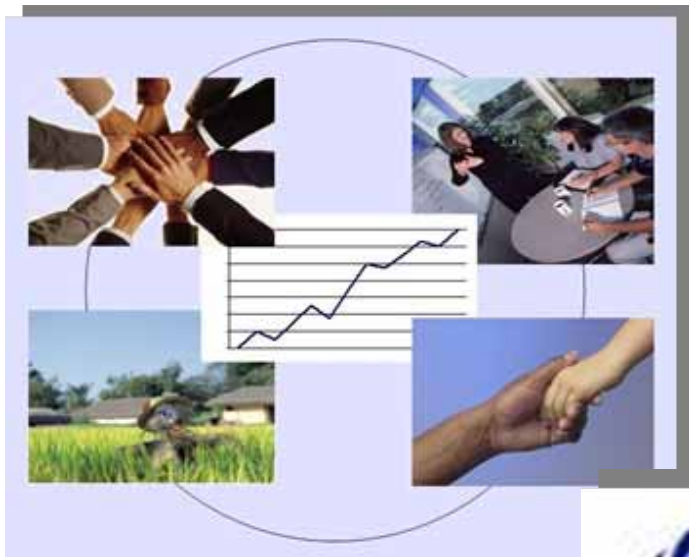




# The ILO and CSR – *Why Responsible Business Conduct Matters*





# Why Responsible Business Conduct Matters

- « Whereas universal and lasting peace can be established only if it is based on social justice; And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people to produce unrest so great that the peace and harmony of the the world are imperilled;... ***Wheras also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions of their own country... »***



– ***Constitution of the ILO***



## Defining CSR...

Corporate social responsibility is a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law.

