

# **ICFTU–APRO/JIL Regional Conference on Industrial Relations and Increasing Globalisation**

29th August — 2nd September 2000,  
Manila, the Philippines

## **CONCLUSION AND RECOMMENDATIONS**



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## FOREWORD

Trade unions at all levels have to be prepared to face the challenges that increasing globalisation poses to industrial relations both in law and in practice. Globalisation in fact affects all facets of life including working life. It has among others brought about changes to the pattern of work and employment structures as well as affected social safety nets provisions.

The recent Asian financial and economic crisis clearly demonstrated an ugly aspect of globalisation where how unrestrained international movement of funds can have adverse impacts not only on the economy but also on the lives of ordinary working people. With millions of working women and men thrown out of jobs as well as many having to face wage restraints or reductions and other actions the industrial relations systems in the crisis affected countries were put under unprecedented strain.

The increasing growth of the informal sector added to the challenges to industrial relations. Unionisation and collective bargaining are usually non existence in the informal sector and labour laws are also usually made non applicable to this sector. Thus the need to re-look at the prevailing situation and to made it possible for workers in this sector to be treated as workers in the formal sector.

The role of the international financial institutions should be such that they lead to a promotion of social dialogue and ensuring fair industrial relation practices. The disruptions caused by the recommendations or advocacy of such institutions for privatization as seen so far should not be repeated.

The growing influence of multinational companies (MNCs) with increasing globalisation is another issue that has to be looked at in the perspective of ensuring fair practices of industrial relations. Codes of conduct for MNCs though useful should not be taken as substitutes to collective bargaining nor should they be used as public relations gimmicks.

The instruments of the International labour Organisation (ILO) such as the ILO Tripartite Declaration of Principles concerning MNEs and Social Policy and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up should be respected as they are meant to ensure social justice where fair industrial relations can be put in place.

The ICFTU - APRO/JIL Regional Conference on Industrial Relations and Increasing Globalisation held in Manila from 29<sup>th</sup> August - 2<sup>nd</sup> September 2000 examined these issues and adopted a set of conclusions and recommendations. These were submitted to the ICFTU-APRO 72<sup>nd</sup> Regional Executive Board Meeting held in Singapore in November 2000. They were produced in the following pages.

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ICFTU-APRO

Singapore  
February 2001

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**Conclusion and Recommendations**

**Preamble**

The International Confederation of Free Trade Unions – Asian and Pacific Regional Organisation (ICFTU - APRO) in co-operation with the Japan Institute of Labour (JIL) organised this Regional Conference on Industrial Relations and Increasing Globalisation from 29<sup>th</sup> August to 2<sup>nd</sup> September 2000 in Manila, the Philippines.

Altogether 52 participants participated with 34 participants from the ICFTU-APRO affiliates from 22 countries and one participant from one of the International Trade Secretariats. Resource persons were from the International Labor Organisation(ILO), Asian Development Bank, International Monetary Fund, Japanese Trade Union Confederation - Research Institute for Advancement of Living Standard, Employers' Confederation of the Philippines, Department of Labor and Employment of the Philippines, Trade Union Congress of the Philippines, the four researchers commissioned by ICFTU-APRO to do the four country case studies, JIL and ICFTU-APRO.

The participants after much considerations unanimously adopted the following conclusion and recommendations.

**Models of Competitiveness**

Globalization is commonly defined as a process of international economic integration resulting from trade liberalization, increased foreign direct investment, financial de-regulation, and new telecommunications and information technology. The inevitability of these developments is open to debate. Further the effects of globalization upon working people depends upon the model of competitiveness embraced by governments, corporations, and international agencies and the extent and nature of regulation of competition at the national and international level.

One model of competitiveness focuses upon cost-cutting and labor market flexibility, and is typically associated with low wages and increased casual and temporary employment. Another model focuses upon investment in training and skills acquisition, low labor turnover, and employment security. This model underlies the ILO Tripartite Declaration of Principles concerning Multinational Enterprise and Social Policy, but unfortunately these Principles, and the underlying model of competitiveness, are often not adhered to by multinational

enterprises or indeed by many governments.

This Conference recommends the following programs in order to secure greater compliance with the ILO Tripartite Declaration of Principles concerning the Multinational Enterprises and Social Policy; ILO Declaration on Principles and Rights at Work and its Follow-Up; and to re-shape the direction of globalization and national development including in the field of industrial relations to ensure social justice and equity.

## 1. Audit of Industrial Relations Systems

The ILO should audit national industrial relations systems in the Asian-Pacific Region in terms of whether they facilitate implementation of the principles as contained in the ILO Tripartite Declaration, other relevant conventions, and of the high road for competitiveness. Factors to be taken into account by such an audit process include:-

- Whether industrial laws encourage or hinder the formation of independent representative trade unions.
- Whether collective bargaining at industry or enterprise level is encouraged or hindered.
- Whether industrial laws foster regular employment or prevent the restriction and regulation of insecure employment
- The capacity for industrial regulation to be evaded or avoided by artificial reorganization of a workforce through labour sub-contracting, mergers, or other forms of transmission of business.
- The level of the resources commitment to ensure compliance with industrial laws.
- The suspension or displacement of industrial regulations through the establishment of export or free trade zones and special economic zones.
- The availability of mediation and arbitration.
- Limitations on the rights of workers to take industrial actions.
- The standard of the social safety net underpinning the industrial relations system.
- The nature of the employment security and redundancy provisions in industrial codes.

The ILO should publish its Audit Report, which should include recommendations for appropriate changes to each industrial relations system.

## 2. Promotion of Appropriate Corporate Governance

ICFTU-APRO and its national affiliates should encourage reform of the corporate laws and governance structure. Reforms should promote consultative structures, stakeholder representation on boards, and long-term optimization of value over short-term profit maximization. Trade union national centers and unions can contribute to achieving such reforms by:

- Lobbying political parties for legislative initiatives, e.g. mandatory consultation on restructuring, employee representation on boards, reserved equity offers, and credit access and business registration restrictions on “entrepreneurs” who enrich themselves by running down businesses.
- Campaigns for industrial democracy.
- Supporting relevant research projects.
- Trade Union representatives on pension fund boards promoting long-term perspective and sustainable profitability for investment decision-making (e.g. due diligence of potential investments should include information on staff turnover, training expenditure, models of employment, energy efficiency, and research and development expenditure).
- Campaigns to raise the creditor standing of employees in the event of bankruptcy.
- Negotiating comprehensive consultative structures in collective bargaining agreements.
- Alliances with other non-government organization to foster stakeholder activism.

## 3. Selective Campaigns Against MNE Behaviour

The Campaigns in the United States and other OECD countries over the behaviour of targeted companies in the developing countries where they have located production have highlighted the potential to improve the conditions of workers through coordinated international protests. ICFTU-APRO should consult with its national affiliates to draw up a short list of MNEs operating in the Region for coordinated protest over exploitative labor practices.

