



FIRST ITEM ON THE AGENDA

**Promotion of the Tripartite Declaration
of Principles concerning Multinational
Enterprises and Social Policy:
Activities report for 2003**

1. This paper gives a brief account of the activities carried out by the Office in 2003 to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). It follows the framework provided by the Subcommittee in March 2001,¹ when it asked the Office to: enhance awareness of the MNE Declaration; undertake technical cooperation activities to facilitate the effective application of the MNE Declaration; mainstream the MNE Declaration within existing ILO programmes; and advocate the aims of the MNE Declaration with other international organizations.

Awareness raising**Symposium on the Tripartite Declaration of Principles
concerning Multinational Enterprises and Social Policy
and related multilateral initiatives**

2. The above symposium took place in Geneva on 24 November 2003. It brought together a small group of ILO tripartite constituents for an informal exchange of views with high-level representatives of a number of international organizations undertaking work of direct relevance to the MNE Declaration. The organizations represented were the European Commission, the Office of the High Commissioner for Human Rights, the Organisation for Economic Co-operation and Development, the United Nations Global Compact Office, and the World Bank Group. The informal nature of the symposium facilitated a frank and open dialogue. While, given its nature, the symposium did not adopt any formal conclusions or recommendations, participants agreed on the importance of the fundamental principles and rights at work as a key element in the context of corporate social responsibility. They further agreed that international organizations should work more closely together at the country level to try to ensure a greater positive impact of foreign direct investment on

¹ GB.280/13, para. 186.

development in line with the provisions of the MNE Declaration. Participants also considered that better coordination of research and promotional activities in the area of corporate social responsibility by the different organizations was desirable.

Participation in other meetings

3. During 2003, the Office participated in a wide range of country-level and international meetings on corporate social responsibility issues. In most of these meetings staff of the Multinational Enterprises Programme had the opportunity to give presentations on the MNE Declaration, highlighting its importance as a unique instrument that is highly relevant in the current debate on corporate social responsibility. The international meetings attended included ones organized by the OECD, UNCTAD, UNEP, the UN Global Compact and the World Bank. A special effort was made to promote the MNE Declaration in the context of the European Union multi-stakeholder forum on corporate social responsibility. This was done through active participation in most of the high-level and round-table meetings organized as part of this process, including a keynote introduction at one of the round-table discussions on corporate social responsibility and development and chairing a session of the Italian European Union presidency meeting on corporate social responsibility in Venice. The latter meeting was also attended by the Officers of the Subcommittee.

Research and publications

4. In 2003, the Office published two working papers. One paper analysed the effects of foreign direct investment and multinationals on the local economy, employment and skills training in Costa Rica, while the second dealt with labour relations, employment, working conditions and welfare facilities in multinational enterprises operating in the plantation sector in Uganda. Work also started on a sequel to the book *Multinationals and employment* (1993) for publication in 2004.
5. The web site providing information on the MNE Declaration (www.ilo.org/multi) was regularly updated, as was the business and social initiatives database (www.ilo.org/basi). By year-end the latter included information on some 900 corporate social responsibility initiatives and received an average of 1,000 monthly visits. The third edition of the MNE Declaration was translated into Azeri, Hungarian and Kiswahili and is now available in 17 languages.

Technical cooperation

6. In the context of the project on “piloting corporate social responsibility by making use of globally agreed guidelines” (funded by the Government of the United Kingdom), a seminar took place in Costa Rica on the training aspects of foreign direct investment and the importance of building linkages between multinational and local enterprises in the high technology and tourism sectors. Another seminar was organized in Uganda on employment and working conditions, labour relations and welfare facilities in the plantation sector. Under a project funded by the Government of the Netherlands and implemented in cooperation with the Bureau for Employers’ Activities, Global Compact management training materials were finalized following further pilot testing in Bangladesh, India, Indonesia, Mauritius and Sri Lanka. At the end of 2003 implementation started on a Global Compact project funded by the Government of Italy. The project will highlight the importance of the MNE Declaration and the relevant parts of the OECD Guidelines for Multinational Enterprises in the context of Global Compact activities in Italy and in a

number of developing countries with substantial Italian technical cooperation and investment.

7. An increasing number of multinational enterprises contacted the Office to obtain information on the MNE Declaration and other ILO activities relevant to corporate social responsibility activities, particularly in the areas of child labour and HIV/AIDS in the workplace. A delegation of the ILO Association of Japan, which included a number of high-ranking trade union officials working with multinational enterprises, visited the ILO and was briefed in detail on the MNE Declaration.

Mainstreaming of the MNE Declaration in ILO activities

8. As requested by the Subcommittee, the Multinational Enterprises Programme intensified cooperation with other units in the Office and with field offices. Examples were the abovementioned seminars in Costa Rica and Uganda, which were organized together with the InFocus Programme on Social Dialogue and the Sectoral Activities Programme as well as with the ILO field offices concerned. Close cooperation also continued with the Bureau for Workers' Activities and with the Turin Centre. In the case of the latter, officials of the Multinational Enterprises Programme acted as resource persons for three courses on international labour standards and globalization and for a course on social dialogue and corporate social responsibility.
9. In 2003, the MNE Declaration also continued to be an important point of reference in sectoral meetings organized by the Office and was referred to in the conclusions of the Tripartite Meetings on the Future of Employment in the Tobacco Sector, on the Employment Effects of Mergers and Acquisitions in Commerce, on Challenges and Opportunities facing Public Utilities and on the Best Practices in Work-Flexibility Schemes and their Impact on the Quality of Working Life in the Chemical Industries. At the tobacco sector and chemical industries meetings, officials of the Multinational Enterprises Programme were invited to participate as panellists in discussions on corporate social responsibility.
10. The Multinational Enterprises Programme further provided contributions to the report on the scope of the employment relationship for the 91st Session of the International Labour Conference,² to the paper on employment and social policy in respect of export processing zones for the Governing Body Committee on Employment and Social Policy,³ and to the Global Employment Agenda.

Relations with other organizations

11. The symposium referred to in paragraph 2 above provided an excellent opportunity to strengthen relations with the international organizations represented. Prior to the symposium, the Office had already provided advice to the World Bank in the context of studies on codes of conduct and supply chain. In the context of its cooperation with the UN Global Compact Office, the Office increased its efforts to ensure that the MNE Declaration figure more prominently in Global Compact activities and publications. A good example

² Report V, ILC, 91st Session, 2003.

³ GB.286/ESP/3.

was the Global Compact Dialogue on HIV/AIDS in the Workplace that took place in the ILO in May 2003.

12. As on previous occasions, the Office once again provided comments based on the MNE Declaration to the officials preparing UNCTAD's *World Investment Report*. It also participated in a multi-stakeholder advisory group on corporate social responsibility created by the International Standards Organization (ISO) to come up with recommendations to its technical management board on the desirability and feasibility of developing an ISO standard on corporate social responsibility.

Geneva, 5 January 2004.