs have been influenced to some extent by framework agreements signed by global trade union federations and MNE headquarters. They have also been influenced by government efforts to promote the development of collective negotiations and collective contracts.

Finland

The *Central Organization of Finnish Trade Unions (SAK)* states that most MNEs negotiate through domestic employers' organizations.

Hungary

According to the Government, the practice of entering into a collective agreement has not changed, but the institutional system has changed. Taking MNEs and domestic enterprises together, 41 per cent of workers are covered by a collective agreement. There are no statistics on MNEs entering into collective agreements, but 30 sectoral dialogue committees have been established by sectoral trade unions and employers' organizations.

The Government indicates that the employers' organizations consulted consider collective bargaining to pose a challenge for both employers and employees, and the share of MNEs practising collective bargaining to be below the national average.

Kenya

The Government indicates that MNEs generally follow collective bargaining practices. However, some enterprises have introduced productivity measurement and individual performance as a basis of wage determination.

Latvia

The Government reports that there were changes in collective bargaining regulations during the period 2000-03, which are to be found in the Labour Code adopted in 2001.

Mauritius

The Government indicates that the fixing of wages and the determination of conditions of employment are institutionalized state activities. However, it supports parties that have embarked upon collective bargaining exercises.

New Zealand

According to the Government, information concerning changes to collective bargaining practices is not available.

The *New Zealand Council for Trade Unions (NZCTU)* adds that there is no evidence of framework agreements impacting on collective bargaining practices.

Poland

The Government reports that no information on changes in collective bargaining practices can be provided, as no distinction is made between MNEs and domestic enterprises in the collection of information.

The *All-Poland Trade Union Alliance (OPZZ)* reports that there are no collective agreements at the national or sector level. Collective bargaining issues are most often provided for in plant-level collective labour agreements and provisions of labour law.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* reports on the existence of frameworks for negotiation within the monthly meetings of employers with staff representatives. These negotiations have often resulted in the signing of agreements.

Switzerland

The *Swiss Federation of Trade Unions (USS/SGB)* reports on resistance among companies in the food industry to concluding framework agreements.

United Kingdom

The Government reports that it does not distinguish between workers in MNEs and those in other companies when upholding workers' rights to freedom of association or granting workers collective bargaining rights.

Question 20

Do MNEs support employers' organizations in your country (through membership, joint activities, representation or otherwise)?

Austria

The Government and the *Federal Chamber of Labour (BAK)* report that all enterprises operating in Austria, including subsidiaries of MNEs, are members of the Austrian Chamber of Commerce. Most subsidiaries are also members of the relevant industry association or other lobby groups.

Brazil

The Government reports that large MNEs are affiliated to the main employers' organizations of the country, such as the National Confederation of Agriculture (CNA), the National Confederation of Commerce (CNC), the National Confederation of Industry (CNI), and the National Confederation of Transport (SENAT).

The *National Confederation of Financial Institutions (CNF)* reports that MNEs participate actively in Brazilian employers' organizations.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* reports that MNEs are members of the employers' organizations and actively support and participate in their activities.

Burundi

The tripartite partners indicate that MNEs do not support any particular employers' organization.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that most MNEs are affiliated to the three main employers' organizations and actively support them.

The *Council of Business Managers and Professional Associations of Cameroon (GICAM)* reports that MNEs are generally members of the employers' organizations and actively support and participate in their activities.

Canada

The federal Government states that MNEs are represented by and active within the Canadian Employers Council (CEC), the Canadian Council of Chief Executives (CCCE), the Canadian Manufacturers and Exporters (CME) and many industry associations. MNEs support employers' organizations in a number of jurisdictions.

Chad

The *Confederation of Trade Unions of Chad (CST)* reports that MNEs do not support domestic employers' organizations.

Chile

The Government reports that MNEs are members of the employers' organizations.

China

The Government states that MNEs in general support employers' organizations.

Colombia

The *National Association of Entrepreneurs (ANDI)* reports that MNEs actively participate in the work of employers' organizations.

Croatia

The Government states that MNEs participate in the activities of sectoral employers' organizations, as well as the Croatian Employers' Association (HUP).

The HUP reports that MNEs are members and are actively involved in its activities.

Cuba

The tripartite partners report that the National Employers' Group is open to all types of enterprise.

Democratic Republic of the Congo

The *Enterprise Federation of Congo (FEC)* reports that only a few MNEs support employers' organizations through membership.

Finland

The *Central Organization of Finnish Trade Unions (SAK)* states that most MNEs are members of employers' organizations.

Germany

The *Confederation of German Employers' Associations (BDA)* reports that MNEs support employers' organizations, are active members and play a crucial role. CSR has become increasingly important for MNEs, especially for those operating in developing countries. The BDA has actively promoted the MNE Declaration, which is now known to companies as the internationally agreed reference guideline. The BDA, in cooperation with member companies, is currently developing concepts on how to make these guidelines more viable for businesses.

Hungary

The Government indicates that the employers' organizations consulted consider MNEs to provide less support to domestic employers' organizations and the practice of tripartism than domestic enterprises.

Indonesia

The Government reports that MNEs do not actively support employers' organizations. Few MNEs are members of the Indonesian Employers' Association (APINDO), but most consult with their home country's chamber of commerce.

Jamaica

The Government reports that most MNEs support the Jamaica Employers' Federation (JEF). Many of these enterprises are in the membership listing of the JEF and collaborate in joint activities.

Japan

The Government states that the Japan Business Federation (JBF) actively recommends policies and strategies to the Government.

The *Japan Business Federation (JBF)* reports that it compiles the views of business on a variety of issues and establishes policy recommendations to submit to the Government and other concerned parties. It notes that its membership is open to foreign companies, and that some foreign companies are members and actively participate in the work of the organization.

Kenya

The Government indicates that the majority of MNEs are members of the Federation of Kenya Employers (FKE), the Kenya Bankers Association (KBA) or the Kenya Association of Manufacturers (KAM). They participate in joint activities, particularly in relation to HIV/AIDS at the workplace.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that MNEs are not active in supporting employers' organizations through membership, joint activities or representation. Most MNEs do not jointly take measures to settle issues related to industrial relations, but resolve them through law firms.

Latvia

The Government states that MNEs support employers' organizations through membership.

Lebanon

The Government reports that MNEs are active members of employers' organizations.

Lithuania

The Government reports that most MNEs are members of the Confederation of Lithuanian Industrialists (LPK) or the Lithuanian Business Employers' Confederation (LVDK).

Mali

The Government indicates that MNEs support employers' organizations through membership.

Mauritius

The Government indicates that most MNEs are members of the Joint Economic Council (JEC) and the Mauritius Employers' Federation (MEF). They are regularly consulted by the Government.

Netherlands

The Government reports that MNEs support employers' organizations in the same way that domestic enterprises do.

New Zealand

The *New Zealand Council of Trade Unions (NZCTU)* reports that MNEs generally support employers' organizations.

Panama

The Government reports that most MNEs are members of employers' organizations.

Peru

According to the *National Confederation of Private Employers' Institutions (CONFIEP)*, MNEs are members of different employers' organizations and actively participate in their activities.

Poland

The *All-Poland Trade Union Alliance (OPZZ)* reports that in the years 1998-2000 MNEs did not participate in employers' organizations but associated themselves in various chambers of industry. Since 2001, however, many MNEs have joined the Polish Confederation of Private Employers (PKPP) and the Business Centre Club (BCC). A relatively small group of MNEs have joined the Confederation of Polish Employers (KPP).

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* reports that MNEs actively support and participate in the activities of employers' organizations.

Switzerland

The *Confederation of Swiss Employers (UPS)* reports that many MNEs are members of employers' organizations.

The *Swiss Federation of Trade Unions (USS/SGB)* reports that MNEs are members of either the employers' organizations or chambers of commerce.

Thailand

The Government states that MNEs generally support activities of employers' organizations. However, the *Employers' Confederation of Thailand (ECOT)* states that only a few MNEs are members and take part actively in ECOT's activities.

Trinidad and Tobago

According to the *Employers' Consultative Association of Trinidad and Tobago (ECA)*, MNEs support employers' organizations through their membership and joint activities.

Turkey

The Government reports that MNEs do not support employers' organizations.

Zambia

The Government reports that MNEs support employers' organizations, particularly through membership and representation.

Zimbabwe

The Government states that MNEs are members of the *Employers' Confederation of Zimbabwe (EMCOZ)*, which engages labour and Government in socio-economic discussions under the auspices of the tripartite negotiation forum.

Consultation with the representative employers' and workers' organizations concerning this questionnaire

In the event that the replies to the questionnaire were not prepared on a tripartite basis, governments are requested to provide copies of their replies to this questionnaire to the most representative employers' and workers' organizations in the country and to invite them to make such observations as they may consider relevant. While it would be desirable for such observations to be incorporated in the governments' replies, the employers' and workers' organizations may also transmit their comments directly to the ILO.

Governments

Question 21

If this is a joint reply, please indicate the employers' and workers' organizations that participated in preparing this reply. If not, please indicate the employers' and workers' organizations to which copies of this reply were sent.

Austria

The Government indicates that this is not a joint report. It requested contributions from the Austrian Chamber of Commerce (WKÖ), the Federation of Austrian Industry (IV), the Austrian Confederation of Trade Unions (ÖGB), and the Federal Chamber of Labour (BAK) and received a contribution from the latter. The government report contains some references to that contribution.

