



Governing Body

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GB.310/MNE/2

Subcommittee on Multinational Enterprises

MNE

FOR INFORMATION

SECOND ITEM ON THE AGENDA

Update on strategic priorities for 2010–11: Supplement

Selected examples

Overview

Issues covered

This paper supplements the update on strategic priorities for 2010–11 presented in November 2010 (GB.309/MNE/1) and provides selected examples received from various ILO technical units on ILO initiatives, including with multinational enterprises, to promote the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).

Policy implications

None.

Legal implications

None.

Action required

The Committee is invited to take note of the information provided.

References to other Governing Body documents and ILO instruments

GB.309/MNE/1, GB.301/15, GB.301/TC/1, GB.301/PV.

ILO Declaration on Fundamental Principles and Rights at Work.

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

Introduction

1. This paper supplements the update on strategic priorities for 2010–11 presented to the Governing Body in November 2010¹ and provides selected examples received from various ILO technical units on ILO engagement with business promoting principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). The MNE Declaration explains how enterprises can maximize their contribution to economic and social development in terms of general policies, employment, conditions of work and life and industrial relations. It also highlights the role of governments in creating an enabling environment for responsible and sustainable business.
2. There are two common operational points of entry for ILO initiatives to promote the MNE Declaration with multinational enterprises (MNEs): (1) providing technical support to policy development within enterprises; and (2) collaborating with direct, issues-based interventions. ILO action takes various diverse forms, such as: awareness raising and advocacy, technical input, research, training, development of tools and resources, development of relations with business networks, providing opportunities for practice-sharing, initiating or facilitating dialogue and partnerships at the country level. Each initiative provides an opportunity to promote the principles of the MNE Declaration, many of which are public–private partnerships (PPPs) that follow the guiding principles set up by the Governing Body.² Under a recently adopted Office policy giving effect to the principles, PPPs are developed with the involvement of the Bureaux for Employers' and Workers' Activities and any government(s) concerned.

General policies: Contributing to the realization of the ILO Declaration on Fundamental Principles and Rights at Work

Child labour

3. The ILO provides technical information to such coalitions as the International Cocoa Initiative (ICI), the Eliminating Child Labour in Tobacco-growing (ECLT) Foundation, and the AIM-PROGRESS group of food and beverage companies. With the United Nations Global Compact, the United Nations Children's Fund and Save the Children, the ILO is also contributing to the Children's Rights and Business Principles Initiative, which seeks to embed child rights into business sustainability strategies and operations. The Office provides these initiatives with information on ILO Conventions concerning child labour, encourages exchange of information on good practices by business to combat child labour and promotes coordination with tripartite child labour structures in target countries.
4. In Argentina, the ILO has helped raise the awareness of business and built capacity to eliminate child labour operations including through the *Red de Empresas contra el Trabajo Infantil* (Enterprise Network against Child Labour), a network of MNEs and other enterprises operating in the country across a range of sectors. In Brazil, the Office has assisted in tackling child labour in the tomato industry through MNE operations in that sector, and is working to eliminate commercial sexual exploitation of children in the

¹ GB.309/MNE/1.

² GB.301/15, para. 28, GB.301/TC/1, GB.301/PV, para. 249.

transport sector with MNEs from a range of sectors to launch a national programme called *Na Mão Certa* (On the Right Track). In the Latin American region as a whole, the Office is mapping private-sector initiatives to eliminate child labour in the food, drink and tobacco sector by stimulating dialogue and the development of similar initiatives with the overall aim of increasing employers' commitment to tackle child labour.

5. The Office is actively developing further public–private partnership activities to eradicate child labour from the supply chains of MNEs by contributing to national efforts to eliminate child labour in cocoa-growing communities. Such activities, currently under study in relation to a group of nine MNEs in Ghana and Côte d'Ivoire, would complement the Cocoa Communities Project to support national capacity building, stronger coordination, and expanded child labour monitoring efforts.