The Campaigns should be designed to support union struggles against such labor practices by other ICFTU-APRO affiliates, particularly in the MNEs’ home country, conducting protests, generating embarrassing media coverage, encouraging actions by other NGO’s etc.

ICFTU-APRO should also advocate extension of codes of conduct to cover rights of access to information on MNE reorganisations, takeovers and mergers.

#### **4. Creation of an Industrial Relations Research Institute**

Audit of industrial relations systems, promotions of corporate governance reforms, and other proposals contained in this Statement would be assisted immeasurably by the development of an industrial relations research function that reflects and is sensitive to the cultures, social policy, and economic frameworks of Asian and Pacific countries. This Conference supports the proposal of ICFTU-APRO for the establishment of an Asia-Pacific Industrial Relations Research Institute, to be funded by the World Bank and ADB in recognition of the social partnership role of trade unions.

#### **5. Tripartitism**

ICFTU-APRO affiliates should promote the high road to competitiveness in their countries through appropriate tripartite mechanisms. Such tripartite mechanisms should be developed where there are none or further strengthened.

#### **6. Campaigns Against Neo - Liberal Policies**

Notwithstanding the importance of tripartite structures and social dialogue, the strength and effectiveness of the union movement lies in its capacity to mobilise its membership and other community groups in campaigns for progressive social change. At a time when the neo-liberal perspective on globalisation is dominant, ICFTU-APRO in order to achieve its objectives needs to launch and support campaigns within the Region to highlight the dangers of, and alternatives to, neo-liberal treaties and economic policies. ICFTU-APRO can assist by coordinating regional participation in international protests, developing a Resource Kit for ICFTU-APRO affiliates, circulating campaign material and requests for solidarity action from affiliates, by forging regional alliances with other relevant non-government organisations, and by continuing to promote the ILO Declaration on Principles and Rights at Work and its Follow-Up.

#### **7. Role of International Financial Institutions**

The role of the International Financial Institutions (IFIs) such as the International Monetary Fund (IMF), the World Bank and the Asian Development Bank (ADB) should be consistent with the promotion of social justice and of fair industrial relations. IFIs should support social dialogue within countries which receive their financial assistance and to ensure in their arrangements that funds provided are used to develop the economies, human resources and social infrastructure of recipient countries. IFIs should also review their policies in order to assist with tackling the debt crisis which is retarding development in many affected countries.

#### **8. Strengthening the Trade Union Movement in the Region**

This Conference recognises the importance of unions broadening their appeal through increasing the proportion of workers who are unionised, greater

involvement in social and community affairs, developing new tactics and strategies for the 21<sup>st</sup> century, and through unifying the labour movement and ensuring it is representative of various groups of workers including contract, casual and part-time workers. A strong, independent, and representative trade union movement is a pre-condition for economic development to be achieved in a manner consistent with social justice.

ICFTU-APRO can enhance its contribution to building such a movement in the region by:

- Conducting campaigns against work intensification which focus as much upon its adverse impact on the balance between work, family, and community life as upon traditional trade union notions of exploitation.
- Sponsoring seminars and ensuring an exchange of materials and information from affiliates on recruitment initiatives, particularly those which have succeeded in raising union membership levels among younger workers, service sector employees, and casual and temporary workers.
- Circulating reports from affiliates on the extent of the representation of women and, where applicable, indigenous employees on the decision-making bodies of trade union centres, and on programs and measures to increase such representation.
- Encouraging the unification of multiple trade union centres in the same country by arranging reports and delegations from other countries where centres successfully amalgamated.
- Encouraging affiliates to circulate reports on their experience with a range of tactics and strategies, such as community and electoral alliances, mass media campaigns to raise the union movements profile and image, and other forms of industrial and protest action in addition to the strike weapon.

**Tripartite Declaration of Principles**  
**concerning**  
**Multinational Enterprises**  
**and**  
**Social Policy**

International Labour Office Geneva

## Introduction

In the 1960s and 1970s, the activities of multinational enterprises (MNEs) provoked intense discussions that resulted in efforts to draw up international instruments for regulating their conduct and defining the terms of their relations with host countries, mostly in the Third World.

Since labour-related and social policy issues were among those concerns to which the activities of MNEs gave rise, the ILO was inevitably drawn into the search for international guide-lines in its sphere of competence. After years of research, consultations and negotiations, the ILO's constituents reached a consensus that resulted in the adoption in 1977, by the Governing Body, of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

The principles laid down in this universal instrument offer guide-lines to MNEs, governments, employers and workers in such areas as employment, training, conditions of work and life, and industrial relations. Its provisions are reinforced by certain international labour Conventions and Recommendations which the social partners are urged to bear in mind and apply, to the greatest extent possible.

The concerns that prompted demands for guide-lines dealing with MNEs and social policy are just as relevant today as they were in past decades. Moreover, as efforts to attract and boost foreign direct investment gather momentum in many parts of the world, the parties concerned have a new opportunity to use the principles of the Declaration as guide-lines for enhancing the positive social and labour effects of the operations of MNEs.

Triennial surveys are conducted to monitor the extent of the application of the Declaration by governments, employers, workers and MNEs. A summary of the replies received and an analysis of them are submitted to the Governing Body for discussion.

In the event of disagreement over the application of the Declaration, the parties, using a procedure instituted in 1981, may submit a request to the ILO for an interpretation of the meaning of its provisions. The text of this procedure is appended for information. Assistance and advice with regard to the submission of requests for interpretation can be obtained from the International Labour Office.

It is sincerely hoped that this instrument, which provides social policy guide-lines in a sensitive and highly complex area of activities, will be adhered to by all concerned. Without such support, its objectives of creating a climate more conducive to economic growth and social development would be compromised.

