

**DIRECTORATE FOR EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS  
EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS COMMITTEE**

**Meeting of the Employment, Labour and Social Affairs Committee at Ministerial Level**

**TUAC STATEMENT**

**OECD Headquarters, 29-30 September 2003**

*At its 1053rd Session on 10 April 2003, the Council agreed that the meeting of Employment and Labour Ministers would be preceded by a joint consultation with the BIAC and the TUAC [C/M(2003)8/PROV].*

*In order to facilitate this consultation, TUAC has prepared the attached statement which is circulated to the participants at the Ministerial Meeting for INFORMATION.*

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## TUAC STATEMENT

### I Introduction and Summary

1. OECD Labour and Employment Ministers are meeting at a critical time in four respects. *Firstly* the employment situation across the OECD is deteriorating rapidly requiring urgent action to stimulate the economy, provide more training and create more jobs. *Secondly* if the objective of increasing employment rates and bringing more groups into the labour force is to remain viable, it is essential that governments adopt a new approach focussing on improving job quality. *Thirdly* the time is ripe to reassess the OECD jobs Strategy on the basis of the experience over the last ten years within OECD countries, the EU Employment Strategy and the OECD Growth Study. *Fourthly* public concerns continue to grow in both OECD and developing countries over the negative impacts of an approach to globalisation based on simple deregulation. Labour Ministers need to give a mandate to the OECD to work more actively with the ILO and other international institutions to build a social dimension to globalisation.

2. To meet these challenges Labour and Employment Ministers must take action in the following areas:-

- **A global stimulus plan is required**, combining concerted and coordinated monetary and fiscal policy action to kick-start economic and employment growth by reflating the global economy. Labour and Employment Ministers must act as a strong voice within governments in favour of pro-growth, anti-poverty policies and co-operate with Finance Ministers in order to draw up and implement a global stimulus plan. (§§3-4);
- **Lifelong learning must be made a reality for all**. A key priority for governments must be to raise levels of investment in education and training and to adapt them to the needs of a changing economy and society and to the objective of raising the level and quality of employment. They must encourage and facilitate agreements between employers and trade unions that make participation in lifelong learning feasible in practice. (§§5-8)
- **Ministers must ensure the linkage of active labour market and training policies** so as to support, to the maximum extent possible, retaining workers in firms, while re-integrating those out of work.(§§9-12)
- **Governments must maintain their responsibility for general education**, enabling all young people to acquire the skills and competencies that will enable them to take their places in society as responsible citizens. (§13)
- **Action to increase labour supply must be based on a new approach** to ensure: - the attractiveness of work and the availability of jobs; decent wages and salaries, guaranteeing a “living wage”, limiting and excluding the risk of being caught in “low pay traps”; gender equality in the labour market; equal access to training and adult learning; and a supportive environment reconciling working and non-working life by improving access to public transport, child and elderly care. (§§14-21)

- **A central priority for governments must be to establishing career paths for low paid workers** that allow them to break out of poverty traps as well as putting a floor in the labour, market through well targeted minimum wages and integrated benefits systems. (§§22-23)
- **Policy must focus on job quality** with the aim of: maintaining and promoting health and safety at the workplace; promoting the acquisition and use of skills and competencies; ensuring career perspectives and employment security, based on the prevention of precariousness, decent wages and the empowerment of workers to raise their voice in the process of managing change; and reconciling working and non-working life. (§§24-29)
- **Ensuring the right of workers in non-standard work to organize must be put on the agenda:** Laws and regulations governing collective bargaining must be adjusted and modernized to ensure that their rights are protected. (§29).
- **Ministers should mandate the OECD to reassess the OECD *Jobs Strategy*.** It must address the following issues: Why did many reform efforts fail to adequately tackle the important issues of employment promotion, social security and inclusion as well as cohesion? And why have employment and labour market policies in a number of countries, not following the prescriptions of the *Jobs Strategy*, been successful? Future OECD work needs also to address the issue of job quality as well as the issue of gender equality in the labour market (§§30-36)
- **Building the social dimension of globalization.** OECD Labour and Employment Ministers must give a clear signal that they will work for a set of effective social rules to govern globalisation so as to achieve a more broadly-based and equitable distribution of the benefits of growth. The OECD must also contribute to building the social dimension of globalisation through joint work with other international organizations, in particular with the ILO on the follow-up to the report of the Commission on the Social Dimension of Globalisation on an agenda of good governance. Moreover, Ministers must renew the commitment of both governments and the OECD to implement the OECD Guidelines for Multinational Enterprises.(§§ 37-39)

