Dear Colleagues

The Employers’ Group would like to thank the Office for the paper.

Let me first re-confirm the support of the Employers’ Group for the ILO MNE Declaration. It is an important instrument in the international CSR debate, fully acknowledged by the CSR strategy of the EU Commission and many other instruments, such as the OECD Guidelines for Multinational Enterprises, which took over many of the provisions of the ILO MNE Declaration in the Employment chapter of the Guidelines.

The support of the Employers’ Group is of crucial importance. Any ILO text, which directly addresses the private sector, but which is not by supported by the Employers, would not be credible and highly ineffective. It is only in close cooperation that we can promote and – if necessary – update the MNE Declaration, if we want to have any impact.
The Employers’ Group recognises that there have been some developments since the last update in 2006, for instance the endorsement of the UN Guiding Principles on Business and Human Rights. The Group agrees that the ILO MNE Declaration could reference the UN Guiding Principles as well as - if necessary – other relevant ILO texts and standards which have been adopted since the last update.

The Group, however, does not see any need for a more comprehensive revision and would also question the rationale given in paragraph 9 of the Office’s paper. The text as it stands is supported by the ILO constituents around the world. Thus, there is no need to increase the ownership of the instrument by the tripartite constituents, as stated by the Office. Moreover, the Employers’ Group believes that more than any update, concrete country assistance in which governments, employers’ and workers’ organisations as well as MNEs are involved to improve the situation on the ground is the most effective way to promote the instrument. The Organisation can show a leadership role in promoting the contribution of multinational enterprises on decent work and socio-economic development by proactively engaging on the ground. No revision of the ILO MNE declaration is necessary in this regard.

Even more, the Group would strongly warn against any excessive revision exercise for the following reason:

Firstly, it is important to recognise that the OECD Guidelines’ chapter on Employment and Industrial Relations is based on the ILO MNE Declaration. Thus, an update of the MNE Declaration that departs from the current OECD Guidelines text could create confusion for OECD Member States and the companies subject to the Guidelines’ recommendations, and
would contradict the intent stated in the OECD Guidelines that the Guidelines and the ILO MNE Declaration “are intended to be parallel and not conflict with each other.” Furthermore, it should also be noted that the NCPs have made considerable contributions to addressing labour disputes globally and are on a trajectory of continual improvement. NCPs have heard over 330 ‘specific instances’ since 2000, over fifty per cent of which have involved the Guidelines’ chapter on Employment and Industrial Relations. Any “review of options for an improved mechanism or mechanisms”, as suggested in paragraph 10b of the paper, could end up with measures that might compete and thereby jeopardize the NCP process. The ILO MNE Declaration as well as the OECD Guidelines should be seen as complementary, not in competition with each other.

Secondly, it should also be noted that if one objective is to finish the update by the 40th anniversary of the ILO MNE Declaration next year, the update must have a very limited and clear scope. It is unrealistic to believe that a tripartite working group will be able to agree on a full revision of the text as well as the interpretation procedure within a year. In this regard the Employers’ Group highly questions the assumption in the paper that two meetings of the tripartite working group would be sufficient. If the constituents aim to fully revise a 40-year old text, it can surely be assumed that many more meetings will be necessary. The last revision of the OECD Guidelines is an example of this.

Thirdly, in view of the limited resources of the Organisation we have to set priorities. Instead of investing heavily in rather formal procedures in Geneva, we should invest the money in essential work in the field. Any dollar allocated to a heavy review process is missing from the investment in real work on the ground.
The Employers’ Group therefore is in favour of an update of the text that is restricted to referencing the UN Guiding Principles and including recent relevant international labour standards. As in the past, the update should be done by the Office and adopted by the Governing Body in March 2017.

Thank you for your attention.