## INTERNATIONAL LABOUR ORGANISATION

### **Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**

(adopted by the Governing Body of the International Labour Office at its 204th Session (Geneva, November 1977)\*)

The Governing Body of the International Labour Office;

Recalling that the International Labour Organisation for many years has been involved with certain social issues related to the activities of multinational enterprises;

Noting in particular that various Industrial Committees, Regional Conferences, and the International Labour Conference since the mid-1960s have requested appropriate action by the Governing Body in the field of multinational enterprises and social policy;

Having been informed of the activities of other international bodies, in particular the UN Commission on Transnational Corporations and the Organisation for Economic Co-operation and Development (OECD);

Considering that the ILO, with its unique tripartite structure, its competence, and its long-standing experience in the social field, has an essential role to play in evolving principles for the guidance of governments, workers' and employers' organisations, and multinational enterprises themselves;

Recalling that it convened a Tripartite Meeting of Experts on the Relationship between Multinational Enterprises and Social Policy in 1972, which recommended an ILO programme of research and study, and a Tripartite Advisory Meeting on the Relationship of Multinational Enterprises and Social Policy in 1976 for the purpose of reviewing the ILO programme of research and suggesting appropriate ILO action in the social and labour field;

Bearing in mind the deliberations of the World Employment Conference;

Having thereafter decided to establish a tripartite group to prepare a Draft Tripartite Declaration of Principles covering all of the areas of ILO concern which relate to the social aspects of the activities of multinational enterprises, including employment creation in the developing countries, all the while bearing in mind the recommendations made by the Tripartite Advisory Meeting held in 1976;

Having also decided to reconvene the Tripartite Advisory Meeting to consider the Draft Declaration of Principles as prepared by the tripartite group;

\* *Official Bulletin (Geneva, ILO), 1978, Vol. LXI, Series A, No. 1, pp. 49-56*



Having considered the Report and the Draft Declaration of Principles submitted to it by the reconvened Tripartite Advisory Meeting;

Hereby approves the following Declaration which may be cited as the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, adopted by the Governing Body of the International Labour Office, and invites governments of States Members of the ILO, the employers' and workers' organisations concerned and the multinational enterprises operating in their territories to observe the principles embodied therein.

1. Multinational enterprises play an important part in the economies of most countries and in international economic relations. This is of increasing interest to governments as well as to employers and workers and their respective organisations. Through international direct investment and other means such enterprises can bring substantial benefits to home and host countries by contributing to the more efficient utilisation of capital, technology and labour. Within the framework of development policies established by governments, they can also make an important contribution to the promotion of economic and social welfare; to the improvement of living standards and the satisfaction of basic needs; to the creation of employment opportunities, both directly and indirectly; and to the enjoyment of basic human rights, including freedom of association, throughout the world. On the other hand, the advances made by multinational enterprises in organising their operations beyond the national framework may lead to abuse of concentrations of economic power and to conflicts with national policy objectives and with the interest of the workers. In addition, the complexity of multinational enterprises and the difficulty of clearly perceiving their diverse structures, operations and policies sometimes give rise to concern either in the home or in the host countries, or in both.
2. The aim of this Tripartite Declaration of Principles is to encourage the positive contribution which multinational enterprises can make to economic and social progress and to minimise and resolve the difficulties to which their various operations may give rise, taking into account the United Nations resolutions advocating the Establishment of a New International Economic Order.
3. This aim will be furthered by appropriate laws and policies, measures and actions adopted by the governments and by co-operation among the governments and the employers' and workers' organisations of all countries.
4. The principles set out in this Declaration are commended to the governments, the employers' and workers' organisations of home and host countries and to the multinational enterprises themselves.
5. These principles are intended to guide the governments, the employers' and workers' organisations and the multinational enterprises in taking such measures and actions and adopting such social policies, including

those based on the principles laid down in the Constitution and the relevant Conventions and Recommendations of the ILO, as would further social progress.

6. To serve its purpose this Declaration does not require a precise legal definition of multinational enterprises; this paragraph is designed to facilitate the understanding of the Declaration and not to provide such a definition. Multinational enterprises include enterprises, whether they are of public, mixed or private ownership, which own or control production, distribution, services or other facilities outside the country in which they are based. The degree of autonomy of entities within multinational enterprises in relation to each other varies widely from one such enterprise to another, depending on the nature of the links between such entities and their fields of activity and having regard to the great diversity in the form of ownership, in the size, in the nature and location of the operations of the enterprises concerned. Unless otherwise specified, the term "multinational enterprise" is used in this Declaration to designate the various entities (parent companies or local entities or both or the organisation as a whole) according to the distribution of responsibilities among them, in the expectation that they will co-operate and provide assistance to one another as necessary to facilitate observance of the principles laid down in the Declaration.
7. This Declaration sets out principles in the fields of employment, training, conditions of work and life and industrial relations which governments, employers' and workers' organisations and multinational enterprises are recommended to observe on a voluntary basis; its provisions shall not limit or otherwise affect obligations arising out of ratification of any ILO Convention.

#### **General policies**

8. All the parties concerned by this Declaration should respect the sovereign rights of States, obey the national laws and regulations, give due consideration to local practices and respect relevant international standards. They should respect the Universal Declaration of Human Rights and the corresponding International Covenants adopted by the General Assembly of the United Nations as well as the Constitution of the International Labour Organisation and its principles according to which freedom of expression and association are essential to sustained progress. They should also honour commitments which they have freely entered into, in conformity with the national law and accepted international obligations.
9. Governments which have not yet ratified Conventions Nos. 87, 98, 111 and 122 are urged to do so and in any event to apply, to the greatest extent possible, through their national policies, the principles embodied

therein and in Recommendations Nos. 111, 119 and 122.<sup>1</sup> Without prejudice to the obligation of governments to ensure compliance with Conventions they have ratified, in countries in which the Conventions and Recommendations cited in this paragraph are not complied with, all parties should refer to them for guidance in their social policy.

10. Multinational enterprises should take fully into account established general policy objectives of the countries in which they operate. Their activities should be in harmony with the development priorities and social aims and structure of the country in which they operate. To this effect, consultations should be held between multinational enterprises, the government and, wherever appropriate, the national employers' and workers' organisations concerned.
11. The principles laid down in this Declaration do not aim at introducing or maintaining inequalities of treatment between multinational and national enterprises. They reflect good practice for all. Multinational and national enterprises, wherever the principles of this Declaration are relevant to both, should be subject to the same expectations in respect of their conduct in general and their social practices in particular.
12. Governments of home countries should promote good social practice in accordance with this Declaration of Principles, having regard to the social and labour law, regulations and practices in host countries as well as to relevant international standards. Both host and home country governments should be prepared to have consultations with each other, whenever the need arises, on the initiative of either.

## Employment

### Employment promotion

13. With a view to stimulating economic growth and development, raising living standards, meeting manpower requirements and overcoming unemployment and underemployment, governments should declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.<sup>2</sup>
14. This is particularly important in the case of host country governments in

<sup>1</sup> Convention (No. 87) concerning Freedom of Association and Protection of the Right to Organise; Convention (No. 98) concerning the Application of the Principles of the Right to Organise and to Bargain Collectively; Convention (No. 111) concerning Discrimination in Respect of Employment and Occupation; Convention (No. 122) concerning Employment Policy; Recommendation (No. 111) concerning Discrimination in Respect of Employment and Occupation; Recommendation (No. 119) concerning Termination of Employment at the Initiative of the Employer; Recommendation (No. 122) concerning Employment Policy.

