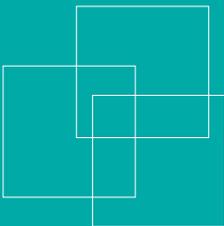




International  
Labour  
Organization

# What is the ILO MNE Declaration?





## **What is the ILO MNE Declaration?**

- The MNE Declaration provides clear guidance on how enterprises can contribute through their operations worldwide to the realization of decent work.

Its recommendations rooted in international labour standards reflect good practices for all enterprises but also highlight the role of government in stimulating good corporate behaviour as well as the crucial role of social dialogue.

► Guy Ryder, ILO Director-General

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## What is the ILO MNE Declaration?

The Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration) is the ILO instrument that provides direct guidance to enterprises on social policy and inclusive, responsible and sustainable workplace practices. The aim of this Declaration is to encourage the positive contribution which multinational enterprises can make to economic and social progress and the realization of decent work for all; and to minimize and resolve the difficulties to which their various operations may give rise. These principles 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 the MNE 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.

Its principles are addressed to MNEs, governments of home and host countries, and employers' and workers' organizations and cover areas such as employment, training, conditions of work and life, and industrial relations as well as general policies.

1. General policies
2. Employment
  - Employment promotion
  - Social security
  - Elimination of forced or compulsory labour
  - Effective abolition of child labour: minimum age and worst forms
  - Equality of opportunity and treatment
  - Security of employment
3. Training
4. Conditions of work and life
  - Wages, benefits and conditions of work
  - Safety and health

## 5. Industrial relations

- Freedom of association and the right to organize
- Collective bargaining
- Consultation
- Access to remedy and examination of grievances

The guidance is founded substantially on principles contained in international labour standards (ILO conventions and recommendations listed in Annex I of the instrument), and on obligations that States have through their ILO membership and following their ratification of ILO conventions

The MNE Declaration highlights the importance of the rule of law, law enforcement and social dialogue and recalls that all parties should respect workers' rights and contribute to the realization of the fundamental principles and rights at work. It emphasizes the importance of dialogue and consultations among the different parties to ensure inclusive, sustainable, responsible business behaviour of MNEs in host countries and compatibility with national development objectives and policies. It encourages home and host country governments of MNEs to engage in consultations with each other as well as with their enterprises on social and labour policy.

The MNE Declaration is the only global instrument in this area that was elaborated and adopted by governments, employers' and workers from around the world. Adopted by the Governing Body of the ILO at its 204th session (Geneva, November 1977), the instrument was amended several times.

It was last amended in March 2017 following a tripartite review process to respond to new economic realities and to take into account developments since the last update in 2006. These developments included new labour standards and policy outcomes adopted by the International Labour Conference, the Guiding Principles on Business and Human Rights endorsed by the Human Rights Council in 2011, and the adoption of the 2030 Agenda for Sustainable Development.

The revision has enriched the MNE Declaration by strengthening and adding principles addressing specific decent work issues related to social security, forced labour, transition from the informal to the formal economy, wages, safety and health, access to remedy and compensation of victims. And by outlining the different roles that different actors have in achieving the aim of the MNE Declaration, aligned with the Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework.

To stimulate the uptake of the principles of the MNE Declaration by the various parties, the Governing Body has also adopted a number of operational tools that are listed in Annex II of the MNE Declaration. The MNE Declaration is influencing and guiding policies of international and regional organizations, national governments, multi-stakeholder initiatives as well as policies and codes of enterprises of all sizes.

## Provisions of the MNE Declaration

Principles directed to Governments	Principles directed to Enterprises
<b>General Policies</b>	
<ul style="list-style-type: none"> <li>• Further the aim of the Declaration by adopting appropriate</li> <li>• laws and policies, measures and actions, including in the fields of labour administration and public labour inspection [para. 3]</li> <li>• Ensure equal treatment between multinational and national enterprises [para. 5]</li> <li>• Ratify all the Fundamental Conventions [para. 9]</li> <li>• Promote good social practice in accordance with the MNE Declaration among MNEs operating in their territories and their MNEs operating abroad [para. 12]</li> <li>• Be prepared to have consultations with other governments whenever the need arises [para. 12]</li> </ul>	<ul style="list-style-type: none"> <li>• Respect the sovereign rights of the state and obey national laws and respect international standards [para. 8]</li> <li>• Contribute to the realization of the fundamental principles and rights at work [para. 9]</li> <li>• Carry out due diligence<sup>1</sup>, taking account of the central role of freedom of association and collective bargaining, industrial relations and social dialogue [para. 10]</li> <li>• Consult with government, employers' and workers' organizations to ensure that operations are consistent with national development priorities [para. 11]</li> </ul>