## II Restoring Growth and getting back on track for Full Employment

3. OECD Labour and Employment Ministers are meeting at a time of deteriorating employment. Just three years ago, in 2000, the combination of faster growth sustained over several years and active employment policies meant that in much of the OECD area the return to full employment looked possible for the first time in a generation. That opportunity has been lost - the economic slowdown of the past two years has taken its toll on working families around the globe. According to the ILO the number of unemployed worldwide has grown by 20 million since 2000, exceeding more than 180 million at the beginning of 2003. The ILO dubs this “global out-of-work in progress”. OECD unemployment has risen from 6.3 per cent in 2000 to an estimated 7.2 per cent in 2003. The increase was particularly severe among women and young people. An increasing number of workers have been forced into precarious and badly paid jobs. The slowdown has also meant that male labour force participation rates have been falling in nearly all OECD countries. Even in the United States where signs of faster growth, boosted by military expenditure, have appeared, unemployment continues to rise despite the fact that according to the NBER the “recovery” began nearly two years ago in November 2001.

### *The need for a global stimulus plan*

4. The trade union statement to the 2003 OECD Ministerial Council called on OECD Finance Ministers and Central Bankers to formulate a global stimulus plan combining coordinated monetary and

fiscal policy action to kick-start economic and employment growth and reflate the global economy. Labour and Employment Ministers must act as a strong voice within governments in favour of pro-growth, anti-poverty policies; they must cooperate with Finance Ministers to draw up and implement such a plan. Action on the following lines is now needed more urgently than ever:

- Given the higher interest rates and sound external position in the European Union, it is the European Central Bank and European policy-makers that must lead on global economic recovery by significantly reducing interest rates and by boosting capital, environmental and human investment as part of a counter-cyclical recovery programme. As far as the latter is concerned, the recent proposal by France and Germany to boost investment in R&D, ICT and sustainable development, is to be welcomed. The Stability and Growth Pact must be intelligently reformed so as to avoid pro-cyclical fiscal tightening and permit the public investment that is urgently needed to promote growth. This would also bring it into line with the “Lisbon Strategy” commitment to full employment;
- In the US, fiscal policy must prioritise real measures to boost investment and infrastructure spending, along with the restoration of social safety nets and tax reductions for those on low incomes, while easing the restrictions on state-level borrowing;
- The Japanese authorities have to inject significant liquidity into the economy to stimulate private sector job creation, create direct employment, and maintain and improve the social safety net so as to reduce worker insecurity. Reform of the Japanese banking sector necessitates a role for the public authorities. But subsequent restructuring will only be credible if an emergency employment pact to create new jobs, and protect existing ones is implemented with the full involvement of the social partners.

#### ***Urgent action to invest in skills and manage change***

5. The current challenges as regards economic, technological and social change, the rapid transition to a knowledge-based society and demographic pressures resulting from an ageing population demand a new approach to education and training that integrates strategies for growth and employment. In this context, lifelong learning has become a recurrent national and international priority. Lifelong learning strategies are of crucial importance in the development of employability and capacity to adapt to the changing situation in the labour market. The promotion of teachers’ and trainers’ competence development is a key factor in the success of these strategies. Promotion of access to lifelong learning will enable citizens to enter and progress within the labour market, while encouraging active citizenship and promoting social inclusion.

6. Trade unions have been increasingly active in the development of lifelong learning strategies at the national level. They have been strong participants in recent developments at the European level. They will continue and strengthen their work for the recognition and implementation of lifelong learning strategies as essential factor in achieving the objective of full employment. The promotion of competent and qualified workforces, contributing to the creation of better jobs and well functioning labour markets accessible to all is in the interests of both enterprises and their employees. Enhanced production and job satisfaction are mutually reinforcing. A central objective of education policy must be to enhance individuals’ opportunities in society; therefore, access to high-quality education and training must be guaranteed at all levels, including the post-school level, responding to the needs of young people and adults seeking further training. Trade unions will continue to promote collective bargaining, collective agreements and social dialogue at all levels as key instruments for opening up access to lifelong learning to each and every worker inside companies. New ways of organising work and time will necessarily be associated with new approaches to lifelong learning.