<sup>2</sup> Convention (No. 122) and Recommendation (No. 122) concerning Employment Policy.

developing areas of the world where the problems of unemployment and underemployment are at their most serious. In this connection, the general conclusions adopted by the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour (Geneva, June 1976) should be kept in mind.<sup>3</sup>

15. Paragraphs 13 and 14 above establish the framework within which due attention should be paid, in both home and host countries, to the employment impact of multinational enterprises.
16. Multinational enterprises, particularly when operating in developing countries, should endeavour to increase employment opportunities and standards, taking into account the employment policies and objectives of the governments, as well as security of employment and the long-term development of the enterprise.
17. Before starting operations, multinational enterprises should wherever appropriate consult the competent authorities and the national employers' and workers' organisations in order to keep their manpower plans, as far as practicable, in harmony with national social development policies. Such consultation, as in the case of national enterprises, should continue between the multinational enterprises and all parties concerned, including the workers' organisations.
18. Multinational enterprises should give priority to the employment, occupational development, promotion and advancement of nationals of the host country at all levels in co-operation, as appropriate, with representatives of the workers employed by them or of the organisations of these workers and governmental authorities.
19. Multinational enterprises, when investing in developing countries, should have regard to the importance of using technologies which generate employment, both directly and indirectly. To the extent permitted by the nature of the process and the conditions prevailing in the economic sector concerned, they should adapt technologies to the needs and characteristics of the host countries. They should also, where possible, take part in the development of appropriate technology in host countries.
20. To promote employment in developing countries, in the context of an expanding world economy, multinational enterprises, wherever practicable, should give consideration to the conclusion of contracts with national enterprises for the manufacture of parts and equipment, to the use of local raw materials and to the progressive promotion of the local processing of raw materials. Such arrangements should not be used by multinational enterprises to avoid the responsibilities

<sup>3</sup> ILO, World Employment Conference, Geneva, 4-17 June 1976.

embodied in the principles of this Declaration.

### Equality of opportunity and treatment

21. All 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.<sup>4</sup>
22. Multinational enterprises should be guided by this general principle throughout their operations without prejudice to the measures envisaged in paragraph 18 or to government policies designed to correct historical patterns of discrimination and thereby to extend equality of opportunity and treatment in employment. Multinational enterprises should accordingly make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of their staff at all levels.
23. Governments should never require or encourage multinational enterprises to discriminate on any of the grounds mentioned in paragraph 21, and continuing guidance from governments, where appropriate, on the avoidance of such discrimination in employment is encouraged.

### Security of employment

24. Governments should carefully study the impact of multinational enterprises on employment in different industrial sectors. Governments, as well as multinational enterprises themselves, in all countries should take suitable measures to deal with the employment and labour market impacts of the operations of multinational enterprises.
25. Multinational enterprises equally with national enterprises, through active manpower planning, should endeavour to provide stable employment for their employees and should observe freely-negotiated obligations concerning employment stability and social security. In view of the flexibility which multinational enterprises may have, they should strive to assume a leading role in promoting security of employment, particularly in countries where the discontinuation of operations is likely to accentuate long-term unemployment.
26. In considering changes in operations (including those resulting from mergers, take-overs or transfers of production) which would have major employment effects, multinational enterprises should provide reasonable notice of such changes to the appropriate government authorities and representatives of the workers in their employment and their organisations so that the implications may be examined jointly in order to mitigate

<sup>4</sup> Convention (No. 111) and Recommendation (No. 111) concerning Discrimination in Respect of Employment and Occupation; Convention (No. 100) and Recommendation (No. 90) concerning Equal Remuneration for Men and Women Workers for Work of Equal Value.

adverse effects to the greatest possible extent. This is particularly important in the case of the closure of an entity involving collective lay-offs or dismissals.

27. Arbitrary dismissal procedures should be avoided.<sup>5</sup>
28. Governments, in co-operation with multinational as well as national enterprises, should provide some form of income protection for workers whose employment has been terminated.<sup>6</sup>

### Training

29. Governments, in co-operation with all the parties concerned, should develop national policies for vocational training and guidance, closely linked with employment.<sup>7</sup> This is the framework within which multinational enterprises should pursue their training policies.
30. In their operations, multinational enterprises should ensure that relevant training is provided for all levels of their employees in the host country, as appropriate, to meet the needs of the enterprise as well as the development policies of the country. Such training should, to the extent possible, develop generally useful skills and promote career opportunities. This responsibility should be carried out, where appropriate, in co-operation with the authorities of the country, employers' and workers' organisations and the competent local, national or international institutions.
31. Multinational enterprises operating in developing countries should participate along with national enterprises, in programmes, including special funds, encouraged by host governments and supported by employers' and workers' organisations. These programmes should have the aim of encouraging skill formation and development as well as providing vocational guidance, and should be jointly administered by the parties which support them. Wherever practicable, multinational enterprises should make the services of skilled resource personnel available to help in training programmes organised by governments as part of a contribution to national development.
32. Multinational enterprises, with the co-operation of governments and to the extent consistent with the efficient operation of the enterprise, should afford opportunities within the enterprise as a whole to broaden the experience of local management in suitable fields such as industrial relations.

<sup>5</sup> Recommendation (No. 119) concerning Termination of Employment at the Initiative of the Employer.

<sup>6</sup> Ibid.

<sup>7</sup> Convention (No. 142) and Recommendation (No. 150) concerning Vocational Guidance and Vocational Training in the Development of Human Resources.

## Conditions of work and life

### Wages, benefits and conditions of work

33. Wages, benefits and conditions of work offered by multinational enterprises should be not less favourable to the workers than those offered by comparable employers in the country concerned.
34. When multinational enterprises operate in developing countries, where comparable employers may not exist, they should provide the best possible wages, benefits and conditions of work, within the framework of government policies.<sup>8</sup> These should be related to the economic position of the enterprise, but should be at least adequate to satisfy basic needs of the workers and their families. Where they provide workers with basic amenities such as housing, medical care or food, these amenities should be of a good standard.<sup>9</sup>
35. Governments, especially in developing countries, should endeavour 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.

### Safety and health

36. Governments should ensure that both multinational and national enterprises provide adequate safety and health standards for their employees. Those governments which have not yet ratified the ILO Conventions on Guarding of Machinery (No. 119), Ionising Radiation (No. 115), Benzene (No. 136) and Occupational Cancer (No. 139) are urged nevertheless to apply to the greatest extent possible the principles embodied in these Conventions and in their related Recommendations (Nos. 118, 114, 144 and 147). The Codes of Practice and Guides in the current list of ILO publications on occupational safety and health should also be taken into account.<sup>10</sup>
37. Multinational enterprises should maintain the highest standards of safety and health, in conformity with national requirements, bearing in mind their relevant experience within the enterprise as a whole, including any knowledge of special hazards. They should also make available to the representatives of the workers in the enterprise, and upon request, to the competent authorities and the workers' and employers' organisations in all countries in which they operate, information on the safety and health

standards relevant to their local operations, which they observe in other countries. In particular, they should make known to those concerned any special hazards and related protective measures associated with new products and processes. They, like comparable domestic enterprises, should be expected to play a leading role in the examination of causes of industrial safety and health hazards and in the application of resulting improvements within the enterprise as a whole.