Forced labour

6. The ILO continues to assist in efforts to eliminate forced labour being taken by employers and business on the basis of a global strategy developed in 2009, Consolidating a Global Business Alliance against Forced Labour, in close consultation with the International Organisation of Employers (IOE).³ The strategy calls for more sector-specific guidance material, following the wide dissemination of the ILO's handbook for employers on forced labour.⁴ Such material is currently being developed with a focus on forced labour in fisheries and related industries as well as IT technology and communications. In 2010, the ILO developed business case studies on the prevention of forced labour practices across supply chains in cooperation with a number of MNEs. The case studies will be launched at a regional employers' workshop on forced labour and trafficking planned for 2011.
7. The Office further supported awareness-raising activities among MNEs to prevent trafficking in persons through its ex officio membership on the Steering Committee of UN.GIFT – the UN Global Initiative to Fight Human Trafficking. UN.GIFT signed a number of partnerships with individual companies in the transport sector. It also partnered with the business-led “End Human Trafficking Now” campaign to launch the *Luxor Protocol Implementation Guidelines* in December 2010 as well as an e-learning tool for private business on how to prevent trafficking across supply chains.
8. At country level, the ILO provided continued support to research efforts of the National Pact for the Eradication of Forced Labour in Brazil whose key objective is to prevent goods produced by forced labour from entering the supply chain. Its activities include research to identify companies trading in goods originating from estates where forced labour has been identified. The Code of Conduct under the National Pact has been signed by hundreds of companies and receives additional funding support from the private sector.
9. The Office has provided technical information on international labour standards and practices relevant to the formulation of codes of conduct concerning forced labour, recently in Georgia (signed by the Georgian Employers' Association, the Chamber of Commerce and various International Business Councils) and Viet Nam (private employment agencies).

³ IOE: *Forced labour: Why it is an issue for employers* (Geneva, 2010), available at www.ioe-emp.org/fileadmin/user_upload/documents_pdf/papers/guides/english/2010_IOE_Guide_Paper_Forced_Labour_-_Why_it_is_an_issue_for_employers.pdf.

⁴ ILO: *Combating forced labour: A handbook for employers and business* (Geneva, 2008).

Employment: Employment promotion

10. The Office is producing a book, *Making globalization socially sustainable*, in collaboration with the International Chamber of Commerce Research Foundation and the World Trade Organization, to be published in the second half of 2011. The book will analyse the various channels through which globalization affects jobs and wages and examine whether and how trade and employment policies should be adjusted to make globalization socially sustainable, focusing on three themes: (1) globalization and employment; (2) globalization and uncertainty; and (3) ensuring a sustainable distribution of the gains from globalization.

Employment: Equality of opportunity and treatment

11. The Office publication *Workplace solutions for childcare*,⁵ comprising a series of company case studies, was launched at the 18th European Social Services Conference, Barcelona, in June 2010.
12. In Brazil, sensitizing business to the productivity benefits of promoting work–life balance and gender equity is one of the aims of the Gender Pro-Equity Program run by the Brazilian Special Secretariat for Women’s Policies with the assistance of the ILO (Brasilia Office). In this context, the Office held a workshop discussion on the business case for gender equality and work–life balance corporate policies for 30 Brazilian companies from a range of sectors.
13. The recently established ILO Global Business and Disability Network is a PPP comprised of 30 companies, 11 employers’ organizations and several business networks which have an interest in disability. It has published *Disability in the workplace: Company practices*,⁶ made awareness-raising videos available through ILO TV, and held inaugural planning meetings in Paris, New York and Bangalore, where companies had the opportunity to share good practices and provide ideas about how to further organize the Network.
14. With regard to HIV/AIDS in the workplace, the Office regularly mobilizes support from MNEs for advocacy events, and collaborates with the Global Business Coalition (GBC) on HIV/AIDS, tuberculosis and malaria. The ILO organized a Workplace Partners’ Forum (a pre-conference event to the XVIII International AIDS Conference, Vienna (July 2010) where MNEs shared experiences addressing HIV/AIDS in the workplace. The Office and employers’ and workers’ organizations participated in three awareness-raising events in 2010 involving MNEs and business coalitions, where the new ILO Recommendation concerning HIV and AIDS and the World of Work, 2010 (No. 200) was presented and good practices shared. The ILO’s ongoing collaboration with several MNEs operating in India has produced *Prevention of HIV/AIDS in the world of work: A tripartite response*.⁷

Conditions of work and life

15. Addressing a range of workplace practices, the ILO’s Sustaining Competitive and Responsible Enterprises (SCORE) Programme works with SMEs in supply chains to improve conditions of work and environmental compliance. Operating in China, Colombia,

⁵ C. Hein and N. Cassirer: *Workplace solutions for childcare* (Geneva, ILO, 2010).

⁶ ILO: *Disability in the workplace: Company practices* (Geneva, 2010).

⁷ ILO: *Prevention of HIV/AIDS in the world of work: A tripartite response. A documentation of good practices* (New Delhi, 2009).

Ghana, India, Indonesia, South Africa and Viet Nam, with funding support from Norway and Switzerland, it provides training to SME managers based on five modules entitled workplace cooperation, quality management, productivity through cleaner production, high performance human resources management and organizing the workplace for safety and efficiency. The programme combines training with on-site consultancy. Trainings are followed by factory visits to assist workers and managers to improve their workplace. More recently, MNEs and business associations have expressed interest in the SCORE training modules to enhance the capacity of their buyers' staff and suppliers to meet principles underlying ILO standards referred to in their codes of conduct.