*ILO Governing Body 2006*



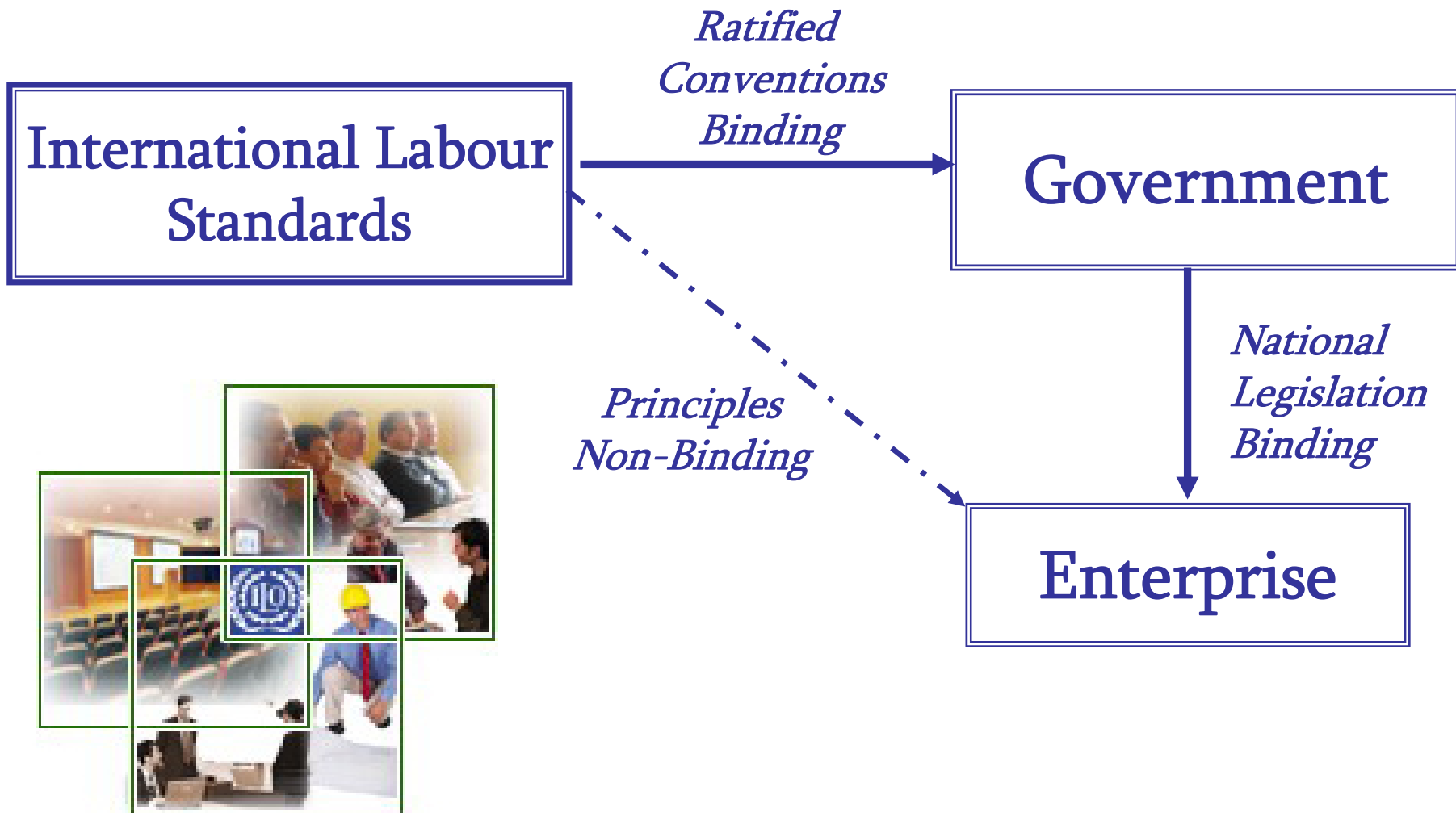
# ILO Instruments referenced in CSR



- The Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy – “MNE Declaration” (1977)
- ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up – “The 1998 Declaration” (1998)
- ILO Declaration on Social Justice for a Fair Globalization – “The 2008 Social Justice Declaration” (2008)

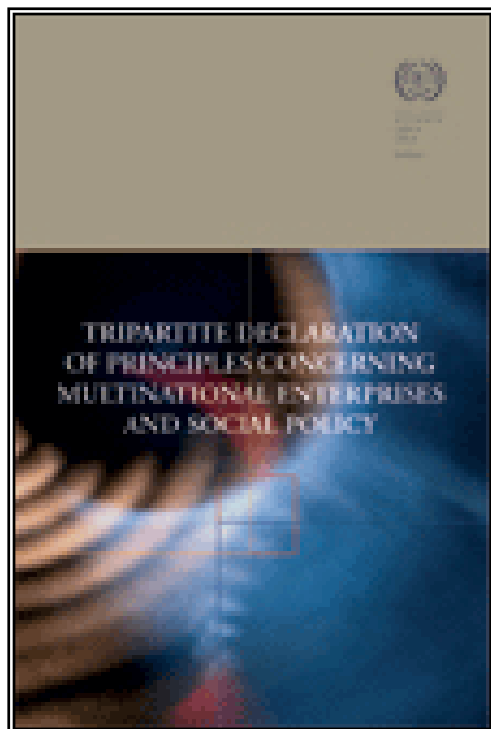


# International Labor Standards and Enterprises





# Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

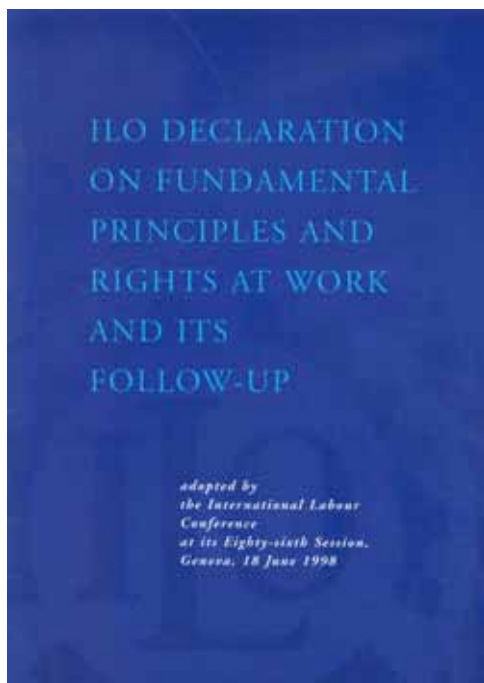


- ILO's *key instrument* on CSR
  - ✓ Adopted by ILO GB in 1977 (latest update 2006)
  - ✓ Voluntary guidelines devoted to social policy and world of work
- Only global tripartite instrument related to CSR
  - ✓ Adopted with the agreement of workers, employers and governments
  - ✓ Recognizes positive contribution MNEs can make to economic and social development
- Rooted in social dialogue
- Balances roles and responsibilities of governments, MNEs, employers and workers



