



**OECD-ILO CONFERENCE
ON CORPORATE SOCIAL RESPONSIBILITY**

***Employment and Industrial Relations:
Promoting Responsible Business Conduct
in a Globalising Economy***

**23-24 June 2008
OECD Conference Centre
2, Rue André Pascal
75016 Paris, France**

“With respect to strengthening the principles of Corporate Social Responsibility, we commit ourselves to promote actively internationally agreed corporate social responsibility and labour standards (such as the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration), high environmental standards and better governance through OECD Guidelines’ National Contact Points. We call on private corporations and business organizations to adhere to the principles in the OECD Guidelines for Multinational Enterprises. We encourage the emerging economies as well as developing countries to associate themselves with the values and standards contained in these guidelines and we will invite major emerging economies to a High Level Dialogue on corporate social responsibility issues using the OECD as a platform.”

Growth and Responsibility in the World Economy
Paragraph 24, G8 Summit Declaration, 7 June 2007

PRELIMINARY PROGRAMME

Every year the OECD holds a Roundtable on Corporate Responsibility addressing emerging issues and new developments.

This year’s event consists of a High-Level Policy Dialogue on Corporate Social Responsibility between governments, business, labour and other stakeholders around the theme “Employment and Industrial Relations: Promoting Responsible Business Conduct in a Globalising Economy”. It will be jointly organised under the auspices of the OECD Investment Committee and the Employment, Labour and Social Affairs Committee and the International Labour Organisation (ILO).

This Conference has been endorsed at the highest political level. At their 2007 Annual Meeting, OECD Ministers invited the Organisation to organise with the ILO in 2008 a high-level meeting with the involvement of major non-OECD economies and social partners in order to support private sector effort in the area of employment and industrial relations within the framework provided by the OECD Guidelines for Multinational Enterprises. In Dresden on 6-8 May 2007, and in Heiligendamm on 6-8 June 2007, G8 Labour and Employment Ministers and G8 Leaders subsequently committed themselves to actively promote internationally agreed corporate social responsibility and labour standards, notably the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration). They also invited the OECD to foster a high-level dialogue between the G8 and leading emerging economies on global corporate responsibility challenges.

The OECD and ILO share the conviction stated in the 2007 G8 Declaration that “a globalisation process complemented with social progress will bring sustainable benefits to both industrial and developing countries”. The two organisations also act as the depositaries of the two foremost corporate social responsibility-related instruments for implementing this objective.

The OECD Guidelines identify principles and standards of responsible business conduct in the area of employment and industrial relations. The ILO MNE Declaration provides guidelines for good corporate behaviour in areas of employment, training, conditions of work and life and industrial relations. It takes into account the objectives of the 1998 Declaration on Fundamental Principles and Rights at work and calls

upon companies to apply the principles laid down in core labour standards and other relevant international labour standards. These instruments are mutually-reinforcing and benefit from the expertise and support of their respective organisations.¹

Against this background, the objectives of the 2008 OECD-ILO Conference on Corporate Social Responsibility include:

- a) Identify how responsible business practices can lead to better employment conditions and industrial relations;
- b) Engage OECD and non-OECD-member governments in experience sharing on the pros and cons of different public policies to promote responsible business conduct in the area of employment and industrial relations; and
- c) Join forces between the OECD and the ILO to enhance awareness worldwide and performance of the OECD Guidelines and the ILO MNE Declaration.

Expected impact includes:

- a) Wider dissemination of good corporate practices in the area of employment, industrial relations and application of the principles of international labour standards;
- b) A better understanding and use of the OECD Guidelines and the ILO MNE Declaration;
- c) Mutual understanding and trust between government, representatives of employers and workers organisations and other relevant actors in developed and emerging markets on approaches to promoting responsible business conduct.

The discussions will be conducted under the Chatham House Rule² and a summary of the proceedings consistent with this Rule will be published by the OECD and ILO, including in the 2008 Annual Report on the OECD Guidelines for Multinational Enterprises.

Participation is upon invitation only. For further information, contact Ms. Marie-France Houde (marie-france.houde@oecd.org) or Mr. Paul Swaim (paul.swaim@oecd.org) at the OECD, or Mr. David Lamotte (lamotte@ilo.org) or Ms. Yukiko Arai (arai@ilo.org) at the ILO. Documentation and other conference details are available on the conference web page www.oecd.org/daf/investment/guidelines.

Confirmation of attendance at the Conference should be sent to marie-france.houde@oecd.org; telephone +33 1 45 24 91 26 and andria.dodds@oecd.org; telephone +33 1 45 24 96 15.

1. A brief synopsis of the OECD Guidelines and the ILO MNE Declaration is attached.

2. Chatham House defines the Chatham House Rule as follows: *When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.* www.riskythinking.com/glossary/chatham_house_rule.php.