Belgium

The reply was prepared by the tripartite partners with the help of the National Labour Council (CNT).

Bulgaria

The Government reports that employers' and workers' organizations participated in preparing the reply.

Burkina Faso

The reply was prepared by the National Employers' Council of Burkina Faso (CNPB) and sent to the Government.

Burundi

The tripartite partners indicate that the Association of Employers of Burundi (AEB) and the Confederation of Trade Unions of Burundi (COSYBU) jointly participated in the preparation of the reply.

Canada

The federal Government states that copies of its reply were sent to the Canadian Labour Congress (CLC), the Confederation of National Trade Unions (CNTU) and the Canadian Employers Council (CEC). A copy of the reply provided by the Government of Quebec was sent to the Consultative Council on Labour and Workers (CCTM), comprising the main employers' and workers' organizations in Quebec.

Chile

The Government sent copies of its replies to the Confederation of Production and Trade (CPC), and the Single Central Organization of Chilean Workers (CUT).

China

The Government reports that copies of the questionnaire were sent to the All-China Federation of Trade Unions (ACFTU) and the China Enterprise Confederation.

Colombia

The Government indicates that the report was sent to the two most representative employers' and workers' organizations in the country.

Costa Rica

The Government copied its reply to the Trade Union Organization Movement of Costa Rican Workers (CMTC), the Costa Rica Confederation of Democratic Rerum Novarum Workers, Rerum Novarum Confederation of Workers (CTRN), and the Costa Rican Union of Chambers and Associations of Private Enterprise (UCCAEP).

Croatia

The Government states that copies of the report will be sent to the Union of Independent Trade Unions of Croatia, the Federation of Croatian Public Service Trade Unions, the Association of Workers' Trade Unions of Croatia, the Croatian Association of Trade Unions, the Trade Union of Services UNI-Cro, as well as the Croatian Association of Employers and the Union of Independent Employers' Organizations.

Cuba

The reply is a joint reply by the Ministry of Labour and Social Security, the National Employers' Group and the Cuban Workers' Confederation (CTC).

Finland

The Government indicates that the following organizations were asked to participate in preparing the reply:

- the Confederation of Finnish Industry and Employers (TT);
- the Employers' Confederation of Service Industries in Finland (Palvelutyöntajat);
- the Central Organization of Finnish Trade Unions (SAK);
- the Confederation of Unions for Academic Professionals (AKAVA);
- the Commission of Local Authority Employers (KT);
- the State Employer's Office.

Greece

The Government sent copies of the questionnaire to the social partners, but did not receive a response.

Guinea

The reply was prepared by the National Council of Employers (CNP).

Hungary

The reply was prepared by the Government and includes comments by the following employers' organizations: Union of Agrarian Employers, National Federation of General Consumers' Cooperatives, National Association of Industrial Corporations, National

Federation of Traders and Caterers, Confederation of Hungarian Employers and Industrialists, Hungarian Industrial Association, Hungarian Confederation of Utility Companies, National Federation of Agricultural Cooperators and Producers, and National Association of Entrepreneurs and Employers; the following workers' organizations were consulted but did not comment separately: National Federation of Autonomous Trade Unions, Trade Union Group of Intellectuals, Democratic League of Independent Trade Unions, National Confederation of Hungarian Trade Unions, National Federation of Workers' Councils, and Cooperation Forum of Trade Unions. The Independent Trade Union of Tungsram Workers submitted some comments.

Indonesia

The Government considered inputs from the Indonesian Employers' Association (APINDO), while trade union organizations did not provide comments following a consultative meeting held by the Government. The reply will be sent to trade union organizations and APINDO.

Jamaica

The Government will send copies of its reply to the Jamaica Confederation of Trade Unions, the Jamaica Employers' Federation, the Planning Institute of Jamaica and the Statistical Institute of Jamaica.

Japan

The Government reports that copies of the reply were sent to the Japanese Trade Union Confederation (JTUC-RENGO) and the Japan Business Federation (JBF).

Kenya

The Government sent copies of the response to the Federation of Kenya Employers' (FKE) and the Central Organization of Trade Unions (COTU).

Latvia

The Government reports that copies of the reply were sent to the Latvian Employers' Confederation and the Free Trade Union Federation of Latvia.

Lebanon

The Government sent copies of its replies to the Association of Lebanese Industrialists, the Lebanese Federation of Chambers of Commerce, Industry and Agriculture, and the General Workers' Confederation.

Lithuania

The Government reports that the questionnaire was sent to the Confederation of Lithuanian Industrialists, the Lithuanian Business Employers' Confederation, the Lithuanian Trade Union "Solidarumas", the Lithuanian Trade Union Confederation and the Lithuanian Labour Federation. It reports that only the Lithuanian Trade Union Confederation provided comments.

Malaysia

The Government reports that it consulted with the Malaysian Employers Federation (MEF) and the Malaysian Trades Union Congress (MTUC).

Mali

The Government sent copies of its reply to the National Union of Workers of Mali (UNTM), the Confederation of Workers of Mali (CSTM) and the National Council of Malian Employers (CNPM).

Mauritius

The Government invited comments and inputs from all workers' and employers' organizations. Copies of the reply were sent to the Mauritius Employers' Federation, Mauritius Confederation of Workers, Federation des Syndicats des Corps Constitués, Federation of United Workers, Federation of Civil Service Unions, Federation of Progressive Unions, Free Democratic Unions Federation, General Workers' Federation, Mauritius Labour Congress, Mauritius Labour Federation, Mauritius Trade Union Congress, National Trade Union Confederation, State Employees' Federation and the Federation of Free Workers.

Mexico

The Government consulted the following organizations of employers and trade unions on the preparation of its reply: the Mexican Confederation of Chambers of Industry (CONCAMIN), the Mexican Confederation of Employers (COPARMEX) and the Confederation of Mexican Workers (CTM).

Moldova, Republic of

The Government reports that copies of the reply were sent to the National Confederation of Employers of Moldova, the Confederation of Trade Unions of Moldova and the Confederation of Free Trade Unions of Moldova "Solidaritate".

Netherlands

The Government indicates that it consulted with employers' and workers' organizations in the preparation of its reply.

New Zealand

The Government consulted with the New Zealand Council of Trade Unions (NZCTU) and Business New Zealand. Copies of the reply were sent to these organizations.

Nicaragua

The Government consulted the Higher Council for Private Enterprise (COSEP), the main employers' organization, and the following trade unions in the preparation of its reply: Sandinista Workers' Confederation (CST), Agricultural Workers' Association (ATC), Confederation for Action towards Trade Union Unity (CAUS), Confederation of Trade Union Unity (CUS), General Confederation of Industrial Workers (CGT(i)), Nicaraguan Workers' Confederation (CTN).

Norway

The tripartite partners report that the following organizations received copies of the replies: Norwegian Federation of Trade Unions, Confederation of Norwegian Business and Industry, Confederation of Vocational Unions, Federation of Norwegian Professional Associations, Federation of Norwegian Commercial and Service Enterprises,

Confederation of Higher Education Unions, Norwegian Association of Local and Regional Authorities.

Panama

The Government sent copies of its reply to the National Council of Private Enterprise (CONEP) and the Panamanian Council of Organized Workers (CONATO).

Poland

The Government and the All-Poland Trade Union Alliance (OPZZ) submitted replies to the survey. The Government reports that copies of the replies were sent to the Confederation of Polish Employers (KPP), Polish Confederation of Private Employers (PKPP), Polish Craft Association (ZRP), Business Centre Club Employers' Organization (BCC), Independent Self-Governing Trade Union "Solidarność" (NSZZ "Solidarność") and Trade Unions Forum (FZZ).

Portugal

The Government states that it sent copies of its reply to the most representative organizations of employers and workers: Confederation of Portuguese Industry (CIP), Confederation of Commerce and Services of Portugal (CCP), Confederation of Farmers of Portugal (CAP), Confederation of Portuguese Tourism (CTP), General Confederation of Portuguese Workers (CGTP-IN), General Union of Workers (UGT).

Only the CCP and UGT provided comments.

Senegal

The reply was prepared by the National Union of Autonomous Trade Unions of Senegal (UNSAS).

Sweden

The reply was prepared jointly by the Government, the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation (LO), the Swedish Confederation of Professional Employees (TCO) and the Swedish Confederation of Professional Associations (SACO).

Turkey

The Government reports that copies of the reply were sent to the Turkish Confederation of Employers' Associations (TISK), the Confederation of Turkish Trade Unions (TÜRK-İŞ), the Confederation of True Trade Unions of Turkey (HAK-İŞ), the Confederation of Progressive Trade Unions of Turkey (DISK), the Confederation of Unions of Public Employees of Turkey (KAMU-SEN) and the Confederation of Unions of Public Labourers (KESK).

Zimbabwe

The Government reports that copies of the questionnaire were sent to the Employers' Confederation of Zimbabwe (EMCOZ) and to the Zimbabwe Congress of Trade Unions (ZCTU), but neither replied.

Employers' and workers' organizations

Question 22

If this is an individual reply by an employers' or workers' organization, please indicate to which relevant government authority and other employers' or workers' organizations copies have been sent.