7. However, despite a broad consensus among governments, trade unions and employers, that investment in human capital is a key to the future, there exists still a major gap between the rhetoric of the public debate and the reality. Opportunities for lifelong learning remain restricted to the few. Too many workers, in particular part-time employees, workers on low incomes, those in precarious or contingent work, older workers, migrant workers and women are in practice denied access to further training and lifelong learning. The public debate highlights the importance of human resources. A certain number of “world-class” firms are held up as corporate models. But in reality, the culture of many firms, and the strategies they adopt, focus more on employees as costs to be cut rather than assets to be developed. Moreover, promises and commitments by governments, like the Cologne Charter on Lifelong Learning, which was already adopted by the G8 Heads of State in 1999, have become forgotten documents instead of a road map guiding policy action.

8. Lifelong learning opportunities must also be developed for those out-of-work as a key factor in their re-integration into the workforce. Examples of good practice exist in a number of OECD countries, particularly in the Nordic area, with demonstrated benefits in terms of national productivity and the reduction of welfare dependency, as well as the diminution of crime and delinquency. Therefore much remains to be done to make lifelong learning a reality for all. It must become a key priority for governments to raise levels of investment in education and training and to adapt them both to the needs of a changing economy and society and to the objective of raising the level and quality of employment.

9. In the current context of rising unemployment we call on Ministers to ensure the linkage of active labour market and training policies so as to support, to the maximum extent possible, retraining workers in firms, while re-integrating those out of work. The retraining and redeployment of workers facing job loss can protect firms’ investment in human capital and help to avoid unemployment. Subsidising paid leave for employees when replaced by unemployed persons as temporary substitutes can also make an important contribution to reducing unemployment. Experience from Denmark has shown that such schemes work. In addition to raising skill levels, the practical experience gained by those hired has markedly improved their chances of re-entering the labour market.

10. Surveys of skill trends in industrialised countries have found that better qualifications are required to get new jobs and to perform them well. It was also found that the time required for job-training has increased. However, despite these trends, there is also evidence for the under-utilisation of “human capital resources”. Many firms continue to employ workers to perform narrowly specified, closely supervised, repetitive tasks. It is not sufficient to adopt new approaches to education and training, for the pay-off in terms of improved productivity also requires re-thinking of job practices within firms. At the level of government policy, that implies developing explicit links between labour market and training policies and the promotion of new technologies and innovation. The aim of public policy should be to broaden high skill jobs and high performance work systems beyond a relatively small number of firms.

11. The OECD and its member Governments must take action in order to materialize commitments made at earlier occasions. They must in particular implement policies aiming to:-

- Strengthen active labour market policies in order to allow socially acceptable and viable restructuring of firms, including support for company-based paid educational leave schemes;
- Provide adequate financing for education and lifelong learning: the responsibility must be accepted in particular by employers, individuals should not be left to fend for themselves;
- Encourage and facilitate agreements between employers and trade unions that make participation in lifelong learning feasible in practice;

- Promote both the implementation of high performance work systems and the effective use of the skill potentials of the workforce, especially the insights and experience of workers;
- Commission a thorough stocktaking of lifelong learning policies, focusing especially on what has worked and what has not in order to better inform the implementation of the Cologne Charter on lifelong learning.

12. Trade unions are prepared to strengthen their activities as negotiators of training and in managing change in order to support the “high-road” approach. Their role as key actors in the process must be recognised.

13. High quality general education for all is the foundation for life-long learning. Governments must maintain their responsibility for general education, enabling all young people to acquire the skills and competencies that will enable them to take their places in society as responsible citizens. At a time when globalisation has led to increasing mobility of families, special attention must be given to the education of migrant children and young people.

### **III Bringing more groups into employment – a new approach**

14. Increasing labour force participation and in particular that of under-represented groups in the labour force is an important economic and social objective. It is a key to maintaining and improving retirement and social security systems that are sustainable. However, measures simply aiming to increase labour supply won't work. Increasing labour force participation requires a comprehensive approach, taking account of factors determining both demand and supply side conditions as well as specific needs of under-represented groups including older workers, women and migrants.

15. Improving employment opportunities of under-represented groups requires above all strong labour demand and tight labour markets.. Moreover, action to increase labour supply must be based on a new approach to ensure:

- The attractiveness of work and the availability of jobs;
- Decent wages and salaries, guaranteeing a living wage, limiting and excluding the risk of being caught in low pay traps;
- Gender equality in the labour market;
- Equal access to training and adult learning;
- A supportive environment reconciling working and non-working life by improving access to public transport, child and elderly care.