38. Multinational enterprises should co-operate in the work of international organisations concerned with the preparation and adoption of international safety and health standards.
39. In accordance with national practice, multinational enterprises should co-operate fully with the competent safety and health authorities, the representatives of the workers and their organisations, and established safety and health organisations. Where appropriate, matters relating to safety and health should be incorporated in agreements with the representatives of the workers and their organisations.

### Industrial relations

40. Multinational enterprises should observe standards of industrial relations not less favourable than those observed by comparable employers in the country concerned.

### Freedom of association and the right to organise

41. Workers employed by multinational enterprises as well as those employed by national enterprises should, without distinction whatsoever, have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation.<sup>11</sup> They should also enjoy adequate protection against acts of anti-union discrimination in respect of their employment.<sup>12</sup>
42. Organisations representing multinational enterprises or the workers in their employment should enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.<sup>13</sup>
43. Where appropriate, in the local circumstances, multinational enterprises should support representative employers' organisations.
44. Governments, where they do not already do so, are urged to apply the principles of Convention No. 87, Article 5, in view of the importance,

<sup>8</sup> Recommendation (No. 116) concerning Reduction of Hours of Work.

<sup>9</sup> Convention (No. 110) and Recommendation (No. 110) concerning Conditions of Employment of Plantation Workers; Recommendation (No. 115) concerning Workers' Housing; Recommendation (No. 69) concerning Medical Care; Convention (No. 130) and Recommendation (No. 134) concerning Medical Care and Sickness.

<sup>10</sup> The ILO Conventions and Recommendations referred to are listed in Publications on occupational safety and health, Geneva, ILO, 1976, pp. 1-3. An up-to-date list of codes of practice and guides can be found in the latest edition.

<sup>11</sup> Convention No. 87, Article 2.

<sup>12</sup> Convention No. 98, Article 1 (1).

<sup>13</sup> Convention No. 98, Article 2 (1).

in relation to multinational enterprises, of permitting organisations representing such enterprises or the workers in their employment to affiliate with international organisations of employers and workers of their own choosing.

45. Where governments of host countries offer special incentives to attract foreign investment, these incentives should not include any limitation of the workers' freedom of association or the right to organise and bargain collectively.
46. Representatives of the workers in multinational enterprises should not be hindered from meeting for consultation and exchange of view among themselves, provided that the functioning of the operations of the enterprise and the normal procedures which govern relationships with representatives of the workers and their organisations are not thereby prejudiced.
47. Governments should not restrict the entry of representatives of employers' and workers' organisations who come from other countries at the invitation of the local or national organisations concerned for the purpose of consultation on matters of mutual concern, solely on the grounds that they seek entry in that capacity.

#### Collective bargaining

48. Workers employed by multinational enterprises should have the right, in accordance with national law and practice, to have representative organisations of their own choosing recognised for the purpose of collective bargaining.
49. Measures appropriate to national conditions should be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements.<sup>14</sup>
50. Multinational enterprises, as well as national enterprises, should provide workers' representatives with such facilities as may be necessary to assist in the development of effective collective agreements.<sup>15</sup>
51. Multinational enterprises should enable duly authorised 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 authorised to take decisions on the matters under negotiation.
52. Multinational enterprises, in the context of bona fide negotiations with

<sup>14</sup> Convention No. 98, Article 4.

<sup>15</sup> Convention (No. 135) concerning Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking

the workers' representatives on conditions of employment, or while workers are exercising the right to organise, should not threaten to utilise a capacity 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 organise; nor should they transfer workers from affiliates in foreign countries with a view to undermining bona fide negotiations with the workers' representatives or the workers' exercise of their right to organise.

53. Collective agreements should include provisions for the settlement of disputes arising over their interpretation and application and for ensuring mutually respected rights and responsibilities.
54. Multinational enterprises should provide workers' representatives with information required for meaningful negotiations with the entity involved and, where this accords with local law and practices, should also provide information to enable them to obtain a true and fair view of the performance of the entity or, where appropriate, of the enterprise as a whole.<sup>16</sup>
55. Governments should supply to the representatives of workers' organisations on request, where law and practice so permit, information on the industries in which the enterprise operates, which would help in laying down objective criteria in the collective bargaining process. In this context, multinational as well as national enterprises should respond constructively to requests by governments for relevant information on their operations.

#### Consultation

56. In multinational as well as in national enterprises, systems devised by mutual agreement between employers and workers and their representatives should provide, in accordance with national law and practice, for regular consultation on matters of mutual concern. Such consultation should not be a substitute for collective bargaining.<sup>17</sup>

#### Examination of grievances

57. Multinational as well as national enterprises should respect the right of the workers whom they employ to have all their grievances processed in a manner consistent with the following provision: any worker who, acting individually or jointly with other workers, considers that he has grounds for a grievance should have the right to submit such grievance

<sup>16</sup> Recommendation (No. 129) concerning Communications between Management and Workers within Undertakings.

<sup>17</sup> Recommendation (No. 94) concerning Consultation and Co-operation between Employers and Workers at the Level of the Undertaking; Recommendation (No. 129) concerning Communications within the Undertaking

without suffering any prejudice whatsoever as a result, and to have such grievance examined pursuant to an appropriate procedure.<sup>18</sup> This is particularly important whenever the multinational enterprises operate in countries which do not abide by the principles of ILO Conventions pertaining to freedom of association, to the right to organise and bargain collectively and to forced labour.<sup>19</sup>

#### Settlement of Industrial disputes

58. Multinational as well as national enterprises jointly with the representatives and organisations of the workers whom they employ should seek to establish voluntary conciliation machinery, appropriate to national conditions, which may include provisions for voluntary arbitration, to assist in the prevention and settlement of industrial disputes between employers and workers. The voluntary conciliation machinery should include equal representation of employers and workers.<sup>20</sup>

Geneva, 16 November 1977

<sup>18</sup> Recommendation (No. 130) concerning the Examination of Grievances within the Undertaking with a View to their Settlement.

<sup>19</sup> Convention (No. 29) concerning Forced or Compulsory Labour; Convention (No. 105) concerning the Abolition of Forced Labour; Recommendation (No. 35) concerning Indirect Compulsion to Labour.

<sup>20</sup> Recommendation (No. 92) concerning Voluntary Conciliation and Arbitration.