Austria

The *Federal Chamber of Labour (BAK)* sent its contribution to the Government for transmission to the ILO.

Brazil

The *National Confederation of Financial Institutions (CNF)* sent its reply through the Ministry of Labour and Employment.

Burkina Faso

Copies of the reply prepared by the *National Employers' Council of Burkina Faso (CNPB)* were sent to the ILO, the International Organisation of Employers (IOE) and the Business Promotion Centre (CPE).

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* sent copies of its reply to the following employers' and workers' organizations: Council of Business Managers and Professional Associations of Cameroon (GICAM), Cameroon Union of Industrialists (SYNDUSTRICAM), Entrepreneurs' Movement of Cameroon (MECAM), Union of Free Trade Unions of Cameroon (USLC), Cameroon General Confederation of Labour-Freedom (CGT-Liberté) and General Workers' Union of Cameroon (UGTC).

Chile

The *Confederation of Production and Trade (CPC)* sent a copy of its reply to the Ministry of Labour and Social Security.

Croatia

The *Croatian Employers' Association (HUP)* sent its reply to the Social Partnership Office.

Peru

The reply by the *National Confederation of Private Employers' Institutions (CONFIEP)* was copied to the Ministry of Labour and Employment Promotion.

Senegal

Copies of the reply prepared by the *National Union of Autonomous Trade Unions of Senegal (UNSAS)* will be sent to public authorities and relevant employers' organizations.

 Switzerland

Copies of the reply prepared by the *Confederation of Swiss Employers (UPS)* were sent to the Government.

The *Swiss Federation of Trade Unions (USS/SGB)* sent a copy of its reply to the State Secretariat for Economic Affairs (SECO).

Trinidad and Tobago

The *Employers' Consultative Association of Trinidad and Tobago (ECA)* states that a copy has been sent to the Government.

Promotion of the observance of the MNE Declaration

Question 23

Please provide information, if available, on whether the government, employers' and workers' organizations in your country, together or separately, have reviewed the reports of the Seventh Survey on the effect given to the MNE Declaration and, if so, whether this review has influenced national policy with respect to MNE operations or has led to activities to promote observance of the MNE Declaration.

Question 24

Please provide information on any activities that are being planned in your country to promote observance of the MNE Declaration, including whether ILO support will be required.

Belgium

The tripartite partners report that the Government has promoted the OECD Guidelines for Multinational Enterprises and pays a great deal of attention to the discussions taking place between the National Contact Point and the social partners.

Bolivia

The Government indicates that it would appreciate receiving assistance from the ILO to promote the observance of the MNE Declaration.

Bulgaria

The Government states that the MNE Declaration is currently being considered by the National Tripartite Cooperation Council, and future activities are subject to agreements with the social partners. Assistance from the ILO will be sought as necessary.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* underlines the need for the ILO to promote the MNE Declaration among enterprises in Burkina Faso.

Burundi

The tripartite partners indicate that they have not reviewed the reports of the Seventh Survey. Activities to promote the MNE Declaration are not planned.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* reports that it does not know if any review of the reports of the Seventh Survey was carried out. It does not have any information concerning activities to promote the MNE Declaration in Cameroon.

Canada

The federal Government states that the reports of the Seventh Survey have not been reviewed at federal level, but have been reviewed by individual jurisdictions and organizations.

Chad

The *Confederation of Trade Unions of Chad (CST)* indicates that it only recently received the reports of the Seventh Survey.

China

The Government indicates that reports of the Seventh Survey have been reviewed. It hopes to conduct thematic surveys concerning employment, training, working conditions, living standards, industrial relations, social protection and occupational safety and health in MNEs, for which it will require ILO support.

Costa Rica

The Government and the employers' and workers' organizations have reviewed separately the reports of the Seventh Survey. The Government considers that this review has influenced policy-making within each sector.

Croatia

The Government states that it has reviewed the report of the Seventh Survey and forwarded it to the Union of Independent Trade Unions of Croatia, the Federation of Croatian Public Service Trade Unions, the Association of Workers' Trade Unions of Croatia, the Croatian Association of Trade Unions and the Trade Union of Services UNI-Cro, as well as the Croatian Employers' Association and the Union of Independent Employers' Organizations.

The Government notes that owing to the small number of MNEs operating in Croatia there was no need to adjust national policy with respect to MNEs. Instead, it focused attention on policies designed to attract foreign investment. After conducting the necessary research it intends to assess whether any special measures or changes in national policy are required and whether ILO assistance is necessary.

The *Croatian Employers' Association (HUP)* states that it has no information on activities planned to promote the MNE Declaration and that it has not reviewed the Seventh Survey.

Eritrea

The tripartite partners indicate that the reports of the Seventh Survey have been reviewed and communicated to the government ministries and employers' and workers' organizations concerned. The impact of this review process will be evaluated in the future. While at present no activity is planned to promote the observation of the MNE Declaration, the tripartite partners intend to seek ILO support as the presence of MNEs in Eritrea increases over time.

Fiji

According to the *Fiji Trades Union Congress (FTUC)*, reviews by the Government and employers' and/or workers' organizations have not been conducted on the Seventh Survey. Activities to support the MNE Declaration will take place and ILO support will be required.

Hungary

The Government reports that copies of the Seventh Survey have been sent to employers' and workers' organizations for comments.

Indonesia

The Government states that the Government and employers' and workers' organizations have separately reviewed the reports of the Seventh Survey, but that the review has not influenced national policy with respect to MNE operations or led to activities to promote observance of the MNE Declaration. Activities planned to promote observance of the MNE Declaration include the launching of the Global Compact and the Corporate Social Responsibility Programme.

Kenya

The Government indicates that the tripartite partners have independently reviewed the reports of the Seventh Survey and that they were extensively used by the partners during the recently concluded review of labour laws. Activities are being planned to enhance social dialogue with MNEs and promote the MNE Declaration during the campaign to raise awareness around the new labour laws. In this context, the Government invites technical assistance from the ILO.

Lebanon

The Government indicates that it would welcome the organization of a symposium on the MNE Declaration.

Mali

The Government indicates that it has no information on a review of the reports of the Seventh Survey and that no activities are envisaged to enhance social dialogue with MNEs and promote the MNE Declaration, but that ILO support in this regard will be requested at the appropriate time.

Mauritius

The Government indicates that there is no need to promote the MNE Declaration, as the labour legislation does not discriminate between multinational and domestic enterprises.

Mexico

The Government states that the New Labour Culture promotes the principles of the MNE Declaration by defining the roles and responsibilities of the tripartite partners in the process of finding the best way to improve productive capacity for the benefit of all.

Portugal

The Government reports that it has reviewed the reports of the previous survey in consultation with the most representative organizations of employers and workers. Since the translation of the MNE Declaration into Portuguese, in 1993, it has been widely distributed to all the relevant institutions and employers' and workers' organizations.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* indicates that the reports of the Seventh Survey have been reviewed separately by the Government and the social partners. It suggests that a better information campaign would be required and ILO support would be necessary.

Switzerland

The *Confederation of Swiss Employers (UPS)* indicates that it did not receive the reports of the Seventh Survey. It considers that the MNE Declaration is sufficiently well-known among businesses in Switzerland.

The *Swiss Federation of Trade Unions (USS/SGB)* underlines the need for the ILO to promote the MNE Declaration among businesses in Switzerland.

United Kingdom

According to the Government, action to promote the MNE Declaration includes: explaining and promoting the MNE Declaration on the United Kingdom Government's CSR web site, providing links to the ILO web site and the Business and Social Initiatives (BASI) database; ensuring that the MNE Declaration is included in this year's United Kingdom Government's report on CSR; discussing and promoting the MNE Declaration at meetings with various stakeholders held by the Department of Trade and Industry; and seeking to ensure that the MNE Declaration is mentioned in reports and papers, especially in conjunction with the OECD Guidelines for Multinational Enterprises.

Zimbabwe

The Government has not reviewed the Seventh Survey and has no knowledge of whether employers' and workers' organizations have done so. Concerning promotion of the MNE Declaration, there are plans to have the ILO organize and fund a national tripartite workshop on the MNE Declaration in the future.

Disputes concerning interpretation of the provisions of the Declaration

At its 232nd (March 1986) Session, the Governing Body adopted a procedure for the examination of disputes arising out of the application of the tripartite Declaration.

Question 25

Please provide detailed information on any disputes in your country that have arisen as a result of different interpretations by the parties concerned of the MNE Declaration, in particular on the ways in which these were resolved.

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* states that it is not aware that there was a procedure for the examination of disputes concerning the MNE Declaration.

Hungary

The Government reports that the employers' organizations consider that industrial disputes arise out of differing interpretations of national practice rather than misunderstandings of the MNE Declaration.

Indonesia

The Government reports that different interpretations by the parties concerned seem to have taken place in industrial disputes, in particular one dispute in the hotel and tourism sector.

Sweden

The *Swedish Trade Union Confederation (LO)* and the *Swedish Confederation of Professional Associations (SACO)* report that the Swedish National Contact Point for the OECD Guidelines for Multinational Enterprises received two specific instances concerning two Swedish MNEs. These two cases ended with the National Contact Point urging the two MNEs to better inform their subsidiaries on the OECD Guidelines.