# 1998 Declaration

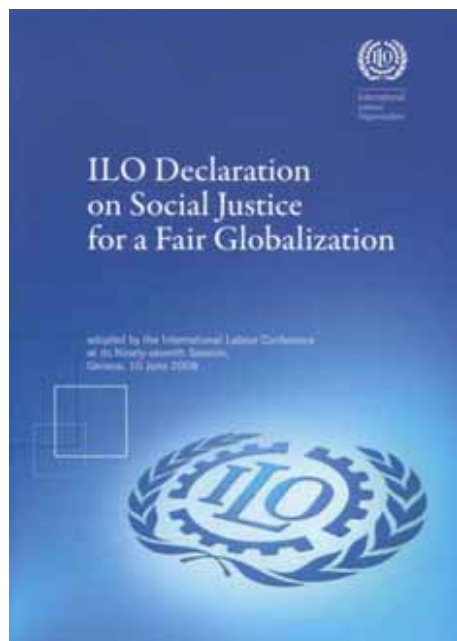
- Commits all ILO member (*whether or not respective conventions have been ratified*) to promote and to realize fundamental rights on **core labour standards**:
  - ✓ **Freedom of Association** and recognition of right to **collective bargaining**
  - ✓ Elimination of all forms of **forced or compulsory labor**
  - ✓ **Effective abolition of child labour**; and
  - ✓ Elimination of **discrimination** in respect of employment and occupation.







# The 2008 Social Justice Declaration



- Declaration commits members to Decent Work Agenda, by:
  - ✓ Promoting employment by creating sustainable institutional and economic environment
  - ✓ Developing and enhancing measures of social protection
  - ✓ Promoting social dialogue and tripartism
  - ✓ Respecting, promoting and realizing fundamental principles and rights at work
- Implementation calls for new partnerships, including with MNEs
- Affirms relevance MNE Declaration (1977) in globalized economy





# MNE Declaration: 5 Policy Areas

- Guidance to both MNEs and Government
- General policies:
  - ✓ national law and international labour standards
- Employment:
  - ✓ promotion, equality, security
- Training:
  - ✓ vocational training and skills development
- Conditions of work and life:
  - ✓ wages and benefits, child labour, safety & health
- Industrial relations:
  - ✓ freedom of association and right to collective bargaining, consultations



## MNE Declaration: Follow-up

- Tripartite universal surveys
- Research and publications, e.g. impact of FDI on labour markets, good practices
- Dialogue and advisory activities at sectoral, national and regional levels
- Training
- Consultation and « Helpdesk » service



# Collaboration with other organizations

## ■ OECD:

- Common standards in particular on employment and industrial relations and reference to ILO as “competent body on international labor standards”
- Collaboration on instrument updates and revision
- Joint events and activities promoting Guidelines and MNE Declaration principles

## ■ UN Global Compact:

- ILO reference for core labour principles
- Support for Labour Working Group; Consultation to Human Rights Working Group; Contact point on Gender, HIV & AIDs, Youth

## ■ Codes & Standards:

- provide technical inputs on labour dimension to ISO 26000, GRI and others



## Areas of Convergence: MNE Declaration, OECD Guidelines, Global Compact

- MNE Declaration and OECD Guidelines provide detailed recommendations on desirable behaviour of companies; GC invites companies to participate directly
- OECD is voluntary for Enterprises, binding for adhering governments
- MNE Declaration is only instrumented voluntary adopted by governments, employers, and workers
- All three:
  - Based on Universal principles
  - Include the four Fundamental Principles of Rights at Work
  - Encourage enterprises to establish dialogue
  - Encourage enterprises to contribute to sustainable development and a fair globalization



# ILO Helpdesk Service - MNEs

- Free & Confidential for MNE
- Guidance on application of MNE Declaration and other instruments
- Replies are prepared by a multi-disciplinary expert team
- Phone and in-person consultations also possible





# CSR Trends and Challenges

- Increasing number of private voluntary initiatives, codes and standards - risk of confusion, fatigue for MNEs
- Convergence of CSR initiatives around ILO core standards, BUT
  - Not enough emphasis on the responsibility of governments to enforce national legislation
  - Neglect of the positive contribution to labour-management cooperation
  - Marginalization of the role of industrial relations
  - Often, ILS are misinterpreted or wrongly applied
- Linkages to a Sustainable Enterprise agenda recognizes environmental dimension
- Collaboration around principles, language, and interpretation is critical



## Conclusions

- MNE Declaration is a rich source of guidance for constituents on CSR
- Governments have a role to play in maximizing the social benefits of MNE operations
- ILO is contributing to other multi-stakeholder initiatives on CSR
- The ILO « Helpdesk » provides a portal for interpretation and guidance on ILO instruments