## ANNEX

### List of international labour Conventions and Recommendations referred to in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

(adopted by the Governing Body of the International Labour Office at its 204th Session (Geneva, November 1977)\*)

#### Conventions

- |         |   |
|---------|---|
| No. 29  | concerning Forced or Compulsory Labour, 1930.   |
| No. 87  | concerning Freedom of Association and Protection of the Right to Organise, 1948.                          |
| No. 98  | concerning the Application of the Principles of the Right to Organise and to Bargain Collectively, 1949.  |
| No. 100 | concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, 1951.                    |
| No. 105 | concerning the Abolition of Forced Labour, 1957.  |
| No. 110 | concerning Conditions of Employment of Plantation Workers, 1958.  |
| No. 111 | concerning Discrimination in Respect of Employment and Occupation, 1958.                                  |
| No. 115 | concerning the Protection of Workers against Ionising Radiations, 1960.                                   |
| No. 119 | concerning the Guarding of Machinery, 1963.   |
| No. 122 | concerning Employment Policy, 1964.   |
| No. 130 | concerning Medical Care and Sickness Benefits, 1969.  |
| No. 135 | concerning Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking, 1971. |

\* It was proposed that the Office make available, on request, offprints of the international labour Conventions and Recommendations referred to in the Tripartite Declaration. ILO: Report of the Reconvened Tripartite Advisory Meeting on the Relationship of Multinational Enterprises and Social Policy, Geneva, 4-7 April 1977, GB.204/4/2, 204th Session, Geneva, 15-18 November 1977, p.2.

- No. 136 concerning Protection against Hazards of Poisoning arising from Benzene, 1971.
- No. 139 concerning Prevention and Control of Occupational Hazards caused by Carcinogenic Substances and Agents, 1974.
- No. 142 concerning Vocational Guidance and Vocational Training in the Development of Human Resources, 1975.

#### **Recommendations**

- No. 35 concerning Indirection Compulsion to Labour, 1930.
- No. 69 concerning Medical Care, 1944.
- No. 90 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, 1951.
- No. 92 concerning Voluntary Conciliation and Arbitration, 1951.
- No. 94 concerning Consultation and Co-operation between Employers and Workers at the Level of the Undertaking, 1952.
- No. 110 concerning Conditions of Employment of Plantation Workers, 1958.
- No. 111 concerning Discrimination in Respect of Employment and Occupation, 1958.
- No. 114 concerning the Protection of Workers against Ionising Radiations, 1960.
- No. 115 concerning Workers' Housing, 1961.
- No. 116 concerning Reduction of Hours of Work, 1962.
- No. 118 concerning the Guarding of Machinery, 1963.
- No. 119 concerning Termination of Employment at the Initiative of the Employer, 1963
- No. 122 concerning Employment Policy, 1964.
- No. 129 concerning Communications between Management and Workers within the Undertaking, 1967.
- No. 130 concerning the Examination of Grievances within the Undertaking with a View to their Settlement, 1967.

- No. 134 concerning Medical Care and Sickness Benefits, 1969.
- No. 144 concerning Protection against Hazards of Poisoning arising from Benzene, 1971.
- No. 147 concerning Prevention and Control of Occupational Hazards caused by Carrcinogenic Substances and Agents, 1974.
- No. 150 concerning Vocational Guidance and Vocational Training in the Development of Human Resources, 1975.



## ADDENDUM

### Addendum to the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

(adopted by the Governing Body of the International Labour Office at its  
238th Session (Geneva, November 1987)\*)

#### References to Conventions and Recommendations in the Tripartite Declaration of Principles concerning Multinational Enterprises And Social Policy

A number of international labour Conventions and Recommendations containing provisions relevant to the Declaration are referred to in footnotes in the Declaration as well as in an annex. These footnotes do not affect the meaning of the provisions of the Declaration to which they refer. They should be considered as references to relevant instruments adopted by the International Labour Organisation in the corresponding subject-areas, which have helped shape the provisions of the Declaration.

Since the adoption of the Declaration by the Governing Body on 16 November 1977, new Conventions and Recommendations have been adopted by the International Labour Conference. This makes it necessary to include a new list of Conventions and Recommendations adopted since 1977 (including those adopted in June 1977), containing provisions relevant to the Declaration, and this list is set out below. Like the footnotes included in the Declaration at the time of its adoption, the new references do not affect the meaning of the provisions of the Declaration.

In keeping with the voluntary nature of the Declaration, all of its provisions, whether derived from ILO Conventions and Recommendations or other sources, are recommendatory, except of course for provisions in Conventions which are binding on the member States which have ratified them.

List of Conventions and Recommendations adopted since 1977 (inclusive)  
which contain provisions relevant to the Declaration

<i>Number and title Of Convention</i>	<i>Paragraphs of the Declaration to which The instrument is Relevant</i>
No. 148 concerning the Protection of Workers against Occupational Hazards in the Working Environment Due to Air Pollution, Noise and Vibration, 1977	36

No. 154 concerning the Promotion of Collective Bargaining, 1981	9, 49
No. 155 concerning Occupational Safety and Health and the Working Environment, 1981	36
No. 156 concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities, 1981	21
No. 158 concerning Termination of Employment at the Initiative of the Employer, 1982	9, 26, 27, 28
No. 161 concerning Occupational Health Services, 1985	36
No. 162 concerning Safety in the Use of Asbestos, 1986	36

#### *Number and title Of Recommendation*

No. 156 concerning the Protection of Workers against Occupational Hazards in the Working Environment Due to Air Pollution, Noise and Vibration, 1977	36
No. 163 concerning the Promotion of Collective Bargaining, 1981	51, 54, 55
No. 164 concerning Occupational Safety and Health and the Working Environment, 1981	36
No. 165 concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities, 1981	21
No. 166 concerning Termination of Employment at the Initiative of the Employer, 1982	9, 26, 27, 28
No. 169 concerning Employment Policy, 1984	9, 13
No. 171 concerning Occupational Health Services, 1985	36
No. 172 concerning Safety in the Use of Asbestos, 1986	36

Offprints of Conventions and Recommendations can be obtained from ILO Publications,  
International Labour Office, CH-1211 Geneva 22 (Switzerland).

\* Official Bulletin (Geneva, ILO), 1988, Vol. LXXI, Series A, No. 1, pp. 50-51



## Addendum II

### List of Conventions and Recommendations adopted since 1986 which contain provisions relevant to the Declaration

Since the last update a number of international labour Conventions and Recommendations have been adopted by the International Labour Conference. Of these, it was considered that the following were relevant to the Tripartite Declaration and could further supplement those instruments already included in the Annex and the Addendum to the Declaration.

This Addendum was adopted by the Governing Body at its 264th (November 1995) Session.