Part 2. Detailed questions on employment

Question 26

Please provide a copy, summary or reference of any study, statistical information or relevant initiatives undertaken in your country in the period 2000-03 that analyse the impact of MNEs on employment in respect of one or more of the following issues:

- number of jobs created or lost;
- employment conditions (including respect for fundamental principles and rights);
- introduction of new technologies;
- sectoral aspects, in particular forward and backward linkages with domestic enterprises (suppliers and distributors); and
- occupational development, promotion and advancement of nationals.

Austria

The Government refers to the reply of the *Federal Chamber of Labour (BAK)* to questions 1 to 3 and attaches the *Statistical Monthly of the Austrian National Bank*, No. 6/2004, which provides data for the year 2002.

The BAK cites several studies on this subject.

Belarus

The Government reports that total employment in enterprises with mixed ownership and sole foreign ownership increased from 81,400 in 2000 to 138,400 in 2003.

Belgium

The tripartite partners indicate that, given the growing importance of MNEs in the context of globalization, the National Labour Council (CNT) decided to issue regular reports on the MNE Declaration and social policy. Two reports are relevant to the period under consideration: Report No. 57 (1 March 2000) and Report No. 64 (21 December 2004).

Bulgaria

The Government states that the researchers in the *Confederation of Independent Trade Unions in Bulgaria (CITUB)* conducted a survey on MNEs, which looked at issues relating to new technologies, industrial relations, the OECD Guidelines, codes of conduct and European harmonization of industrial relations.

Canada

The federal Government reports on research undertaken to better understand the differences in the performance of foreign as opposed to Canadian-controlled plants in Canada. It examines differences in productivity, innovation and technology. Results can be found at <http://www.statcan.ca/english/freepub/11-623-XIE/2003001/multi.htm>.

The Government of Alberta states that a casual examination of the data suggests that MNEs have taken on large numbers of additional workers in the past few years.

The Government of Quebec indicates that data are contained in its publication *Key figures on employment* (2004 edition).

China

The Government reports that statistical information on the impact of MNEs on employment can be found in the *China Labour Statistics Yearbook*.

Costa Rica

The Government indicates that in the period under review 14,569 jobs were created by high-technology MNEs.

Fiji

The *Fiji Trades Union Congress (FTUC)* reports that while detailed studies have not been conducted to analyse the impact of MNEs in the country, some reports have been compiled by the FTUC and the University of the South Pacific.

Malaysia

The Government indicates that a study on the extent and intensity of IT usage was conducted by the National Productivity Corporation.

Mali

The Government remarks that in 2000 the Labour and Training Research Institute conducted a study on the enterprises in the industry sector, but there was no special reference to MNEs.

Mauritius

The Government observes that MNEs operate mainly in the EPZ, sugar, banking, offshore, freeport and other sectors. They contribute know-how and skill upgrading abilities. The impact on employment opportunities is not considered to be significant. MNEs operating in the trade sector are integrated. In the industrial sector, the Government is promoting linkages with domestic enterprises through clustering.

Morocco

The Government reports that the Ministry of Industry, Trade and Economic Upgrading carries out an annual survey on enterprises operating in the processing industry, including MNEs. The survey is aimed at making available relevant and up-to-date information concerning the processing industry; understanding the situation of the sector and the performance of companies operating in it; and creating growth perspectives for the sector. Survey findings are accessible on the Ministry's web site www.mcinet.gov.ma.

Peru

The Government reports that a sample survey of the major MNEs in a variety of sectors undertaken by the Government showed that these enterprises employed 30,337 persons in 2002 and 30,501 persons in 2003.

Referring to a case study of one MNE, the *National Confederation of Private Employers' Institutions (CONFIEP)* indicates that the enterprise has maintained employment levels, provides better conditions than comparable enterprises and has introduced numerous new technologies, and that 100 per cent of its staff are Peruvian.

Poland

The Government reports that at the end of 2002, firms with foreign participation employed nearly 1 million persons. One job created through FDI generated an average of four new jobs in supplier firms. One of the most important social contributions of FDI is the upgrading of employee skills, as the majority of MNEs engage in training. Foreign investment has a positive impact on employees' approach to work, developing a culture of entrepreneurship, identification with the firm and responsibility for work integrity, as these values are imparted in part through training and diffusion to other employers.

The *All-Poland Trade Union Alliance (OPZZ)* reports that information on the impact of MNEs on employment is available in the Programme for Economic Promotion of Poland though 2005 and from the Polish Information and Foreign Investment Agency (PAIiZ).

Sweden

The Government reports that the University of Gothenberg has produced one study examining the relationship between job displacement and mortality and another study analysing the long-term effects of job displacement.

The *Confederation of Swedish Enterprise* reports that a study examining the differences in wages between Swedish and foreign-owned companies has been undertaken.

Switzerland

The *Confederation of Swiss Employers (UPS)* refers to statistics produced by the Swiss National Bank.

Question 27

Please provide any information available on the consequences for employment following the purchase of, or participation in, public enterprises by MNEs in the context of privatization and deregulation processes.

Bulgaria

The Government reports the following data on employment preservation in privatized enterprises: 89.51 per cent in 2000, 64.22 per cent in 2001, 87.84 per cent in 2002 and 64.18 per cent in 2003. No penalties were imposed on companies and discrepancies between contractual obligations and the reported results were due to agreed deviations from the contractual terms.

The *Confederation of Independent Trade Unions in Bulgaria (CITUB)* states that the privatization of state-owned companies usually results in a considerable decrease in employment, especially after the negotiation of privatization contracts.

Burkina Faso

The *National Employers' Council of Burkina Faso (CNPB)* reports that the privatization process has constantly led to a reduction in employment as most of the privatized companies were previously overstaffed.

Cameroon

The *General Workers' Union of Cameroon (UGTC)* and the *Cameroon Workers' Trade Union Confederation (CSTC)* state that there are job losses in all privatized enterprises.

Chad

The *Confederation of Unions of Chad (CST)* reports that the privatization process has had a negative impact on employment.

Chile

The *Confederation of Production and Trade (CPC)* considers that the privatization process that started in the early seventies has been highly satisfactory.

Croatia

The Government reports that the restructuring processes put in place when an MNE purchases a public enterprise often leads to redundancies and affects employees with the longest periods of service or those with the lowest qualifications the hardest. Where such participation by an MNE involved the creation of new jobs, the contracts offered were mainly short term. Linkages with domestic companies were often shifted to foreign contractors, typically in the MNE's country of origin.

Democratic Republic of the Congo

The *Enterprise Federation of Congo (FEC)* reports that the privatization process is still under study.

Indonesia

The Government indicates that the privatization of public enterprises usually leads to greater efficiency and loss of employment. Deregulation processes, in particular anti-monopoly measures, increase job opportunities. The Government continues to maintain policies to stabilize employment opportunities while avoiding dismissals; where dismissals cannot be avoided, they should be in line with the provisions of Act No. 13/2003.

Kenya

The Government reports that participation of MNEs in the privatization process has led to significant job losses.

Korea, Republic of

The *Korea Employers' Federation (KEF)* reports that there have been no cases where MNEs have participated in the privatization of public enterprises, other than a few instances of MNEs acquiring banks that have the nature of public firms. Such restructuring has positively affected job creation and contributed to skills development.

Lebanon

The Government reports that those who lost their jobs as a result of the privatization of the mobile telephone operator received indemnities that were higher than those provided for under the law.

Mali

The Government reports that participation of MNEs in the privatization process has led to job losses.

Moldova, Republic of

The Government paints a mixed picture of the employment impact of the purchase of public enterprises by MNEs in the context of privatization and deregulation processes. It notes that MNEs have introduced new technologies and new structures in privatized enterprises that have created new jobs but eliminated others.

New Zealand

According to the Government, the participation of MNEs in newly privatized industries and deregulated sectors has not led to employment problems.

The *New Zealand Council of Trade Unions (NZCTU)* adds that while problems resulting from MNEs participating in deregulation and privatization processes have lessened in this reporting period, some problems remain, such as a 10 per cent rate of collective bargaining in the private sector that includes significant MNE ownership.

Nicaragua

The Government reports that information is available at www.bcn.gob.ni and www.mific.gob.ni.

Panama

The Government reports that privatization of state enterprises has led to a reduction in employment, particularly in the case of telecommunications.

Poland

The *All-Poland Trade Union Alliance (OPZZ)* reports that trade unions in privatized enterprises have generally managed to negotiate advantageous terms of social packages, but that their duration is limited. As a consequence, there is a need to renegotiate new and similar provisions in collective agreements.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* reports that the ten-year long privatization process has led to a reduction in employment, even though conditions were negotiated on the basis of a social plan.

Switzerland

The *Swiss Federation of Trade Unions (USS/SGB)* reports such instances in the telecommunications sector and postal service.

Zambia

The Government reports that many jobs were lost as a result of privatizing public enterprises, but that no statistical data are available.

Question 28

Please provide any information available on employment issues in export processing zones, special economic zones, offshore production installations and greenfield investments, particularly information on the observance (or lack of observance) in this context of the recommendations contained in paragraphs 17, 20, 22, 25 and 26 of the MNE Declaration concerning, respectively, consultations on employment aspects prior to investment, use of local resources and services, equality of opportunity and treatment, employment stability and security and notice of (and consultations on) possible changes in operations that have major employment effects.

