



The MNE Declaration - the detail

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Is the only ILO instrument containing recommendations for enterprises in addition to governments and employers' and workers' organizations. It is seen as the main guiding instrument regarding the labor dimension of CSR.

Encourages the positive contribution that multinationals can make to economic and social progress. It also aims to minimize and resolve the difficulties arising from their operations.

Reflects good practices that all enterprises (multinational and national) should adopt.

General policies

The Declaration contains a set of general policies aimed at achieving sustainable development and respect for human rights at the workplace. These policies invite multinational enterprises, governments, employers' and workers' organizations to

- ➔ respect national laws and regulations
- ➔ give due consideration to local practices
- ➔ respect international standards concerning human and labour rights and
- ➔ honour commitments in conformity with national law and accepted international obligations.

Multinational enterprises are encouraged to

- ➔ consult governments and, where appropriate, national employers' and workers' organizations, to help make their operations consistent with national policies, development priorities, and the social aims and structure of countries of operation.

Governments are invited to

- ➔ ratify and comply with the fundamental labour Conventions and, in any event, apply to the greatest extent possible the principles embodied therein.

Specific recommendations for governments of multinationals' home countries include promoting good social practice and being prepared to have consultations with governments of host countries if the need arises.

Principles framing behaviour are then set out in 4 key areas:

1 Employment

Aimed at ensuring the promotion of direct and indirect employment, equality of opportunity and treatment, and employment security.

Employment promotion

Multinational enterprises should

- ➔ Take into account employment policies by consulting with local government, and employers' and workers' organizations before and during operations
- ➔ Give priority to the employment, occupational development, promotion and advancement of nationals of the host country at all levels
- ➔ Take into account the importance of using technologies that generate employment directly and indirectly
- ➔ Pursue, wherever practicable, the conclusion of contracts with national enterprises for the manufacture of parts and equipment, and the use of local raw materials.

Governments are encouraged to

- ➔ Pursue active policies to promote employment aimed at ensuring that there is work for all who are available for and seeking work. Such work should be as productive as possible.

Equality of opportunity and treatment

Enterprises should

- ➔ Ensure the general principle of equality of opportunity and treatment applies throughout enterprise operations
- ➔ Make qualifications, skills and experience the basis for recruitment, placement, training and advancement of their staff at all levels.

Governments should

- ➔ Pursue policies designed to promote equality of opportunity and treatment in employment with a view to eliminating any discrimination based on race, colour, sex, religion, political opinion, national extraction or social origin

- ➔ Avoid requiring enterprises to discriminate on any of the above-mentioned grounds and provide, where appropriate, ongoing guidance on the avoidance of such discrimination in employment.

Security of employment

Multinational and national enterprises should make efforts to provide stable employment for their employees through

- ➔ Active manpower planning
- ➔ Observation of freely negotiated obligations concerning employment stability and social security and
- ➔ Avoiding arbitrary dismissal procedures.

Multinational enterprises are further encouraged to

- ➔ Provide reasonable notice of changes in their operations, which would have major employment effects and
- ➔ Consider ways to mitigate adverse effects to the greatest possible extent in cooperation with local government authorities and workers' organizations.

Governments should

- ➔ Study the employment impact of multinationals in different sectors of operation
- ➔ Take suitable measures to deal with the employment and labour market impacts of the operations of multinational enterprises and
- ➔ Provide, in collaboration with multinational and national enterprises, some form of income protection upon termination of employment.

2 Training

The Declaration identifies ways to leverage skills training in order to promote employability.

Multinational enterprises are invited to

- ➔ Cooperate with local governments and employers' and workers' organizations in providing their employees in the host country, at all levels, with relevant training that meets the needs of the enterprise as well as the development policies of the country
- ➔ Participate along with national enterprises, in local programmes to encourage skill formation and development and vocational guidance and
- ➔ Contribute to the development of local human resources by making available

resource people to help conduct training and affording opportunities to broaden the experience of local management within their worldwide operations.

Governments are encouraged to

- ➔ Develop, in collaboration with interested parties, national policies for vocational training and guidance, which provide a framework for multinationals' training policies.

3 Conditions of work and life

The Declaration includes recommendations concerning wages and benefits, minimum age, and occupational safety and health.