- Convention (No. 167) and Recommendation (No. 175) concerning Safety and Health in Construction, 1988 (relevant to paragraph 36 of the Declaration);
- Convention (No. 168) and Recommendation (No. 176) concerning Employment Promotion and Protection against Unemployment, 1988 (relevant to paragraph 13 of the Declaration);
- Convention (No. 170) and Recommendation (No. 177) concerning Safety in the Use of Chemicals at Work, 1990 (relevant to paragraph 36 of the Declaration);
- Convention (No. 173) and Recommendation (No. 180) concerning the Protection of Workers' Claims in the Event of the Insolvency of their Employer, 1992 (relevant to paragraph 28 of the Declaration);
- Convention (No. 174) and Recommendation (No. 181) concerning the Prevention Of Major Industrial Accidents, 1993 (relevant to paragraph 36 of the Declaration);
- Convention (No. 176) and Recommendation (No. 183) concerning Safety and Health in Mines, 1995 (relevant to paragraph 36 of the Declaration).

### Procedure for the examination of disputes concerning the application of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by means of interpretation of its provisions

(adopted by the Governing Body of the International Labour Office at its 232<sup>nd</sup> Session (Geneva, March 1986)\*)

1. The purpose of the procedure is to interpret the provisions of the Declaration when needed to resolve a disagreement on their meaning, arising from an actual situation, between parties to whom the Declaration is commended.
2. The procedure should in no way duplicate or conflict with existing national or ILO procedures. Thus, it cannot be invoked:
  - (a) in respect of national law and practice;
  - (b) in respect of international labour Conventions and Recommendations;
  - (c) in respect of matters falling under the freedom of association procedure.

The above means that questions regarding national law and practice should be considered through appropriate national machinery; that questions regarding international labour Conventions and Recommendations should be examined through the various procedures provided for in articles 19, 22, 24 and 26 of the Constitution of the ILO, or through government requests to the Office for informal interpretation; and that questions concerning freedom of association should be considered through the special ILO procedures applicable to that area.

3. When a request for interpretation of the Declaration is received by the International Labour Office, the Office shall acknowledge receipt and bring it before the Officers of the Committee on Multinational Enterprises. The Office will inform the government and the central organisations of employers and workers concerned of any request for interpretation received directly from an organisation under paragraph 5(b) and (c).
4. The Officers of the Committee on Multinational Enterprises shall decide unanimously after consultations in the groups whether the request is receivable under the procedure. If they cannot reach agreement the request shall be referred to the full Committee for decision.

\* Official Bulletin (Geneva, ILO), 1986, Vol. LXIX, Series A, No. 3, pp. 196-197 (to replace Part IV of the Procedures adopted by the Governing Body at its 214th Session (November 1980)). See Official Bulletin, 1981, Vol. LXIV, Series A, No. 1, pp. 89-90.

5. Requests for interpretation may be addressed to the Office:
  - (a) as a rule by the government of a member State acting either on its own initiative or at the request of a national organisation of employers or workers;
  - (b) by a national organisation of employers or workers, which is representative at the national and/or sectoral level, subject to the conditions set out in paragraph 6. Such requests should normally be channelled through the central organisations in the country concerned;
  - (c) by an international organisation of employers or workers on behalf of a representative national affiliate.
6. In the case of 5(b) and (c), requests may be submitted if it can be demonstrated:
  - (a) that the government concerned has declined to submit the request to the Office; or
  - (b) that three months have elapsed since the organisation addressed the government without a statement of the government's intention.
7. In the case of receivable requests the Office shall prepare a draft reply in consultation with the Officers of the Committee on Multinational Enterprises. All appropriate sources of information shall be used, including government, employers' and workers' sources in the country concerned. The Officers may ask the Office to indicate a period within which the information should be provided.
8. The draft reply to a receivable request shall be considered and approved by the Committee on Multinational Enterprises prior to submission to the Governing Body for approval.
9. The reply when approved by the Governing Body shall be forwarded to the parties concerned and published in the Official Bulletin of the International Labour Office.

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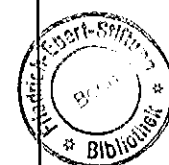
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## Tripartite Declaration of Principles Concerning Multinational Enterprises And Social Policy

This Declaration, adopted by the Governing Body of the ILO on 16 November 1977, during its 204th Session, sets out principles in the fields of employment, training, conditions of work and life and industrial relations which governments, employers' and workers' organisations and multinational enterprises are recommended to observe on a voluntary basis. Its follow-up machinery consists of periodic reports by governments on the effect given to the Declaration (after consultation with employers' and workers' organisations) and of a procedure for the examination of disputes concerning the application of the Declaration by means of interpretation of its provisions. A standing Governing Body Committee has been set up in this connection.

**ILO Declaration on Fundamental  
Principles and Rights at Work  
and its Follow-up**

*Adopted by  
The International Labour Conference  
At its Eighty-sixth Session,  
Geneva, 18 June 1998*



## PRESENTATION

On 18 June 1998 the International Labour Organization adopted the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up* in Geneva, thereby taking up the challenges of globalization which have been the focus of considerable debate within the ILO since 1994. Although globalization is a factor of economic growth, and economic growth is a prerequisite for social progress, the fact remains that it is not in itself enough to guarantee that progress. It must be accompanied by a certain number of social ground rules founded on common values to enable all those involved to claim their fair share of the wealth they have helped to generate.

The aim of the Declaration is to reconcile the desire to stimulate national efforts to ensure that social progress goes hand in hand with economic progress and the need to respect the diversity of circumstances, possibilities and preferences of individual countries.

A first step in this direction was made in Copenhagen in 1995, when the Heads of State and Government attending the World Summit for Social Development adopted specific commitments and a Programme of Action relating to "basic workers' rights" - the prohibition of forced labour and child labour, freedom of association, the right to organize and bargain collectively, equal remuneration for work of equal value and the elimination of discrimination in employment. The WTO Ministerial Conference held in Singapore in 1996 then provided the opportunity for a second step to be taken. The States renewed their commitment to observe internationally recognized core labour standards, recalled that the ILO was the competent body to set and deal with these standards and reaffirmed their support for its work in promoting them.

The adoption of the Declaration constituted the third step. It makes a significant contribution to the aim set forth in paragraph 54(b) of the Programme of Action adopted by the Copenhagen Summit, which is to safeguard and promote respect for basic workers' rights, requesting States parties to the corresponding ILO Conventions to fully implement them and other States to take into account the principles embodied in them.

The existing supervisory machinery already provides the means of assuring the application of Conventions in the States that have ratified them. For those that have not, the Declaration makes an important new contribution. Firstly, it recognizes that the Members of the ILO, even if they have not ratified the Conventions in question, have an obligation to respect "in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions". Next, and this is the first aspect of the follow-up provided in the Annex to the Declaration, it seeks to achieve this aim by implementing the ILO's unique Constitutional procedure in accordance with which each year States that have

not ratified the core Conventions will be asked to submit reports on progress made in implementing the principles enshrined in them.