Belarus

The Government reports that there are six SEZs currently operating (Minsk, Brest, Vitebsk, Gomel-Raton, Mogilev and Grodno). Although foreign investors benefit from significant customs and tax concessions, labour relations in SEZs are governed by Belarusian labour legislation. The conditions of employment for workers who are citizens are not any less favourable in SEZs than those stipulated in legislation.

Bulgaria

The Government reports that in EPZs the requirements in paragraphs 17, 20, 22, 25 and 26 of the MNE Declaration are met where local trade unions exist. With respect to consultations, local trade unions and local administrative structures hold consultations on the financial and economic state of the enterprise and the Labour Code. Consultations were held with two MNEs in particular on employment impacts of investments. While workers' organizations have tried to send representatives to European works councils, they are sometimes refused because Bulgaria is not yet a member of the EU. Finally, the Government notes that there are two types of approach to consultations on employment: those employers who are open and accessible for communication and those where trade union participation is negligible.

Burundi

The tripartite partners refer to the legislation concerning free zones (Act No. 1/015, July 2001).

Cameroon

The *Cameroon Workers' Trade Union Confederation (CSTC)* states that information concerning these issues, if it exists, is not available to trade unions.

Chile

The Government indicates that legislation does not distinguish between foreign and domestic firms, whether or not they are located in EPZs, SEZs, offshore production installations or greenfield investment areas.

Colombia

The *National Association of Entrepreneurs (ANDI)* reports that the national labour legislation applies equally in EPZs.

Hungary

The Government reports that SEZs have been established following a Government order. Administration duties fall to local governments where employment data are available.

Indonesia

The Government reports that manpower and employment regulations in EPZs and SEZs are the same as those found outside the zones. It notes that a comprehensive feasibility study on the investment plan is usually prepared and submitted to the Government for review before obtaining approval to start operation.

Kenya

The Government indicates that issues relating to the employment of foreigners over local staff have been raised. MNEs have to seek authorization to employ expatriates and are also required to source materials locally, whenever possible.

Lebanon

The Government reports that no MNEs operate in the two SEZs in the country, which, in any case, are subject to all provisions of national labour legislation.

Lithuania

The Government states that labour laws do not provide for any exceptions for MNEs in SEZs.

Mauritius

The Government indicates that the specificity and vulnerability of the EPZ sector have warranted special provisions in the legislation relating to termination of employment, work on holidays, night work of women and redundancies.

As of December 2003 there were 506 enterprises operating in the EPZ, employing some 77,623 persons (50,963 women and 26,660 men). During the period under consideration, local MNE subsidiaries in the textile sector were compelled to close down. Redeployment of redundant workers was carried out in collaboration with the Ministry of Labour, Industrial Relations and Employment, which acted as facilitator in bringing together stakeholders such as training providers, credit institutions and business development services. The Government reports that most workers have been re-employed.

Nicaragua

The Government reports that information is available at www.mific.gob.ni.

Senegal

The *National Union of Autonomous Trade Unions of Senegal (UNSAS)* reports that working conditions in the EPZs are poor. They refer to one case in particular.

Turkey

The Government reports that national legislation regulating labour relations applies equally in free trade zones and that there is no legislation specific to such zones in respect of social rights.

Zimbabwe

The Government explains that the employment situation in the EPZs is such that the Zimbabwe Labour Act does not apply in full. However, the Government notes that there are separate labour regulations that provide similar governance of industrial and labour relations in the EPZs. Currently, section 56 of the EPZ Act, which excludes the application of the Labour Act in EPZs, is being repealed. If it is repealed, one Act will cover all employers and workers in Zimbabwe.

Geneva, 1 September 2005.

Submitted for information.

Appendix 1

Report form for the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

1. In accordance with the decision adopted by the Governing Body at its 288th Session (November 2003), the International Labour Office is now conducting the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).
2. **The Survey covers the years 2000-03. Replies should be received by 31 December 2004 at the latest.**
3. In keeping with past practice and in order to facilitate the preparation of replies, the attached questionnaire is being sent to governments, as well as to the most representative national employers' and workers' organizations of all member States.
4. While a joint reply by the government, employers and workers of each country is most desirable, the employers' and workers' organizations receiving the questionnaire have the possibility, if they so wish, of transmitting their observations directly to the Office. In such cases, the Office will, in compliance with a previous decision of the Governing Body, refer these reports to the government concerned for comment.
5. The reports are expected to outline the developments that have taken place during the reporting period in areas covered by the MNE Declaration. Respondents are accordingly urged to provide specific data and concrete information pertinent to the questions asked. When disaggregated information on MNEs is not available respondents are requested to provide any relevant enterprise-level data. They should highlight recent developments and policy changes which have taken place in the years concerned, and reflect to the fullest extent possible the reactions of all parties affected by such changes.
6. The information should provide a reliable indication of the extent to which the principles contained in the MNE Declaration are being observed and the areas in which there may be divergences between certain policies or practices of the social partners.
7. Where matters dealt with in the MNE Declaration may, in part, go beyond the competence of the ministry responsible for labour and social issues, close consultation with the competent authorities is highly recommended in the interest of obtaining as complete and clear a picture as possible.

Report form

The context in which the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy was adopted is reflected in its Preamble, which reads as follows:

The Governing Body of the International Labour Office:

Recalling that the International Labour Organization for many years has been involved with certain social issues related to the activities of multinational enterprises;

Noting in particular that various Industrial Committees, Regional Conferences, and the International Labour Conference since the mid-1960s have requested appropriate action by the Governing Body in the field of multinational enterprises and social policy;

Having been informed of the activities of other international bodies, in particular the United Nations Commission on Transnational Corporations and the Organisation for Economic Co-operation and Development (OECD);

Considering that the ILO, with its unique tripartite structure, its competence, and its long-standing experience in the social field, has an essential role to play in evolving principles for the guidance of governments, workers' and employers' organizations, and multinational enterprises themselves;

Recalling that it convened a Tripartite Meeting of Experts on the Relationship between Multinational Enterprises and Social Policy in 1972, which recommended an ILO programme of research and study, and a Tripartite Advisory Meeting on the Relationship of Multinational Enterprises and Social Policy in 1976 for the purpose of reviewing the ILO programme of research and suggesting appropriate ILO action in the social and labour field;

Bearing in mind the deliberations of the World Employment Conference;

Having thereafter decided to establish a tripartite group to prepare a Draft Tripartite Declaration of Principles covering all of the areas of ILO concern which relate to the social aspects of the activities of multinational enterprises, including employment creation in the developing countries, all the while bearing in mind the recommendations made by the Tripartite Advisory Meeting held in 1976;

Having also decided to reconvene the Tripartite Advisory Meeting to consider the Draft Declaration of Principles as prepared by the tripartite group;

Having considered the report and the Draft Declaration of Principles submitted to it by the reconvened Tripartite Advisory Meeting;

Hereby approves the following Declaration, which may be cited as the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, adopted by the Governing Body of the International Labour Office, and invites governments of States Members of the ILO, the employers' and workers' organizations concerned and the multinational enterprises operating in their territories to observe the principles embodied therein.

Part 1. General questions

Background, aim and general policies *(paragraphs 1-12)*

1. Multinational enterprises play an important part in the economies of most countries and in international economic relations. This is of increasing interest to governments as well as to employers and workers and their respective organizations. Through international direct investment and other means such enterprises can bring substantial benefits to home and host countries by contributing to the more efficient utilization of capital, technology and labour. Within the framework of development policies established by governments, they can also make an important contribution to the promotion of economic and social welfare; to the improvement of living standards and the satisfaction of basic needs; to the creation of employment opportunities, both directly and indirectly; and to the enjoyment of basic human rights, including freedom of association, throughout the world. On the other hand, the advances made by multinational enterprises in organizing their operations beyond the national framework may lead to abuse of

concentrations of economic power and to conflicts with national policy objectives and with the interest of the workers. In addition, the complexity of multinational enterprises and the difficulty of clearly perceiving their diverse structures, operations and policies sometimes give rise to concern either in the home or in the host countries, or in both.

2. The aim of this Tripartite Declaration of Principles is to encourage the positive contribution which multinational enterprises can make to economic and social progress and to minimize and resolve the difficulties to which their various operations may give rise, taking into account the United Nations resolutions advocating the establishment of a New International Economic Order.
3. This aim will be furthered by appropriate laws and policies, measures and actions adopted by the governments and by cooperation among the governments and the employers' and workers' organizations of all countries.
4. The principles set out in this Declaration are commended to the governments, the employers' and workers' organizations of home and host countries and to the multinational enterprises themselves.
5. These principles are intended to guide the governments, the employers' and workers' organizations and the multinational enterprises in taking such measures and actions and adopting such social policies, including those based on the principles laid down in the Constitution and the relevant Conventions and Recommendations of the ILO, as would further social progress.
6. To serve its purpose this Declaration does not require a precise legal definition of multinational enterprises; this paragraph is designed to facilitate the understanding of the Declaration and not to provide such a definition. Multinational enterprises include enterprises, whether they are of public, mixed or private ownership, which own or control production, distribution, services or other facilities outside the country in which they are based. The degree of autonomy of entities within multinational enterprises in relation to each other varies widely from one such enterprise to another, depending on the nature of the links between such entities and their fields of activity and having regard to the great diversity in the form of ownership, in the size, in the nature and location of the operations of the enterprises concerned. Unless otherwise specified, the term "multinational enterprise" is used in this Declaration to designate the various entities (parent companies or local entities or both or the organization as a whole) according to the distribution of responsibilities among them, in the expectation that they will cooperate and provide assistance to one another as necessary to facilitate observance of the principles laid down in the Declaration.
7. This Declaration sets out principles in the fields of employment, training, conditions of work and life and industrial relations which governments, employers' and workers' organizations and multinational enterprises are recommended to observe on a voluntary basis; its provisions shall not limit or otherwise affect obligations arising out of ratification of any ILO Convention.