Wages, benefits and conditions of work

Multinational enterprises

- ➔ Are encouraged to offer their employees wages, benefits and conditions of work comparable and not less favorable to those offered by local employers similar in size and resources.
- ➔ Provide the best possible wages, benefits and conditions of work, at least adequate to satisfy the basic needs of workers and their families where comparable employers do not exist.

Governments are invited to

- ➔ Adopt suitable measures to ensure that lower income groups and less developed areas benefit as much as possible from the activities of multinational enterprises.

Minimum age for admission to employment

To secure the effective abolition of child labour, multinational and national enterprises are encouraged to respect the minimum age for admission to employment and take immediate and effective measures, within their own competence, to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency.

Occupational safety and health

Multinational enterprises are encouraged to

- ➔ Maintain the highest standards of safety and health, bearing in mind their relevant experience from operations in other countries
- ➔ Incorporate, where appropriate, matters relating to safety and health in agreements with workers' representatives and organizations and
- ➔ Since this is one area in which multinationals can provide a substantial contribution to improve local practices, the MNE Declaration further invites them to

Make publicly available information on the safety and health standards relevant to their local operations, that they observe in other countries

Make known to local governments, enterprises and workers any special hazards and related protective meas-

ures associated with new products and processes

Cooperate in the work of international organizations on safety and health issues

Cooperate fully with the competent safety and health authorities, the representatives of the workers and their organizations, and established safety and health organizations, in accordance with national practice.

Governments are recommended to

- ➔ Apply international labour standards in order to ensure that both multinational and national enterprises provide adequate safety and health standards for their employees.

4 Industrial relations

The MNE Declaration encourages multinationals to observe standards not less favorable than those observed by local employers and to develop internal mechanisms for consultation and settlement of disputes.

Freedom of association and the right to organize

Governments, multinational and national enterprises are encouraged to

- ➔ Recognize workers' rights to establish and join organizations of their own choosing without previous authorization
- ➔ Protect workers against acts of anti-union discrimination and
- ➔ Allow workers' representatives to consult among themselves, provided that the functioning of the operations of the enterprise are not thereby prejudiced.

Multinational enterprises are encouraged to

- ➔ Support representative employers' organizations.

Governments are invited to

- ➔ Permit multinational enterprises or the workers in their employment to affiliate with international organizations of employers and workers of their own choosing
- ➔ Permit the entry of representatives of employers' and workers' organizations from other countries at the invitation of the local or national organizations concerned for the purpose of consultation on matters of mutual concern
- ➔ Ensure that special incentives to attract foreign investment do not include any limitation of the workers' freedom of association or the right to organize and bargain collectively.

Collective bargaining

To ensure the effective recognition of the right to collective bargaining, the MNE Declaration recommends that

- ➔ Workers have representative organizations of their own choosing, recognized for the purpose of collective bargaining
- ➔ Voluntary negotiation between employers or employers' organizations and workers' organizations is promoted and

- ➔ Collective bargaining agreements include provisions for the settlement of disputes arising over their interpretation and application.

Multinational enterprises are also encouraged to

- ➔ Provide workers' representatives with such facilities as may be necessary to assist in the development of effective collective agreements
- ➔ Enable duly authorized representatives of the workers in their employment in each of the countries in which they operate to conduct negotiations with representatives of management who are authorized to take decisions on the matters under negotiation
- ➔ Not threaten to transfer the whole or part of an operating unit from the country concerned in order to influence unfairly those negotiations or to hinder the exercise of the right to organize
- ➔ Provide workers' representatives with information required for meaningful negotiations.

Multinational and national enterprises are invited to

- ➔ respond constructively to requests by governments for relevant information on their operations.

Governments are encouraged to

- ➔ supply to the representatives of workers' organizations on request, where law and practice so permit, information on the industries in which multinationals operate, which would help in laying down objective criteria in the collective bargaining process.

Consultations, examination of grievances and settlement of disputes

Multinational and national enterprises are invited to

- ➔ Have systems devised by mutual agreement between employers and workers and their representatives for regular consultation on matters of mutual concern
- ➔ Respect the right of workers to have all their grievances processed without suffering prejudice and
- ➔ Seek to establish, jointly with the representatives and organizations of workers, voluntary conciliation machinery to assist in the prevention and settlement of industrial disputes between employers and workers.

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