### ***Gender equality in the labour market – a remaining challenge***

16. The increased participation of women in the labour market is one of the key factors of a changing world of work. The position of women in the labour market has improved over the last two decades. Nevertheless women continue to be on unequal terrain with their male colleagues, and to experience unequal labour market outcomes as a result. Thus, eliminating barriers to gender equality in the labour market must remain a high priority in all OECD countries.

17. In order to raise women's labour market opportunities and outcomes,

- Equal opportunities policies must be pursued and strengthened further. However, these policies must state goals and time frames more clearly; they must also include enforcement mechanisms.
- Basic employment standards must be enforced more effectively in order to protect both women and men employed in non-standard forms of work.
- Effective equity policies and legislation must be implemented and enacted in order to reduce the gender gap in pay.
- Training and bridging programs must be tailored more closely to individual needs.
- The double workload must be reduced in a balanced way by promoting a more extensive male involvement in parental leave as well as by the provision of (affordable) childcare.
- Employers must be encouraged to contribute more actively to the reconciliation of working and non-working life by the implementation of appropriate working time arrangements as well as by supporting child care.

#### ***Increasing participation by older workers***

18. The focus of the policy debate must move away from the divisive issues of statutory retirement age and towards the key issue of ensuring improved employment opportunities and participation of older workers between 50 and 65. In order to reverse the trend towards enforced early retirement or terminal unemployment, it is of utmost importance to remove the pressures coming from high unemployment and low demand for labour, from age discrimination in employment as well as from corporate restructuring. Joint initiatives of governments, employers and trade unions are required in order to review and change current employment practices and to adapt work systems, workplaces and career paths to ageing. Such initiatives must focus on:

- Improved access to training;
- Ways to improve the quality of work by raising standards of health and safety at work;
- Promoting prevention instead of cure;
- Combining corporate restructuring with retention of older workers; and on
- Improving flexibility linked to appropriate security.

19. Employers' attitudes and practices need to be changed. There is ample evidence of widespread age discrimination in internal and external labour markets across OECD countries. According to recent surveys there are prevailing perceptions among employers of older workers as difficult to train, unable to adapt to new technologies and as being too cautious. Yet increasing evidence shows that older workers are no less effective than younger ones and businesses that have eliminated age discrimination as a criterion of employment are being rewarded by enhanced productivity. There is no evidence of the claim/assumption that the ability to participate productively in innovation processes declines with increasing age. With regard to maintain the ability to innovate against the background of an ageing workforce it is of increasing importance to provide for an age-related design of work systems and career paths.

20. Lifelong learning can help the adjustment of workers' skills and competencies to labour market demand. Moreover, it can help improve the attachment of older workers to the labour market. Adapting

skills will be more fruitful than acquiring completely new ones given the relatively shorter time to recoup costs. The aim must be to develop and maintain the ability of workers to perform tasks throughout the entire course of their working life. However, particular attention must be given to new career paths. Older workers should feel that they have their place in new structures with flatter hierarchies, for example. Preparation for new career patterns should be included in training programmes, so facilitating the capacity of employees to adapt to more flexible and mobile job requirements and to change jobs within their firms.

21. At the same time flexible work-retirement transition paths must be made available. This implies that retirement should be flexible and that early retirement should be actuarially neutral, so that decisions on retirement would depend on individuals' comparison of the costs and benefits of extra years of work. Gradual retirement is an option which has important advantages. For instance, it can help to avoid or at least to overcome the supposed "pension shock" associated with a too rapid transition from working to retirement. Moreover, it permits the demands of work to be better adjusted to any decline in health that might be associated with age. Thus, it enables older people to stay longer in work than might otherwise be the case. Finally it retains experience within the employing organization.

***"Making work pay" policies must be reconsidered***

22. Policies to "make work pay" have been a central part of government strategies for the last decade and have been supported by trade unions when they have been based on increasing opportunities for decent work through the integration of well-set minimum wages, in-work benefits and policies to set career paths for low income workers through raising productivity and access to training and retraining. However there is also legitimate concern that in too many cases benefit recipients are pushed into sub-standard jobs involving precarious work and low pay with the main objective being to reduce welfare expenditure. The OECD in the *Employment Outlook 2003* shows the substantial risk to these workers being caught in low pay-traps: - with on average, a person who is low paid at a given date spending nearly 4 of the next 5 years in either low-paid employment or in non-employment. Women, less educated and older workers are facing even higher risks of getting caught in low pay poverty. Moreover there are also examples worsening child poverty. A recent study of 4,000 of the poorest British children throughout the 1990s has found a fifth of the worst-off families were those with adults in work rather than on benefits. Similar problems, pointing towards deficiencies of redesigned benefit systems, have been reported from the US.