General policies

8. All the parties concerned by this Declaration should respect the sovereign rights of States, obey the national laws and regulations, give due consideration to local practices and respect relevant international standards. They should respect the Universal Declaration of Human Rights and the corresponding International Covenants adopted by the General Assembly of the United Nations as well as the Constitution of the International Labour Organization and its principles according to which freedom of expression and association are essential to sustained progress. They should contribute to the realization of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted in 1998. They should also honour commitments which they have freely entered into, in conformity with the national law and accepted international obligations.
9. Governments which have not yet ratified Conventions Nos. 87, 98, 111, 122, 138 and 182 are urged to do so and in any event to apply, to the greatest extent possible, through their national policies, the principles embodied therein and in Recommendations Nos. 111, 119, 122, 146 and 190.¹ Without

¹ Convention (No. 87) concerning Freedom of Association and Protection of the Right to Organize; Convention (No. 98) concerning the Application of the Principles of the Right to Organize and to Bargain Collectively; Convention (No. 111) concerning Discrimination in Respect of Employment and Occupation; Convention (No. 122) concerning Employment Policy; Convention (No. 138) concerning Minimum Age for Admission to Employment; Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour;

prejudice to the obligation of governments to ensure compliance with Conventions they have ratified, in countries in which the Conventions and Recommendations cited in this paragraph are not complied with, all parties should refer to them for guidance in their social policy.

10. Multinational enterprises should take fully into account established general policy objectives of the countries in which they operate. Their activities should be in harmony with the development priorities and social aims and structure of the country in which they operate. To this effect, consultations should be held between multinational enterprises, the government and, wherever appropriate, the national employers' and workers' organizations concerned.
11. The principles laid down in this Declaration do not aim at introducing or maintaining inequalities of treatment between multinational and national enterprises. They reflect good practice for all. Multinational and national enterprises, wherever the principles of this Declaration are relevant to both, should be subject to the same expectations in respect of their conduct in general and their social practices in particular.
12. Governments of home countries should promote good social practice in accordance with this Declaration of Principles, having regard to the social and labour law, regulations and practices in host countries as well as to relevant international standards. Both host and home country governments should be prepared to have consultations with each other, whenever the need arises, on the initiative of either.

Q.1 Is statistical data or government-sponsored research on the labour and employment practices of different types of enterprises in your country readily available? If so, please attach or provide references of the latest relevant publications (including addresses of relevant web sites).

Q.2 If your government does not differentiate between MNEs and national enterprises in the collection of information on labour and employment practices:

- Do any plans exist to collect differentiated information in the future?
- Do you consider that the labour and employment practices of MNEs merit special attention given the importance of MNEs in the national and global economy?

Q.3 Please provide information on laws, policies or measures that were adopted by your government in the period 2000-03 that concern employment, training, conditions of work and life or industrial relations in MNEs.²

Q.4 Please provide information on intergovernmental dialogue to promote good social practice by MNEs as recommended in paragraph 12 of the MNE Declaration. (Examples might include but need not be limited to activities in connection with the OECD Guidelines for Multinational Enterprises, national multi-stakeholder forums, the Global Compact and bilateral initiatives.)

Q.5 On a scale of 1 to 5 what do you consider has been the overall impact of MNE operations in your country in the following areas (1 corresponds to positive, 2 to somewhat positive, 3 to no impact, 4 to somewhat negative and 5 to negative)?

1 2 3 4 5

General economic and social welfare

Living standards

Employment

Equality of opportunity and treatment

Recommendation (No. 111) concerning Discrimination in Respect of Employment and Occupation; Recommendation (No. 119) concerning Termination of Employment at the Initiative of the Employer; Recommendation (No. 122) concerning Employment Policy; Recommendation (No. 146) concerning Minimum Age for Admission to Employment; Recommendation (No. 190) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

² When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

Working conditions

Respect for fundamental principles and rights at work

- Q.6** Please indicate in which sectors MNE operations in your country have led to a concentration of economic power.
- Q.7** Please indicate if your government consults with enterprises, individually or as a group, on development issues and priorities. If so, do MNEs participate actively in this process? Information is particularly sought on whether such consultations have:
- led to the actual involvement of MNEs in development activities;
 - involved employers' and/or workers' organizations;
 - been encouraged by MNE home countries;
 - been encouraged by international development agencies.

Employment (paragraphs 13-28)

Employment promotion

13. With a view to stimulating economic growth and development, raising living standards, meeting manpower requirements and overcoming unemployment and underemployment, governments should declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.³
14. This is particularly important in the case of host country governments in developing areas of the world where the problems of unemployment and underemployment are at their most serious. In this connection, the general conclusions adopted by the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour (Geneva, June 1976) should be kept in mind.⁴
15. Paragraphs 13 and 14 above establish the framework within which due attention should be paid, in both home and host countries, to the employment impact of multinational enterprises.
16. Multinational enterprises, particularly when operating in developing countries, should endeavour to increase employment opportunities and standards, taking into account the employment policies and objectives of the governments, as well as security of employment and the long-term development of the enterprise.
17. Before starting operations, multinational enterprises should, wherever appropriate, consult the competent authorities and the national employers' and workers' organizations in order to keep their manpower plans, as far as practicable, in harmony with national social development policies. Such consultation, as in the case of national enterprises, should continue between the multinational enterprises and all parties concerned, including the workers' organizations.
18. Multinational enterprises should give priority to the employment, occupational development, promotion and advancement of nationals of the host country at all levels in cooperation, as appropriate, with representatives of the workers employed by them or of the organizations of these workers and governmental authorities.
19. Multinational enterprises, when investing in developing countries, should have regard to the importance of using technologies which generate employment, both directly and indirectly. To the extent permitted by the nature of the process and the conditions prevailing in the economic sector concerned, they should adapt technologies to the needs and characteristics of the host countries. They should also, where possible, take part in the development of appropriate technology in host countries.

³ Convention No. 122 and Recommendation No. 122 concerning Employment Policy.

⁴ ILO, World Employment Conference, Geneva, 4-17 June 1976.

20. To promote employment in developing countries, in the context of an expanding world economy, multinational enterprises, wherever practicable, should give consideration to the conclusion of contracts with national enterprises for the manufacture of parts and equipment, to the use of local raw materials and to the progressive promotion of the local processing of raw materials. Such arrangements should not be used by multinational enterprises to avoid the responsibilities embodied in the principles of this Declaration.

Equality of opportunity and treatment

21. All governments should pursue policies designed to promote equality of opportunity and treatment in employment, with a view to eliminating any discrimination based on race, colour, sex, religion, political opinion, national extraction or social origin.⁵
22. Multinational enterprises should be guided by this general principle throughout their operations without prejudice to the measures envisaged in paragraph 18 or to government policies designed to correct historical patterns of discrimination and thereby to extend equality of opportunity and treatment in employment. Multinational enterprises should accordingly make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of their staff at all levels.
23. Governments should never require or encourage multinational enterprises to discriminate on any of the grounds mentioned in paragraph 21, and continuing guidance from governments, where appropriate, on the avoidance of such discrimination in employment is encouraged.

Security of employment

24. Governments should carefully study the impact of multinational enterprises on employment in different industrial sectors. Governments, as well as multinational enterprises themselves, in all countries should take suitable measures to deal with the employment and labour market impacts of the operations of multinational enterprises.
25. Multinational enterprises equally with national enterprises, through active manpower planning, should endeavour to provide stable employment for their employees and should observe freely negotiated obligations concerning employment stability and social security. In view of the flexibility which multinational enterprises may have, they should strive to assume a leading role in promoting security of employment, particularly in countries where the discontinuation of operations is likely to accentuate long-term unemployment.
26. In considering changes in operations (including those resulting from mergers, take-overs or transfers of production) which would have major employment effects, multinational enterprises should provide reasonable notice of such changes to the appropriate government authorities and representatives of the workers in their employment and their organizations so that the implications may be examined jointly in order to mitigate adverse effects to the greatest possible extent. This is particularly important in the case of the closure of an entity involving collective lay-offs or dismissals.
27. Arbitrary dismissal procedures should be avoided.⁶
28. Governments, in cooperation with multinational as well as national enterprises, should provide some form of income protection for workers whose employment has been terminated.⁷

Q.8 Please provide information on direct or indirect employment effects, whether negative or positive, of MNE operations in the period 2000-03. In particular please indicate whether or not they have resulted in:

⁵ Convention (No. 111) and Recommendation (No. 111) concerning Discrimination in Respect of Employment and Occupation; Convention (No. 100) and Recommendation (No. 90) concerning Equal Remuneration for Men and Women Workers for Work of Equal Value.

