

OECD-ILO Conference on Corporate Social Responsibility
Employment and Industrial Relations: Promoting Responsible Business
Conduct in a Globalising Economy

Paris, June 23, 2008

**Opening Remarks for ILO delivered by Mr. Stephen Pursey, Director,
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Director General**

Good morning. On behalf of the International Labour Organization, and of our Director General, Juan Somavía, who sincerely regrets not being able to be with you today, I would like to join Secretary General, Angel Gurría, in welcoming everybody to this OECD-ILO Conference on Corporate Social Responsibility.

May I thank the OECD for hosting this meeting. The ILO and the OECD have worked closely in its preparation but inevitably a greater weight has fallen on the Paris end of the partnership. Perhaps we can recompense at some point in the not too distant future.

Our two organizations have been working in partnership for nearly 60 years. The mandates of the two organizations have much in common. They both originated in the aftermath world wars and the vital need to reconstruct societies and economies through international cooperation.

It is the subtle and complex interaction between the social and economic responsibilities of government, business and workers' organizations that is at the heart of the mandates of our two organizations and of their cooperation, and of this conference.

The origins of this conference are the discussions at the Heiligendamm G8 Summit last year and the section of their conclusions on investment and responsibility – the social dimension of globalization. We should recall that their four priorities in this field were support to the global backing for the ILO's Decent Work Agenda, a strengthening of the principles of Corporate Social Responsibility, reinforcing corporate governance and investing in social protection systems.

The specific request of the G8 is set out in the background paper but can be summarized as asking the OECD, the ILO and the UN Global Compact to give "more visibility and more clarity to the various standards and principles" on CSR.

Since the OECD Guidelines and the ILO Multinationals Declaration were first promulgated in the mid seventies, the universe of CSR has expanded enormously. They have provided a solid platform for an increasingly diverse range of approaches. Globalization is probably fairer than it would have been

without the OECD Guidelines and the ILO Declaration. But as the G8 suggest we should try to do more to make them more effective.

Globalization has had a positive impact for many but the benefits of increased international investment and trade have not been evenly spread within and between countries. As highlighted by the World Commission on the Social Dimension of Globalization, it is clear that neither a fair globalization nor decent work can be achieved without the contribution of the private sector.

As main drivers of globalization, multinational enterprises have a key role to play in shaping a fair globalization by spreading better corporate practices and working with others to create a balanced policy environment.

Governments have the primary responsibility for creating an environment for enterprise, foreign and domestic, that is conducive to both economic growth, social justice and the protection of the environment – sustainable development.

And trade unions, as key social partners, have an indispensable role in articulating, representing and finding answers to the concerns of working women and men and their communities.

The ILO's commitment to achieving a fair globalization through its Decent Work Agenda was reinforced in the last few weeks by the adoption of the Declaration on Social Justice for a Fair Globalization by the 2008 International Labour Conference.

The new Declaration expresses the conviction that multinationals have a major contribution to make to the Decent Work Agenda and a fair globalization in partnership with governments and trade unions.

And it recognizes the value of the ILO Multinationals Declaration to the four strategic objectives of the creation of productive employment through enterprise development; promotion and realization of standards and fundamental principles and rights at work; coverage and effectiveness of social protection for all; and strengthening social dialogue.

Last year, after extensive tripartite dialogue, the ILO adopted a comprehensive policy for private sector development through the promotion of sustainable enterprises. It affirms that enterprises survive by making profit but cannot do so sustainably unless they operate in an environment where the rule of law is respected, social equity is promoted, and natural resources conserved. Establishing such an enabling environment for sustainable enterprise development is a shared responsibility of Governments, employers, and workers. The Guidelines and the Declaration are essential building blocks of that environment.

The OECD Guidelines, the ILO Declaration and the UN Global Compact focus on that shared responsibility. They also share the characteristic of addressing the intersection between the obligations of laws, the expectations of society, the pressures of competition in the global marketplace and the duties of States toward each other and the rights of their citizens.

This intersection is a place for dialogue and a search for agreed ways forward. The ILO Declaration and the OECD Guidelines may seem clear on paper but reality is often complicated and dialogue is the best way forward. Not a completely open ended dialogue, but one how we translate shared principles and practice into the daily working of multinational enterprises.

We have many extremely well qualified speakers to help guide us through the issues. In this regard, the ILO is particularly pleased that several ministers and leaders of business and labour from the developing countries are participating in this Conference.

One of the features the ILO Declaration brings to this discussion is its effort to establish principles for the relationship between foreign direct investment and the framework of laws and policies that can promote poverty reducing development. The extent to which FDI enlarges opportunities for women and men to work productively in conditions of freedom, human dignity, social justice, security and non-discrimination, both in foreign owned companies and in domestic suppliers, is central to more equitable development.

It is therefore most encouraging that employment and labour issues in both developing and industrialized countries will be discussed over the next two days. Together we will collectively think about how responsible business conduct in a globalized economy can be effectively promoted.

In November last year, the ILO marked the 30th anniversary of its MNE Declaration with a special forum. One of the main requests to the ILO was to work more closely with key institutions such as OECD. Improved partnerships with other international agencies are also a feature of the Social Justice for a Fair Globalization Declaration. And the recent OECD Ministerial Council also called on the Organization to continue its drive to coordinate better with other organizations.

For the ILO, and the OECD, this Conference comes at just the right time. The Director-General and the Office, and our government, employer and worker constituents are looking forward to the discussions and to conclusions on how we can cooperate further for shared goals.

Thank you very much.