23. The central priority for governments must be to establishing career paths for low paid workers that allow them to break out of poverty traps as well as putting a floor in the labour, market through well targeted minimum wages and integrated benefits systems.

**IV Providing Decent Work: The quality of jobs must be addressed**

24. Despite the commitment of OECD governments to the ILO objective of "Decent Work", evidence on job quality in OECD is providing a clear and disturbing picture:

- Working conditions are not improving, in some respects they are getting worse;
- Non-standard work, comprising part-time employment, temporary work, contingent or casual work that is not freely chosen, is increasing, often going along with low paid and less socially protected jobs;
- Wage and earnings inequality has tended to increase, often driven by labour market "reforms".

25. According to a recent survey by the European Foundation for the Improvement of Living and Working Conditions based on almost 22 000 interviews with workers in EU-member states, there is particular concern regarding the intensification of work. Work intensity has risen sharply over the past ten

years. Over half the workers interviewed were exposed to working at high speed and to tight deadlines during at least one quarter of their working time. Evidence was found that this type of intensity is strongly linked to health disorders and accidents at work. Similar findings have been reported from non-EU countries.

26. The same applies to the conditions under which non-standard work is most often performed. Evidence suggests that non-standard work strongly increases bad job characteristics. Nevertheless, a clear-cut message on the quality of non-standard work can't be easily derived. Evidence points to a polarisation of jobs with the growth of some low paid and low skilled being accompanied by a growth of some 'good jobs'. Moreover in general, non-standard jobs and temporary work arrangements don't serve as stepping stones to better jobs, increased earnings and higher productivity but, as seen, lead to low pay traps

27. The lack of decent work is not just a cause for social concern - a strategy of increasing labour market participation for older workers and under-represented groups has to be based on improving job-quality. Workers are more motivated and productive in decent jobs. Current trends in working conditions therefore have serious implications for health and productivity. It is not encouraging to see that there has been no real improvement in working conditions at a time when the workforce is coping with changing job patterns, job autonomy and job content. At a time when the workforce in OECD member countries is expected to meet the challenge of increased competition in a global economy, labour market and social policies must ensure workers access to quality jobs, economic security, and employment stability.

28. Concerns about job precariousness, low pay traps and jobs will not disappear when more jobs are created. Thus, policy needs to focus on the job quality issue and it is essential that the promotion of job quality following the "high-road" approach focus on:

- maintaining and promoting health and safety at the workplace;
- promoting the acquisition and use of skills and competencies;
- ensuring career perspectives and employment security, based on the prevention of precariousness, decent wages and the empowerment of workers to raise their voice in the process of managing change;
- reconciling working and non-working life.

29. Moreover, ensuring the right of workers in non-standard work to organize must be put on the agenda: Temporary and contract workers often face a situation, in which their legal employer is different from the one to whom they are providing their service. Working under such conditions implies that workers are losing their ability to exercise the right of collective bargaining. In order to address this issue, laws and regulations governing collective bargaining must be adjusted and modernized.

## **V. Structural reform and labour markets – the need for a “high road” approach**

30. The persistence of high unemployment in a number of European countries and the return to growing unemployment across the OECD has led to a reappearance of the argument that the causes of high unemployment are to be found primarily in labour market institutions. Accordingly, governments of countries facing high unemployment are again being urged to reduce alleged “labour market rigidities” such as unemployment benefits, employment protection legislation, minimum wages and to restrict trade union activities in order to increase competition on labour markets. This has also too often been the imbalanced interpretation of the OECD Jobs Study when followed up through country specific recommendations of OECD Economic Surveys. The reality is more complex. The *OECD Employment Outlook 2003* rightly states that it is difficult to assess the relative importance of cyclical and structural

factors in the improvement in labour market performance during the past decade. Moreover the OECD's Growth Study and the recent growth and employment performance of a number of European countries, in particular those in the Nordic area, that have chosen a "high road" to reform, shows that labour market success and high employment rates can be achieved through appropriate and interlinked policies in the fields of social dialogue, macroeconomic policy and labour market policy.