⁶ Recommendation (No. 119) concerning Termination of Employment at the Initiative of the Employer.

⁷ *ibid.*

- increased employment opportunities;
- promotion of equality of opportunity and treatment;
- provision of stable employment; and
- promotion of security of employment.

- Q.9** Please provide details of the relevant clauses of the government's foreign direct investment policy and regulations that pay special attention to employment issues (including bilateral and multilateral agreements and export credit and risk insurance measures).
- Q.10** Please provide information, if available, on consultations that may have taken place between MNEs and the government and/or workers' organizations in your country concerning changes in MNE operations with major employment effects.⁸

Training (paragraphs 29-32)

29. Governments, in cooperation with all the parties concerned, should develop national policies for vocational training and guidance, closely linked with employment.⁹ This is the framework within which multinational enterprises should pursue their training policies.
30. In their operations, multinational enterprises should ensure that relevant training is provided for all levels of their employees in the host country, as appropriate, to meet the needs of the enterprise as well as the development policies of the country. Such training should, to the extent possible, develop generally useful skills and promote career opportunities. This responsibility should be carried out, where appropriate, in cooperation with the authorities of the country, employers' and workers' organizations and the competent local, national or international institutions.
31. Multinational enterprises operating in developing countries should participate, along with national enterprises, in programmes, including special funds, encouraged by host governments and supported by employers' and workers' organizations. These programmes should have the aim of encouraging skill formation and development as well as providing vocational guidance, and should be jointly administered by the parties which support them. Wherever practicable, multinational enterprises should make the services of skilled resource personnel available to help in training programmes organized by governments as part of a contribution to national development.
32. Multinational enterprises, with the cooperation of governments and to the extent consistent with the efficient operation of the enterprise, should afford opportunities within the enterprise as a whole to broaden the experience of local management in suitable fields such as industrial relations.
- Q.11** Please provide statistical data or examples of initiatives concerning human resources development and vocational training undertaken by MNEs for their employees in your country.¹⁰
- Q.12** Please provide information on the contribution that MNEs make to human resources development, education and vocational training in your country, in addition to training their own workers and managers, in particular in terms of strengthening training policies and delivery systems at the national, sectoral and enterprise levels, including through active participation in any tripartite bodies concerned.¹¹

⁸ When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

⁹ Convention (No. 142) and Recommendation (No. 150) concerning Vocational Guidance and Vocational Training in the Development of Human Resources.

¹⁰ When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

¹¹ *ibid.*

Conditions of work and life (paragraphs 33-40)

Wages, benefits and conditions of work

33. Wages, benefits and conditions of work offered by multinational enterprises should be not less favourable to the workers than those offered by comparable employers in the country concerned.
34. When multinational enterprises operate in developing countries, where comparable employers may not exist, they should provide the best possible wages, benefits and conditions of work, within the framework of government policies.¹² These should be related to the economic position of the enterprise, but should be at least adequate to satisfy basic needs of the workers and their families. Where they provide workers with basic amenities such as housing, medical care or food, these amenities should be of a good standard.¹³
35. Governments, especially in developing countries, should endeavour to adopt suitable measures to ensure that lower income groups and less developed areas benefit as much as possible from the activities of multinational enterprises.

Minimum age

36. Multinational enterprises, as well as national enterprises, should respect the minimum age for admission to employment or work in order to secure the effective abolition of child labour.¹⁴

Safety and health

37. Governments should ensure that both multinational and national enterprises provide adequate safety and health standards for their employees. Those governments which have not yet ratified the ILO Conventions on Guarding of Machinery (No. 119), Ionising Radiation (No. 115), Benzene (No. 136) and Occupational Cancer (No. 139) are urged nevertheless to apply to the greatest extent possible the principles embodied in these Conventions and in their related Recommendations (Nos. 118, 114, 144 and 147). The codes of practice and guides in the current list of ILO publications on occupational safety and health should also be taken into account.¹⁵
38. Multinational enterprises should maintain the highest standards of safety and health, in conformity with national requirements, bearing in mind their relevant experience within the enterprise as a whole, including any knowledge of special hazards. They should also make available to the representatives of the workers in the enterprise, and upon request, to the competent authorities and the workers' and employers' organizations in all countries in which they operate, information on the safety and health standards relevant to their local operations, which they observe in other countries. In particular, they should make known to those concerned any special hazards and related protective measures associated with new products and processes. They, like comparable domestic enterprises, should be expected to play a leading role in the examination of causes of industrial safety and health hazards and in the application of resulting improvements within the enterprise as a whole.
39. Multinational enterprises should cooperate in the work of international organizations concerned with the preparation and adoption of international safety and health standards.

¹² Recommendation (No. 116) concerning Reduction of Hours of Work.

¹³ Convention (No. 110) and Recommendation (No. 110) concerning Conditions of Employment of Plantation Workers; Recommendation (No. 115) concerning Workers' Housing; Recommendation (No. 69) concerning Medical Care; Convention (No. 130) and Recommendation (No. 134) concerning Medical Care and Sickness Benefits.

¹⁴ Convention No. 138, Article 1; Convention No. 182, Article 1.

¹⁵ The ILO Conventions and Recommendations referred to are listed in the *Catalogue of ILO Publications on Occupational Safety and Health*, 1999 edition, ILO, Geneva. See also <http://www.ilo.org/public/english/protection/safework/publicat/index.htm>.

40. In accordance with national practice, multinational enterprises should cooperate fully with the competent safety and health authorities, the representatives of the workers and their organizations, and established safety and health organizations. Where appropriate, matters relating to safety and health should be incorporated in agreements with the representatives of the workers and their organizations.

Q.13 Please provide information, whether positive or negative, on MNE operations in regard to:

- provision of wages, benefits and conditions of work not less favourable than those offered by comparable domestic employers;
- respect for the minimum age for employment and contribute to the elimination of child labour;
- maintenance of the highest standards of occupational safety and health in conformity with national laws or collective agreements.

Industrial relations (paragraphs 41-59)

41. Multinational enterprises should observe standards of industrial relations not less favourable than those observed by comparable employers in the country concerned.

Freedom of association and the right to organize

42. Workers employed by multinational enterprises as well as those employed by national enterprises should, without distinction whatsoever, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.¹⁶ They should also enjoy adequate protection against acts of anti-union discrimination in respect of their employment.¹⁷

43. Organizations representing multinational enterprises or the workers in their employment should enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.¹⁸

44. Where appropriate, in the local circumstances, multinational enterprises should support representative employers' organizations.

45. Governments, where they do not already do so, are urged to apply the principles of Convention No. 87, Article 5, in view of the importance, in relation to multinational enterprises, of permitting organizations representing such enterprises or the workers in their employment to affiliate with international organizations of employers and workers of their own choosing.

46. Where governments of host countries offer special incentives to attract foreign investment, these incentives should not include any limitation of the workers' freedom of association or the right to organize and bargain collectively.

47. Representatives of the workers in multinational enterprises should not be hindered from meeting for consultation and exchange of views among themselves, provided that the functioning of the operations of the enterprise and the normal procedures which govern relationships with representatives of the workers and their organizations are not thereby prejudiced.

48. Governments should not restrict the entry of representatives of employers' and workers' organizations who come from other countries at the invitation of the local or national organizations concerned for the purpose of consultation on matters of mutual concern, solely on the grounds that they seek entry in that capacity.

¹⁶ Convention No. 87, Article 2.

¹⁷ Convention No. 98, Article 1(1).

¹⁸ Convention No. 98, Article 2(1).

Collective bargaining

49. Workers employed by multinational enterprises should have the right, in accordance with national law and practice, to have representative organizations of their own choosing recognized for the purpose of collective bargaining.
50. Measures appropriate to national conditions should be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiation between employers or employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements.¹⁹
51. Multinational enterprises, as well as national enterprises, should provide workers' representatives with such facilities as may be necessary to assist in the development of effective collective agreements.²⁰
52. Multinational enterprises should enable duly authorized representatives of the workers in their employment in each of the countries in which they operate to conduct negotiations with representatives of management who are authorized to take decisions on the matters under negotiation.
53. Multinational enterprises, in the context of bona fide negotiations with the workers' representatives on conditions of employment, or while workers are exercising the right to organize, should not threaten to utilize a capacity to transfer the whole or part of an operating unit from the country concerned in order to influence unfairly those negotiations or to hinder the exercise of the right to organize; nor should they transfer workers from affiliates in foreign countries with a view to undermining bona fide negotiations with the workers' representatives or the workers' exercise of their right to organize.
54. Collective agreements should include provisions for the settlement of disputes arising over their interpretation and application and for ensuring mutually respected rights and responsibilities.
55. Multinational enterprises should provide workers' representatives with information required for meaningful negotiations with the entity involved and, where this accords with local law and practices, should also provide information to enable them to obtain a true and fair view of the performance of the entity or, where appropriate, of the enterprise as a whole.²¹
56. Governments should supply to the representatives of workers' organizations on request, where law and practice so permit, information on the industries in which the enterprise operates, which would help in laying down objective criteria in the collective bargaining process. In this context, multinational as well as national enterprises should respond constructively to requests by governments for relevant information on their operations.

