



FOR INFORMATION

SECOND ITEM ON THE AGENDA

Update on progress towards an alternative modality to evaluate the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

Introduction

1. At its 301st Session (March 2008) the Governing Body requested the Office to conduct an exercise to field test an alternative modality for evaluating the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration), and to report its findings to the Subcommittee on Multinational Enterprises no later than November 2009. At the same time, the Governing Body suspended until November 2009 its decision to conduct surveys every four years.¹
2. The expected output of the exercise is to produce a report 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”.² This report is expected to be based upon the outcome of a global holistic scan of trends related to the topic areas of the MNE Declaration and on an in-depth analysis in a selected number of countries (country-level exercises), as well as a global sector-level exercise.³ The exercise is carried out in close collaboration with the ILO field structure, national governments and social partners. As proposed, the Office is using external international and national expertise in conducting the exercise.⁴

¹ GB.301/PV, para. 232.

² GB.301/MNE/4, para. 7(4).

³ *ibid.*, para. 7; GB.303/MNE/1, para. 4.

⁴ GB.301/MNE/4, para. 7(3).

3. In conducting this exercise, the Office is:
- exploring the possibilities to enhance the methodology for future modalities for evaluating the effect given to the MNE Declaration by improving the questionnaires used in the previous surveys;⁵
 - providing technical support to the tripartite country teams involved in the country-level exercises;
 - leading the global sector-level exercise;
 - undertaking the global holistic scan of trends related to the topic areas of the MNE Declaration; and
 - preparing the final report summarizing the results of the global holistic scan as well as country-level and sector-level exercises. On the basis of this report the Office will prepare the recommendations for the future modalities for evaluating the effect given to the MNE Declaration.

Work conducted to date

4. As reported to the Governing Body in November 2008,⁶ the Office has been advancing work on the country-level studies in Argentina and Ghana. The original proposal to the Governing Body was to conduct the country-level exercises in three regions and that, within each region, focus group discussion be conducted in three countries.⁷ Thus, the Office has been undertaking consultations on the feasibility of country-level studies in other countries. However, due to the sensitivity of some of the issues associated with the subject, particularly in the context of the current financial and economic crisis, it seems unlikely that additional countries will participate in the exercise at this stage.
5. The Argentina exercise was officially launched during the November 2008 Governing Body when a tripartite working group was established to that effect. With the presence of the high-level representatives of ILO constituents, including the Minister of Labour, Employment and Social Security, the meeting approved the methodology for the exercise and agreed on the economic sectors where an in-depth analysis and focus group discussion would take place (automobiles and auto parts, food and commerce). The meeting was video-linked between Geneva, Buenos Aires and Santiago to ensure that all members of the working group could participate. The working group has convened several times since then in Argentina, making steady progress in the implementation of the exercise.
6. In Ghana, all ILO constituents and the ILO field offices concerned support the exercise. As in Argentina the exercise in Ghana is not only trying to test the newly developed methodology, but also to ensure that the study will inform ongoing dialogue among constituents on the role of multinational enterprises in the country with regard to topic areas of the MNE Declaration. The exercise in Ghana involves the following steps:

⁵ Current version of the questionnaire covers all topic areas of the MNE Declaration. Various components of this questionnaire are currently being tested through country-level and sector-level exercises.

⁶ GB.303/MNE/1, paras 3–6.

⁷ GB.301/MNE/4.

- consult with the ILO constituents in order to select economic sectors, consultants and the timing of the exercise;
 - convene a first tripartite interest-group meeting to inform the local partners on the MNE Declaration, to initiate a discussion on the role of multinational enterprises and to distribute the questionnaire to the participants and other interested organizations;
 - based on the analysis of available data, as well as the results of the questionnaire, produce a draft report on the role of multinational enterprises in Ghana with regard to the topic areas of the MNE Declaration;
 - convene a validation workshop to allow constituents to provide feedback on the draft report; and
 - based on the feedback, produce a national report as a contribution to the global report.
7. The first tripartite working group meeting was held in Accra in December 2008 with some 25 participants. It was hosted by the Ministry of Manpower, Youth and Employment and was attended by the Deputy Minister and Chief Director of the Ministry of Manpower, Youth and Employment, the Secretary-General of the Ghana Trade Union Congress, and the Acting Secretary-General of the Ghana Employers' Association. Other participants represented other government institutions, sectoral trade unions and multinational enterprises. Discussions focused on topic areas of the MNE Declaration relevant for the social and economic development of Ghana. The meeting decided that more multinational enterprises and sectoral unions and associations should participate in the survey and that a validation meeting (where the draft report will be presented to the constituents) was to be held in February 2009, with the expectation that the national report will be produced by April 2009.
8. As reported to the Governing Body in November 2008,⁸ the Office is currently conducting the sector-level study. The Office has selected, in consultation with constituents, the sector defined as "Oil and gas production, oil refining". Given the global nature of the exercise and in order to understand the impact of multinational enterprises on supply chains, the respondents will include not only ILO national constituents, but also global sectoral trade unions as well as sectoral multinational enterprises and their suppliers. The list of respondents will include the participants of the Tripartite Meeting on Promoting Social Dialogue and Good Industrial Relations from Oil and Gas Exploration and Production to Oil and Gas Distribution that will take place in May 2009.

Preparation of the global report

9. The global report will be prepared by the Office for the November 2009 session of the Governing Body. It will reflect the results of the global holistic scan as well as the country-level and sector-level studies. The report will inform the decisions to be taken on modalities for evaluating the effect given to the MNE Declaration.⁹

⁸ GB.303/MNE/1, paras 3–6.

⁹ GB.301/PV, para. 232(c).

10. The global report will contain a recommended methodology that would make it possible to track comparative outcomes over time through a standard questionnaire.¹⁰ The questionnaire will be based upon experiences arising from the application of the current questionnaires used in this exercise. The global report will also discuss the feasibility of having country-level and sector-level exercises as part of the overall methodology.

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Submitted for information.

¹⁰ A specific time period for the cycle will be determined by the Governing Body. So far, the assumption is that the periodicity of the report cycles remains four years.