31. This shows that there are different paths to improving labour market performance:

- High quality social protection systems are consistent with good employment performance. Well-funded and efficient welfare states and decent systems of employment protection do not prevent high rates of employment.
- Appropriately set labour market regulation can raise efficiency. For instance, unemployment benefits increase the efficiency of the 'job match' process – they allow the unemployed to search for a job better suited to their skills and expectations. Employment security supports the willingness of employees to perform as well as to accept mobility within the firm, technical and organisational changes.
- Employment security is conducive to investment training and in workforce development by employers.
- Taking flexibility in the direction of the "low road" approach of human resource management is detrimental to innovation.

32. This experience as well as that in implementing the European Union's Employment Strategy must be taken as a starting point for the reassessment of the *OECD Jobs Strategy*. Particular attention must be given to the issue of success and failure of labour market reform. Why did many reform efforts fail to adequately tackle the important issues of employment promotion, social security and inclusion as well as cohesion? And why have employment and labour market policies in a number of countries, not following the prescription of the *Jobs Strategy*, been successful?

33. With regard to severe problems caused by poverty traps, the reassessment of the *OECD Jobs Strategy* must also address the following issues:

- How to better achieve a co-ordination of labour market policy and social policy and how to achieve a mutual compatibility between labour market reform and appropriate regulation on one hand and continuing social protection on the other?
- What has been the impact of redesigned protection and benefits systems in order to become instruments of employment promotion upon social equity? In particular: Has the redesign of social protection towards work the traditional and still necessary function of social protection, namely to guarantee economic security, undermined that function and thus contributed to the formation of poverty traps?
- How can social security linked best to flexibility in order to make them more compatible and mutually supportive.
- What has been the role of social dialogue with regard to policy outcomes of employment promotion and labour market reform?

34. Future OECD work needs also to address the issue of job quality. What is necessary is a comparative and in-depth analysis of policies pursued by a number of OECD member countries in order to improve job

quality and to enable older workers to opt to stay in the workforce before they reach statutory retirement age. What are the policy outcomes of these approaches? What works and what doesn't?

35. Future OECD work must also address the issue of gender equality in the labour market: How to eliminate barriers to gender equality in the labour market? What about the evidence of success and failure of equal opportunities policies designed to improve women's chances in recruitment, training, and promotion? How to increase the effectiveness of equal opportunities policies?

36. We urge Ministers to support the design as well as the use of key indicators of the labour market in order to address labour market and employment policy challenges. In doing so, the set of the now available 20 key indicators of labour markets designed by the ILO, should be used as a starting point and be developed further.

## **VI Building the social dimension of globalization – the role and responsibility of the OECD**

37. OECD Labour and Employment Ministers must give a clear signal that they will work for a set of effective social rules to govern globalisation so as to achieve a more broadly-based and equitable distribution of the benefits of growth. Giving workers a voice at work is impossible if basic workers' rights do not exist. The unbalanced approach to globalisation based on the simple deregulation of markets has led to a questioning of the multilateral trade and investment system. If the system is to have legitimacy then trade and investment rules must be made coherent with wider concerns of public policy such as environmental protection and sustainable development, quality public services, food and product safety and the observance of fundamental labour rights. Mechanisms are needed for effective consultation with trade unions and other representative elements of civil society.

38. Ministers must mandate the OECD to contribute to building the social dimension of globalisation through joint work with other international organizations, in particular with the ILO on the follow-up to the report of the Commission on the Social Dimension of Globalisation on an agenda of good governance. The key to this is implementation and effective enforcement of the ILO Declaration on Fundamental Principles and Rights at Work as a system wide standard which needs to be applied through all multilateral institutions.

39. Moreover, Ministers must step up their commitment to implement the OECD Guidelines for Multinational Enterprises. Although the Guidelines cover a wide range of aspects of corporate operations, their core is employment and industrial relations and most cases appearing concern this Chapter. Labour ministers must work with their colleagues in other government departments to ensure that National Contact points have adequate expertise to handle cases concerning industrial relations, employment and human and trade union rights abuses. Governments as a whole must assume their responsibilities in ensuring that National Contact Points (NCP's) function efficiently thus allowing the Guidelines to become an effective instrument for ensuring corporate social accountability.