



FOURTH ITEM ON THE AGENDA

Proposal for evaluating the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**Introduction**

1. The existing survey process, as developed by the Governing Body and noted with satisfaction by the International Labour Conference,¹ is tripartite and periodic in nature, and addresses the effect given by ILO member States to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).
2. Further to the presentation and discussion of the results of the Eighth Survey on the effect given to the MNE Declaration in March 2006, the Office was requested to prepare a proposal outlining options for evaluating the effect given to the MNE Declaration.² The request arose because of the concern about the low rate of response to the Eighth Survey, as well as the lack of detail contained in the responses.³
3. For the November 2006 Governing Body, a paper⁴ was submitted that provided options for revising the current process, building on past practice and noting procedures of other international organizations. It was recalled that, in 1978, the Governing Body had invited governments to report periodically on the effect given to the MNE Declaration after full consultation with national employers' and workers' organizations, and subsequently

¹ Preamble and Part III of the resolution concerning follow-up to the World Employment Conference, ILC, 65th Session, *Record of Proceedings* (1979) (*Provisional Record*, pp. 42/12, 14, 22–23): “The Conference invites the Governing Body of the ILO ... to instruct the Director-General to urge the full utilization of the follow-up procedures of the tripartite Declaration ...” (GB.205/205, para. 17, and GB.209/205).

² GB.295/11(Rev.), para. 48.

³ GB.294/10(Rev.).

⁴ GB.297/MNE/3.

established a procedure for consideration of such reports.⁵ In a resolution adopted at its 65th Session, the International Labour Conference subsequently endorsed the decision of the Governing Body.⁶ The Governing Body thereafter decided the periodicity of the report cycles.⁷ The most recent decision on periodicity established a four-year cycle.⁸

4. The options that were presented can be summarized as follows:

- (1) *Refining the current global survey approach.* Conducting a survey which covers general questions and one topic area of the MNE Declaration selected by the Governing Body.
- (2) *Thematic approach.* Undertaking in-depth global analysis on one of the topic areas of the MNE Declaration, to be identified each time by the Governing Body.
- (3) *Subregional approach.* Organizing regional or subregional tripartite meetings to discuss areas covered by the MNE Declaration.
- (4) *Combining the thematic and subregional approaches.* Providing constituents with a subregional platform to have comprehensive discussion on one of the five topic areas of the MNE Declaration on a rotational basis.
- (5) *Combining a refined global survey with an in-depth thematic analysis in a selected number of countries.* Undertaking an in-depth analysis of one of the five topic areas of the MNE Declaration in a selected number of countries, in addition to the refined survey proposed as option (1) above.

5. Upon recommendation of the Subcommittee, the Governing Body decided to conduct a ninth survey in the current biennium, to postpone the decision on the form of such a survey until after the 30th Anniversary event, and, in the meantime, to convene a tripartite working group of the Subcommittee, through its Officers, to analyse the different possibilities for the form of the ninth survey and prepare a proposal for the March 2007 session of the Governing Body.⁹

6. Based on the tripartite guidance received following the 30th Anniversary event, it is proposed to undertake a field exercise to inform future decisions concerning an alternative modality to the current survey process.

⁵ The Governing Body adopted terms of reference for consideration of the first reports as follows: to make a factual survey of the degree of acceptance of the terms of the MNE Declaration and of patterns of action to give effect to it; to consider difficulties or inadequacies which may be exposed by the survey and to suggest ways of dealing with them; and to advise on further follow-up procedures (GB.209/205, para. 3 (Feb./Mar. 1979)).

⁶ Resolution concerning follow-up to the World Employment Conference, loc. cit.

⁷ The reporting periods decided by the Governing Body have been as follows: two years from communication of the Declaration for the first reports (1978–79); three years for the second, third, fourth, fifth and sixth reports (1980–82; 1983–85; 1986–88; 1989–91; and 1992–94); and four years for the Seventh and Eighth Surveys (1996–99 and 2000–04). The Governing Body also, for each cycle, set the dates of dispatch of the questionnaire and deadlines for receipt of replies.

⁸ GB.258/205, para. 67.

⁹ GB.297/13(Rev.) and GB.297/PV, para. 228.

Proposed exercise

7. The following four points are considered crucial in shaping the alternative modality:

- (1) *Holistic scan of the MNE Declaration.* The purpose of the exercise will be to conduct a scan or a review of how principles in all five areas of the MNE Declaration are implemented.
- (2) *Simplified and integrated process.* This exercise will be carried out through a simplified procedure conducted as an integral part of the implementation of the Multinational Enterprises Programme (MULTI) strategic priorities.¹⁰
- (3) *Enhanced methodology.* The Office will seek external expertise in conducting the exercise. Structured interviews will be conducted with key informants and focus groups at the country level (social partners as well as relevant ministries, academics and multinational enterprises). National governments and social partners will select and organize the interviews and focus group meetings. Supplementary analyses will be conducted based on existing facts and figures, and the Office will make efforts to collect examples that demonstrate effective ways in which the principles of the MNE Declaration have been and can be implemented. Close collaboration with the ILO field structure will be sought throughout the process.
- (4) *Expected output.* A report will be produced which would serve as a strategic policy document to guide the work of the Office in the further promotion and implementation of the MNE Declaration.

8. In considering this proposal, it is important to note a number of implications including the following:

- the exercise will not cover all countries;
- the findings will mainly be qualitative in nature and the results will therefore not be easily comparable over time;
- the exercise will use a significant amount of MULTI's resources for this biennium and it will therefore not be possible for the ninth survey (in whatever form) to be completed this biennium, thus prolonging the cycle beyond the four-year period (see paragraph 3).

9. It is proposed that the exercise be conducted in three regions (Africa, the Americas and Asia-Pacific) and that, within each region, focus group discussion be conducted in three countries.

10. The tripartite constituents, through the Officers of the MNE Subcommittee, will be kept informed throughout the process.

11. Further details of the proposed work programme will be presented during the discussions of the MNE Subcommittee in March 2008.

12. Upon completion, the exercise will be evaluated and a supplementary report prepared that highlights the lessons learned. This evaluation will inform subsequent decisions concerning the future options for alternatives to the current survey methodology.

¹⁰ GB.301/MNE/1.

Depending on the scope of the changes ultimately decided upon, a decision of the Governing Body to adopt a new modality may involve further action within the context of the Conference.

13. *The Subcommittee on Multinational Enterprises may wish to recommend that the Governing Body:*

- (i) set aside the decision taken at its 297th Session to conduct a ninth survey on the effect given to the MNE Declaration in the 2008–09 biennium;*
- (ii) suspend, for the time required to complete the exercise proposed for evaluating alternatives to the current survey methodology, the decision taken at its 258th Session to conduct surveys every four years;*
- (iii) request the Office to evaluate alternatives to the current survey methodology and report its findings to the Subcommittee on Multinational Enterprises no later than November 2009 in order to inform the decision to be taken on modalities for evaluating the effect given to the MNE Declaration; and*
- (iv) decide, by its November 2009 session, whether and how to proceed with evaluating the effect given to the MNE Declaration in the light of the International Labour Conference resolution (65th Session).*

Geneva, 29 February 2008.

Point for decision: Paragraph 13.