Lastly, by solemnly committing itself to mobilize its budgetary resources and its influence to help its Members to achieve the aims of the Copenhagen Summit, the Organization goes one step further. This commitment will be reflected in the global report, the second aspect of the follow-up provided in the Annex. The global report will provide an overview of the progress made in the preceding four-year period both in countries which have ratified the core Conventions as well as in those which have not, it will serve as a basis for assessing the effectiveness of the action taken during the preceding period and as a starting point for action plans for future assistance.

By adopting this Declaration, the ILO has taken up the challenge presented to it by the international community. It has established a social minimum at the global level to respond to the realities of globalization and can now look ahead to the new century with renewed optimism.

Michel Hansenne



## ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas the ILO should, now more than ever, draw upon all its standard-setting, technical cooperation and research resources in all its areas of competence, in particular employment, vocational training and working conditions, to ensure that, in the context of a global strategy for economic and social development, economic and social policies are mutually reinforcing components in order to create broad-based sustainable development;

Whereas the ILO should give special attention to the problems of persons with special social needs, particularly the unemployed and migrant workers, and mobilize and encourage international, regional and national efforts at resolving their problems and promote effective policies aimed at job creation;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Whereas the ILO is the constitutionally mandated international organization and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgement in promoting fundamental rights at work as the expression of its constitutional principles;

Whereas it is urgent, in a situation of growing economic interdependence, to reaffirm the immutable nature of the fundamental principles and rights embodied in the Constitution of the Organization and to promote their universal application;

The International Labour Conference,

### 1. Recalls:

- (a) that in freely joining the ILO, all Members have-endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organization to the best of their resources and fully in line with their specific circumstances;
- (b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions

recognized as fundamental both inside and outside the Organization.

2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation, arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:
  - (a) freedom of association and the effective recognition of the right to collective bargaining;
  - (b) the elimination of all forms of forced or compulsory labour;
  - (c) the effective abolition of child labour; and
  - (d) the elimination of discrimination in respect of employment and occupation.
3. Recognizes the obligation on the Organization to assist its Members, in response to their established and expressed needs, in order to attain these objectives by making full use of its constitutional, operational and budgetary resources, including by the mobilization of external resources and support, as well as by encouraging other international organizations with which the ILO has established relations, pursuant to article 12 of its Constitution, to support these efforts:
  - (a) by offering technical cooperation and advisory services to promote the ratification and implementation of the fundamental Conventions;
  - (b) by assisting those Members not yet in a position to ratify some or all of these Conventions in their efforts to respect, to promote and to realize the principles concerning fundamental rights which are the subject of those Conventions; and
  - (c) by helping the Members in their efforts to create a climate for economic and social development.
4. Decides that, to give full effect to this Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex hereto, which shall be considered as an integral part of this Declaration.
5. Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

## Follow-up to the Declaration

### I. OVERALL PURPOSE

1. The aim of the follow-up described below is to encourage the efforts made by the Members of the Organization to promote the fundamental principles and rights enshrined in the Constitution of the ILO and the Declaration of Philadelphia and reaffirmed in this Declaration.
2. In line with this objective, which is of a strictly promotional nature, this follow-up will allow the identification of areas in which the assistance of the Organization through its technical cooperation activities may prove useful to its Members to help them implement these fundamental principles and rights. It is not a substitute for the established supervisory mechanisms, nor shall it impede their functioning; consequently, specific situations within the purview of those mechanisms shall not be examined or re-examined within the framework of this follow-up.
3. The two aspects of this follow-up, described below, are based on existing procedures: the annual follow-up concerning non-ratified fundamental Conventions will entail merely some adaption of the present modalities of application of article 19, paragraph 5(e), of the Constitution; and the global report will serve to obtain the best results from the procedures carried out pursuant to the Constitution.

### II. ANNUAL FOLLOW-UP CONCERNING NON-RATIFIED FUNDAMENTAL CONVENTIONS

#### A. Purpose and scope

1. The purpose is to provide an opportunity to review each year, by means of simplified procedures to replace the four-year review introduced by the Governing Body in 1995, the efforts made in accordance with the Declaration by Members which have not yet ratified all the fundamental Conventions.
2. The follow-up will cover each year the four areas of fundamental principles and rights specified in the Declaration.

#### B. Modalities

1. The follow-up will be based on reports requested from Members under article 19, paragraph 5(e), of the Constitution. The report forms will

be drawn up so as to obtain information from governments which may have not ratified one or more of the fundamental Conventions, on any changes which have taken place in their law and practice, taking due account of article 23 of the Constitution and established practice.

2. These reports, as compiled by the Office, will be reviewed by the Governing Body.
3. With a view to presenting an introduction to the reports thus compiled, drawing attention to any aspects which might call for a more in-depth discussion, the Office may call upon a group of experts appointed for this purpose by the Governing Body.
4. Adjustments to the Governing Body's existing procedures should be examined to allow Members which are not represented on the Governing Body to provide, in the most appropriate way clarifications which might prove necessary or useful during Governing Body discussions to supplement the information contained in their reports.

### III. GLOBAL REPORT

#### A. Purpose and scope

1. The purpose of this report is to provide a dynamic global picture relating to each category of fundamental principles and rights noted during the preceding four-year period, and to serve as a basis for assessing the effectiveness of the assistance provided by the Organization, and for determining priorities for the following period, in the form of action plans for technical cooperation designed in particular to mobilize the internal and external resources necessary to carry them out.
2. The report will cover, each year, one of the four categories of fundamental principles and rights in turn.

#### B. Modalities

1. The report will be drawn up under the responsibility of the Director-General on the basis of official information, or information gathered and assessed in accordance with established procedures. In the case of States which have not ratified the fundamental Conventions, it will be based in particular on the findings of the aforementioned annual follow-up. In the case of Members which have ratified the Conventions concerned, the report will be based in particular on reports as dealt with pursuant to article 22 of the Constitution.
2. This report will be submitted to the Conference for tripartite discussion as a report of the Director-General. The Conference may deal with this report separately from reports under article 12 of its Standing Orders, and

may discuss it during a sitting devoted entirely to this report, or in any other appropriate way. It will then be for the Governing Body, at an early session, to draw conclusions from this discussion concerning the priorities and plans of action for technical cooperation to be implemented for the following four-year period.

#### IV. IT IS UNDERSTOOD THAT:

1. Proposals shall be made for amendments to the Standing Orders of the Governing Body and the Conference which are required to implement the preceding provisions.
2. The Conference shall, in due course, review the operation of this follow-up in the light of the experience acquired to assess whether it has adequately fulfilled the overall purpose articulated in Part I.

The foregoing is the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up duly adopted by the General Conference of the International Labour Organization during its Eighty-sixth Session which was held at Geneva and declared closed the 18 June 1998.

IN FAITH WHEREOF we have appended our signatures this nineteenth day of June 1998.

*The President of the Conference,*

JEAN-JACQUES OECHSLIN

*The Director-General of the International Labour Office.*

MICHEL HANSENNE