1 For a general description of due diligence, see *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*.

Principles directed to Governments	Principles directed to Enterprises
<b>Employment</b>	
<ul style="list-style-type: none"> <li>• Declare and pursue, as a major goal, an active policy to promote full, productive and freely chosen employment, and decent work [para. 13]</li> <li>• Develop and implement an integrated policy framework to facilitate the transition to the formal economy [para. 21]</li> <li>• Establish and maintain, as appropriate, social protection floors within a strategy to progressively ensure higher levels of social security [para. 22]</li> <li>• Take effective measures to prevent and eliminate forced labour, provide victims with access to an appropriate remedy, develop a national policy and action plan, and provide guidance and support to employers [para. 23-24]</li> <li>• Develop a national policy designed to ensure the affective abolition of child labour, take immediate measures to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency, and progressively raise the minimum age of admission to employment [para. 26]</li> <li>• Pursue policies designed to promote equality of opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Endeavour to increase employment opportunities and standards, taking the employment policies and objectives of governments into account [para. 16]</li> <li>• Before starting operations, consult the competent authorities and the national employers' and workers' organizations in order to keep employment plans, as far as practicable, in harmony with national social development policies [para. 17]</li> <li>• Give priority to the employment, occupational development, promotion and advancement of nationals of the host country [para. 18]</li> <li>• Use technologies which generate employment, both directly and indirectly; and take part in the development of appropriate technology and adapt technologies to the needs of and characteristics of the host country [para. 19]</li> <li>• Build linkages with local enterprises by sourcing local inputs, promoting the local processing of raw materials and local manufacturing of parts and equipment [para. 20]</li> </ul>

Principles directed to Governments	Principles directed to Enterprises
<b>Employment (cont.)</b>	
<ul style="list-style-type: none"> <li>• and treatment in employment, with a view to eliminating any discrimination based on race, color, sex, religion, political opinion, national extraction or social origin [para. 28]</li> <li>• Promote equal remuneration for men and women workers for work of equal value [para. 29]</li> <li>• Never require or encourage multinational enterprises to discriminate and provide guidance, where appropriate, on the avoidance of discrimination [para. 31]</li> <li>• Study the impact of multinational enterprises on employment in different industrial sectors [para. 32]</li> <li>• In cooperation with multinational and national enterprises, provide income protection for workers whose employment has been terminated [para. 36]</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to the transition to the formal economy [para. 21]</li> <li>• Complement and help to stimulate further development of public social security systems [para. 22]</li> <li>• Take immediate and effective measures to secure the prohibition and elimination of forced labour in their operations [para. 25]</li> <li>• Respect the minimum age of admission to employment and take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour [para. 27]</li> <li>• Be guided by the principle of non-discrimination and make qualifications, skill and experience the basis for recruitment, placement, training and advancement of staff [para. 30]</li> <li>• Endeavor to provide stable employment for workers and observe freely negotiated obligations concerning employment stability and social security, promote security of employment, providing reasonable notice of intended changes in operations and avoiding arbitrary dismissal [para. 33-35]</li> </ul>

Principles directed to Governments	Principles directed to Enterprises
<b>Training</b>	
<ul style="list-style-type: none"> <li>• Develop national policies for vocational training and guidance, closely linked with employment in cooperation with all the parties concerned [para. 37]</li> </ul>	<ul style="list-style-type: none"> <li>• Provide training for all levels of workers employed to meet the needs of the enterprise as well as development policies of the country [para. 38]</li> <li>• Participate in programmes aiming at encouraging skill formation, lifelong training and development as well as providing vocational training, and make the skilled resource personnel available [para. 39]</li> <li>• Afford opportunities within the enterprise for local management to broaden their experience [para. 40]</li> </ul>
<b>Conditions of Work and Life</b>	
<ul style="list-style-type: none"> <li>• 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 [para. 42]</li> <li>• Ensure that both multinational and national enterprises provide adequate safety and health standards and contribute to a preventive safety and health culture, including taking steps to combat violence at work and attention to building safety; and that compensation is provided to workers who have been victims of occupational accidents or diseases [para. 43]</li> </ul>	<ul style="list-style-type: none"> <li>• Across their operations, provide wages, benefits and conditions of work not less favorable than those offered by comparable employers in the country concerned, taking into account the general level of wages, the cost of living, social security benefits, economic factors and levels of productivity [para. 41]</li> <li>• Maintain highest standards of safety and health at work, make known special hazards and related protective measures associates with new products and processes, provide information on good practice observed in other countries, and play a leading role in the examination of causes of industrial safety and hazards. [para. 44]</li> <li>• Cooperate with international and national safety and health organizations, national authorities, workers and their organizations, and incorporate matters of safety and health in agreements with representatives of workers [para. 45-46]</li> </ul>

Principles directed to Governments	Principles directed to Enterprises
<b>Industrial Relations</b>	
<ul style="list-style-type: none"> <li>• 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 [para. 51]</li> <li>• Not include in their incentives to attract foreign investment any limitation of the workers' freedom of association or the right to organize and bargain collectively [para. 52]</li> <li>• Ensure through judicial, administrative, legislative or other appropriate means that workers whose rights have been violated have access to effective remedy [para. 64]</li> <li>• Ensure that voluntary conciliation and arbitration machinery is available free of charge to assist in prevention and settlement of industrial disputes [para. 67]</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout their operations, observe standards of industrial relations [para. 47]</li> <li>• Respect freedom of association and the right to collective bargaining, provide the facilities and information required for meaningful negotiations [para. 48, 57 and 61]</li> <li>• Support representative employers' organizations [para. 50]</li> <li>• Provide for regular consultation on matters of mutual concern [para. 63]</li> <li>• Use leverage to encourage business partners to provide effective remediation [para. 65]</li> <li>• Examine the grievances of worker(s), pursuant to an appropriate procedure [para. 66]</li> <li>• Seek to establish voluntary conciliation machinery jointly with representatives and organizations of workers [para. 68]</li> </ul>

Source: ILO





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