Industrial relations

- 16.** The Better Work Programme – an ILO–International Finance Corporation (IFC) partnership – works with first-tier apparel suppliers in Haiti, Indonesia, Jordan, Lesotho, Nicaragua and Viet Nam to improve labour standards and enhance competitiveness. International buyers engage with the programme through representation on the global Better Work Advisory Committee, enrolling supplier factories, purchasing services from Better Work, signing the Better Work Buyer Principles, and participating in global and national Buyers' Forum meetings. In country programmes, the Buyers' Forum facilitates dialogue with unions, governments and employers about programme implementation and labour law and policy issues. Buyers engaged with Better Work commit to supporting continuous improvement in their supplier factories and to considering the relationship between internal buying practices and non-compliance at supplier facilities. Overall, 22 companies have signed the Buyer Principles, 41 have participated in Buyers' Forum meetings and 29 have purchased Better Work services. In 2011 Better Work is strengthening its engagement with buyers by developing partnership agreements with transparent accountability mechanisms.
- 17.** As part of the Decent Work Country Programme for Morocco, the ILO helped establish a National Tripartite Steering Committee on Improving Competitiveness in Textiles and Clothing through Decent Work. One important element of the competitiveness strategy is to reinforce the capacity of the social partners to develop social dialogue, in particular through the Bipartite Committee for Textiles and Clothing, created in cooperation with the ILO. In collaboration with the Foreign Buyers Group for Morocco established by the MFA Forum,⁸ the Bipartite Committee developed an industry strategy for corporate social responsibility. The Foreign Buyers Group provided further funding for training on negotiation and conflict resolution techniques, and the implementation of the Bipartite Committee's annual workplan that included exchange of experience with a sister institution, the Belgian bipartite textile and clothing council.
- 18.** In relation to International Framework Agreements (IFAs), signed between MNEs and Global Union Federations (GUFs), ILO activities include: (a) an online survey of MNE managers on the impact of IFAs from a business perception; (b) studies on cross-border agreements on managing and anticipating restructuring in European operations of MNEs; (c) research on the impact of IFAs in promoting objectives of the ILO Decent Work Agenda, notably in the areas of freedom of association and collective bargaining, across the value chains of selected MNEs; and (d) a study on the impact of IFAs reached by Union Network International (UNI Global Union) in selected countries of the southern

⁸ The MFA Forum is a not-for-profit, participation-based open network established in early 2004 to address key concerns that were predicted with the expiration of the Multi-Fiber Arrangement. See www.mfa-forum.net/.

hemisphere. Several working papers, a publication⁹ and a database on IFAs are being produced and presented in research, academic, and policy meetings.

19. The Office is contributing knowledge and training expertise to the Worker–Management Communication Training Programme launched by the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative in 2010, to support member companies and their suppliers in implementing effective worker–management communication systems and in raising worker awareness of their rights and responsibilities. The ILO acts as an “expert stakeholder” for the development of these training materials and participates in bimonthly teleconferences to discuss the draft materials, which will be piloted and finalized in 2011.

Lessons learned

20. Although the length of this paper does not allow for detailed elaboration of lessons learned within the individual activities, several common lessons that have emerged on partnerships are listed as follows:
- (a) Targeted, issue-driven interventions are a leading means of action for ILO promotion of the principles of the MNE Declaration with MNEs.
 - (b) Building effective collaboration requires time (often years), resources, and sustained staff attention: the time span to advance from awareness raising to full collaboration may or may not align with agency programming cycles.
 - (c) Setting expectations: it is important to understand enterprise culture, intentions and needs so that expectations can be clearly communicated. A common cause of failure in public–private partnerships is a clash in organizational cultures.
 - (d) Timing: the ILO must be able to respond with timely, concrete and targeted proposals to help achieve the Organization’s strategic objectives through collaboration with MNEs.
 - (e) Early engagement of the social partners in planning and execution of activities to promote the MNE Declaration with MNEs provides significant benefits, including assuring early understanding of the operating environment.
 - (f) Sustained and systematic collaboration among the various ILO units and projects responsible for different aspects of the subject matter of the MNE Declaration helps ensure coherence in message and can open up additional avenues for wider promotion of the principles of the Declaration. As an example of cross-cutting collaboration, the ILO Helpdesk for Business on international labour standards web platform provides an ongoing mechanism for knowledge sharing across the principles of the MNE Declaration for both internal and external audiences.

Geneva, 22 February 2011

Submitted for information

⁹ K. Papadakis (ed.): *Shaping global industrial relations: The impact of international framework agreements* (Geneva, ILO and London, Palgrave MacMillan (forthcoming)).