Consultation

57. In multinational as well as in national enterprises, systems devised by mutual agreement between employers and workers and their representatives should provide, in accordance with national law and practice, for regular consultation on matters of mutual concern. Such consultation should not be a substitute for collective bargaining.²²

¹⁹ Convention No. 98, Article 4.

²⁰ Convention (No. 135) concerning Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking.

²¹ Recommendation (No. 129) concerning Communications between Management and Workers within the Undertaking.

²² Recommendation (No. 94) concerning Consultation and Cooperation between Employers and Workers at the Level of the Undertaking; Recommendation (No. 129) concerning Communications within the Undertaking.

Examination of grievances

58. Multinational as well as national enterprises should respect the right of the workers whom they employ to have all their grievances processed in a manner consistent with the following provision: any worker who, acting individually or jointly with other workers, considers that he has grounds for a grievance should have the right to submit such grievance without suffering any prejudice whatsoever as a result, and to have such grievance examined pursuant to an appropriate procedure.²³ This is particularly important whenever the multinational enterprises operate in countries which do not abide by the principles of ILO Conventions pertaining to freedom of association, to the right to organize and bargain collectively and to forced labour.²⁴

Settlement of industrial disputes

59. Multinational as well as national enterprises jointly with the representatives and organizations of the workers whom they employ should seek to establish voluntary conciliation machinery, appropriate to national conditions, which may include provisions for voluntary arbitration, to assist in the prevention and settlement of industrial disputes between employers and workers. The voluntary conciliation machinery should include equal representation of employers and workers.²⁵

Q.14 Please provide information on any limitations on the ability of workers in MNEs in your country, or their representatives, to exercise fully the right to freedom of association and collective bargaining (for example, labour law exceptions in special economic zones, limited scope for local bargaining since MNE representatives have to refer most matters to headquarters, lack of trade union facilities, relevant information on overall company performance not provided by local MNE affiliate).²⁶

Q.15 Please provide information on incentives offered to MNEs to attract them to invest in your country that may adversely affect the realization of fundamental principles and rights at work.²⁷

Q.16 Please provide information on any efforts by your government to encourage the development and improvement of industrial relations policies and practices and bring them into conformity with the principles of the MNE Declaration.

Q.17 Are you aware of any enterprises, be they domestic or multinational, that have considered or are considering a transfer of their activities to another country for reasons related to the respect of fundamental principles and rights at work, as reflected in national legislation? If so, please provide details.

Q.18 Please provide details on any particular industrial relations problems in the period 2000-03 specific to MNEs operating in your country, as distinct from those experienced by domestic enterprises (for example, job loss or relocation, discrimination against women including pregnancy at work, trade union recognition, freedom of association and collective bargaining).

Q.19 Please provide information, if available, on changes in the collective bargaining practices of the MNEs operating in your country in the period 2000-03, including an indication as to

²³ Recommendation (No. 130) concerning the Examination of Grievances within the Undertaking with a View to their Settlement.

²⁴ Convention (No. 29) concerning Forced or Compulsory Labour; Convention (No. 105) concerning the Abolition of Forced Labour; Recommendation (No. 35) concerning Indirect Compulsion to Labour.

²⁵ Recommendation (No. 92) concerning Voluntary Conciliation and Arbitration.

²⁶ When disaggregated information on MNEs is not available, please provide any relevant enterprise data.

²⁷ *ibid.*

whether such changes were the result of framework agreements signed by global trade union federations and MNE headquarters.²⁸

- Q.20** Do MNEs support employers' organizations in your country (through membership, joint activities, representation or otherwise)?

Consultation with the representative employers' and workers' organizations concerning this questionnaire

In the event that the replies to the questionnaire were not prepared on a tripartite basis, governments are requested to provide copies of their replies to this questionnaire to the most representative employers' and workers' organizations in the country and to invite them to make such observations as they may consider relevant. While it would be desirable for such observations to be incorporated in the governments' replies, the employers' and workers' organizations may also transmit their comments directly to the ILO.

Governments

- Q.21** (a) If this is a joint reply, please indicate the employers' and workers' organizations that participated in preparing this reply. If not, please indicate the employers' and workers' organizations to which copies of this reply were sent.

Employers' and workers' organizations

- Q.22** (b) If this is an individual reply by an employers' or workers' organization, please indicate to which relevant government authority and other employers' or workers' organizations copies have been sent.

Promotion of the observance of the MNE Declaration

- Q.23** Please provide information, if available, on whether the government, employers' and workers' organizations in your country, together or separately, have reviewed the reports of the Seventh Survey on the effect given to the MNE Declaration and, if so, whether this review has influenced national policy with respect to MNE operations or has led to activities to promote observance of the MNE Declaration.
- Q.24** Please provide information on any activities that are being planned in your country to promote observance of the MNE Declaration, including whether ILO support will be required.

Disputes concerning interpretation of the provisions of the Declaration

At its 232nd (March 1986) Session, the Governing Body adopted the procedure (appended hereto) for the examination of disputes arising out of the application of the Tripartite Declaration.

- Q.25** Please provide detailed information on any disputes in your country that have arisen as a result of different interpretations by the parties concerned of the MNE Declaration, in particular on the ways in which these were resolved.

Part 2. Detailed questions on employment

- Q.26** Please provide a copy, summary or reference of any study, statistical information or relevant initiatives undertaken in your country in the period 2000-03 that analyse the impact of MNEs on employment in respect of one or more of the following issues:

²⁸ *ibid.*

- number of jobs created or lost;
- employment conditions (including respect for fundamental principles and rights);
- introduction of new technologies;
- sectoral aspects, in particular forward and backward linkages with domestic enterprises (suppliers and distributors); and
- occupational development, promotion and advancement of nationals.

Q.27 Please provide any information available on the consequences for employment following the purchase of, or participation in, public enterprises by MNEs in the context of privatization and deregulation processes.

Q.28 Please provide any information available on employment issues in export processing zones, special economic zones, offshore production installations and greenfield investments, particularly information on the observance (or lack of observance) in this context of the recommendations contained in paragraphs 17, 20, 22, 25 and 26 of the MNE Declaration concerning, respectively, consultations on employment aspects prior to investment, use of local resources and services, equality of opportunity and treatment, employment stability and security and notice of (and consultations on) possible changes in operations that have major employment effects.

Appendix 2

Procedure for the examination of disputes concerning the application of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by means of interpretation of its provisions

(adopted by the Governing Body of the International Labour Office at its 232nd Session (Geneva, March 1986))¹

1. The purpose of the procedure is to interpret the provisions of the Declaration when needed to resolve a disagreement on their meaning, arising from an actual situation, between parties to whom the Declaration is commended.
2. The procedure should in no way duplicate or conflict with existing national or ILO procedures. Thus, it cannot be invoked:
 - (a) in respect of national law and practice;
 - (b) in respect of international labour Conventions and Recommendations;
 - (c) in respect of matters falling under the freedom of association procedure.

The above means that questions regarding national law and practice should be considered through appropriate national machinery; that questions regarding international labour Conventions and Recommendations should be examined through the various procedures provided for in articles 19, 22, 24 and 26 of the Constitution of the ILO, or through government requests to the Office for informal interpretation; and that questions concerning freedom of association should be considered through the special ILO procedures applicable to that area.

3. When a request for interpretation of the Declaration is received by the International Labour Office, the Office shall acknowledge receipt and bring it before the Officers of the Committee on Multinational Enterprises. The Office will inform the government and the central organizations of employers and workers concerned of any request for interpretation received directly from an organization under paragraph 5(b) and (c).
4. The Officers of the Committee on Multinational Enterprises shall decide unanimously after consultations in the groups whether the request is receivable under the procedure. If they cannot reach agreement the request shall be referred to the full Committee for decision.
5. Requests for interpretation may be addressed to the Office:
 - (a) as a rule by the government of a member State acting either on its own initiative or at the request of a national organization of employers or workers;
 - (b) by a national organization of employers or workers, which is representative at the national and/or sectoral level, subject to the conditions set out in paragraph 6. Such requests should normally be channelled through the central organizations in the country concerned;
 - (c) by an international organization of employers or workers on behalf of a representative national affiliate.
6. In the case of 5(b) and (c), requests may be submitted if it can be demonstrated:
 - (a) that the government concerned has declined to submit the request to the Office; or
 - (b) that three months have elapsed since the organization addressed the government without a statement of the government's intention.
7. In the case of receivable requests the Office shall prepare a draft reply in consultation with the Officers of the Committee on Multinational Enterprises. All appropriate sources of information shall

¹ *Official Bulletin* (Geneva, ILO), 1986, Vol. LXIX, Series A, No. 3, pp. 196-197 (to replace Part IV of the Procedures adopted by the Governing Body at its 214th Session (November 1980)). See *Official Bulletin*, 1981, Vol. LXIV, Series A, No. 1, pp. 89-90.

be used, including government, employers' and workers' sources in the country concerned. The Officers may ask the Office to indicate a period within which the information should be provided.

8. The draft reply to a receivable request shall be considered and approved by the Committee on Multinational Enterprises prior to submission to the Governing Body for approval.
9. The reply when approved by the Governing Body shall be forwarded to the parties concerned and published in the *Official Bulletin* of the International Labour Office.