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## “The relevance of the MNE Declaration and its new follow-up mechanism”

Opening remarks delivered by Sandra Polaski, ILO Deputy Director General for Policy, during the “Multinational Enterprises, Development and Decent Work – The ILO MNE Declaration”

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It is my pleasure to speak to you today about a topic that is at the very heart of the ILO’s mandate on **social justice and a fair globalization**. On numerous occasions the International Labour Conference has recognized that globalization has helped countries to develop, but that globalization has to be fair. Multinational enterprises, through their foreign direct investment and operations as well as through the global reach of their supply chains, have a major role to play.

The ILC has also affirmed the central role of **sustainable enterprises** in achieving decent work for all and sustainable development. Sustainable enterprises incorporate economic, social and environmental considerations in their policies and practices. They provide decent working conditions, contribute to job creation, skills development and local economic development. Multinational enterprises are uniquely placed to contribute to long-term sustainability and a fairer globalization, with shared benefits for their home countries and for the countries where they invest or do business.

Such win-win outcomes of inclusive growth and sustainable development are only possible with an appropriate legislative framework and a conducive policy environment. The **Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**, is the instrument adopted by our tripartite constituents to provide guidance for policy. It sets out ways to maximize the positive contribution of enterprises to economic and social development and to resolve or minimize possible negative impacts.

The Declaration attributes specific roles and responsibilities for governments of home and host countries, multinational enterprises, workers’ and employers’ organizations to achieve this. And as an ILO instrument, it revolves around industrial relations, dialogue and consultations as the key mechanism to achieve positive outcomes. The MNE Declaration was adopted in 1977, but **is today more relevant than ever**. Multinational enterprises account for an unprecedented share of global trade, but there is also increased concern about the social dimension of globalization. Corporate Social Responsibility has come to be a household word and a range of international instruments are being put forward.



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This is why the Governing Body expressed the need to increase uptake of the Declaration by member states and enterprises. In 2010 the Governing Body set-up a tripartite ad-hoc working group to enhance its promotion and review the follow-up mechanism to the Declaration. (We have two prominent members of this ad-hoc working group with us here on the panel). Building on the Ad-Hoc Working Group's recommendations, the Governing Body adopted in March 2014 the implementation strategy for a **new follow-up mechanism to the Declaration. It combines a range of promotional activities and information gathering.** The strategy focuses very much on the Office better assisting our tripartite constituents in their engagement with multinational enterprises on social policy. It comprises awareness-raising, capacity building and country-level support. It also provides increased opportunities for the exchange of experiences on the topic, for example through a dedicated session on the application of MNE Declaration during ILO Regional Meetings.

This is a **very welcome new approach** and the **Office is fully committed to its implementation:**

- we have strengthened the Multinational Enterprises and Enterprise Engagement unit, the lead unit on the promotion of the MNE Declaration;
- we are scaling-up promotional activities - the new e-learning “Business and Decent Work” will be presented later in this session;
- we have established a Global Team of MNE Declaration focal points in HQ and in ILO regional and field offices to help mainstream the MNE Declaration in our policy work and technical cooperation;
- we will have a session on the Declaration during the 18<sup>th</sup> American regional meeting in Lima; and
- we are strengthening resource mobilization efforts to better support this area of work.

**Country-level assistance** is where the main emphasis should be because it is there that we in ILO provide assistance to our members - governments, employers and workers - and it is there that progress needs to be made. It is there that we provide policy advice, training and capacity building, and hands-on solutions to address development and decent work priorities and more closely align private action with these objectives. We support tripartite-plus dialogues that lead to joint action plans with concrete measures as well as roles and responsibilities for multinational enterprises, employers, workers and governments of home and host countries. The MNE Declaration is the global policy framework for this work.

In addition **we** continue to closely collaborate with other international organizations that also have instruments on enterprise behavior to ensure policy coherence and legal certainty for enterprises on the labour and employment dimension. We also **continue to offer information and expert advice directly to multinational enterprises** through the ILO Helpdesk for Business on International Labour Standards.

Our collective goal must be to have the ILO make a positive and significant difference in the lives of working men and women. Making full use of the MNE Declaration is an excellent opportunity to do this. This is why the Director-General has made broader ILO engagement with the private sector a priority under his Centenary Initiative on Enterprises. **This is a very exciting journey. We stand ready to support you, our constituents, in bringing the MNE Declaration to life and implementing it to full advantage.**