AGENDA

OECD-ILO CONFERENCE ON CORPORATE SOCIAL RESPONSIBILITY	
DAY ONE	23 JUNE 2008
09:00-09:30	Registration and coffee
SESSION ONE- INTRODUCTION	
09:30-10:45	<p><i>Opening Remarks</i></p> <p>Mr. Angel Gurría, Secretary-General, OECD</p> <p>Mr. Juan Somavia, Director-General, ILO (TBC)</p> <p><i>Keynote Speeches</i></p> <p>Mr. Gilles de Robien, Ambassador for Social Cohesion, France</p> <p>Mr. Carlos A. Tomada, Minister of Labour, Employment and Social Security, Argentina</p> <p>Mr. Nana Akomea, Minister of Manpower, Youth and Employment, Ghana</p> <p>Mr. Karl-Josef Wasserhövel, State Secretary for Labour and Social Affairs, Germany</p>
10:45-11:00	Coffee Break

**SESSION TWO – TAKING STOCK OF MULTINATIONAL ENTERPRISES’ PRACTICES:
OPPORTUNITIES AND CHALLENGES**

How do changing patterns in foreign direct investment (FDI), such as growing investment from developing countries and the shift in investment increasingly to services, impact on corporate practices relating to wages, employment and industrial relations in host and home countries? What are the emerging trends toward responsible corporate management of employment and industrial relations? How do they link to social and economic development, including employment growth and decent jobs? What are the main challenges ahead?

11:00-13:30

Moderator: Mr. Michael Henriques, Director, ILO Job Creation and Enterprise Development Department

Presentations:

Mr. José Manuel Salazar-Xirinachs, Executive Director, ILO Employment Sector: *“Development and Decent Work: New Directions for Multinational Enterprises in Shaping a Fair Globalization”*

Mr. John Martin, Director, OECD Directorate for Employment, Labour and Social Affairs: *“The Impact of Foreign Direct Investment on Wages and Working Conditions”*

Mr. Stephen Hine, Head of International Relations, Ethical Investment Research Institute (EIRIS): *“Trends in corporate responsibility policies and practices concerning employment and industrial relations”*

Panellists:

Mr. Lothar Meinzer, Director, Sustainability Centre, BASF

Ms. Carla Coletti, Director of International Relations, International Metalworkers’ Federation

Ms. Nicole Notat, President, Vigeo

Mr. Mirosław Izienicki, President & CEO, Fifth Capital Group, London

Discussion

13:30-15:00

Lunch Break

SESSION THREE – ROLE OF PUBLIC POLICIES IN PROMOTING RESPONSIBLE CORPORATE MANAGEMENT OF EMPLOYMENT AND INDUSTRIAL RELATIONS

Public policies can support an environment conducive to responsible business practices, and enhance the contribution of business to social and economic development. Effective law enforcement, partnering with business initiatives and inter-governmental cooperation are avenues among others for official support of responsible business conduct.

Which policies have been found to be most effective? How are these policies developed and implemented? How does the level of economic development matter for designing and implementing public policies to promote responsible business conduct?

15:00-18:00

Moderator: Mr. James Viray, Director, Office of International Labor and Corporate Social Responsibility, U.S. Department of State

Presentations:

Mr. Pierre Poret, Head of OECD Investment Division: *“Public Policies for Promoting Responsible Business Conduct”*

Ms. Karen Curtis, Deputy Director, ILO International Labour Standards Department

Ms. Jane Nelson, Senior Fellow and Director, Corporate Social Responsibility Initiative, Harvard University

Ms. Nidya Neer, Co-ordinator for CSR and Decent Work, Ministry of Labour, Employment and Social Security, Argentina

Panellists:

Mr. S. Krishnan, Additional Secretary, Ministry of Labour and Employment, India

Mr. Emmanuel Julien, Deputy Director, Directorate for Social Affairs, Mouvement des Entreprises de France (MEDEF)

Mr. Bülent Pirlir, Secretary-General, Turkish Confederation of Employer Associations (TISK)

Mr. Govindasamy Rajasekaran, General Secretary, Malaysian Trade Union Congress

Mr. Hiroyuki Matsui, Assistant to the Director General, Nippon Keidanren, Japan

Discussion

18:00-19:30

Cocktail hosted by Mr. Manfred Schekulin, Chair of the Investment Committee, Hall, Château de la Muette

DAY TWO	24 JUNE 2008
SESSION FOUR – THE SUPPORTING ROLE OF THE OECD GUIDELINES AND THE ILO MNE DECLARATION: LEARNING FROM EXPERIENCE	
<p>The OECD Guidelines and the ILO MNE Declaration possess unique features to assist enterprises to address issues and facilitate dialogue around employment and industrial relations.</p> <p>What lessons can be learned from their implementation? To what extent are the relevant actors making use of the OECD Guidelines and the ILO MNE Declaration? How can adherence to the OECD Guidelines and use of the ILO MNE Declaration be further encouraged in both developed and developing countries?</p>	
09:00-11:15	<p>Moderator: Richard Howitt, MEP, European Parliament Rapporteur on Corporate Social Responsibility</p> <p><i>Presentations:</i></p> <p>Mr. Vernon Mackay, Chair of the OECD Investment Committee Working Party and Canadian National Contact Point: <i>“The OECD Guidelines for Multinational Enterprises: Unique features, unique accomplishments”</i></p> <p>Ms. Elisabeth Walaas, State Secretary, Ministry of Foreign Affairs, Norway</p> <p>Ms. Sharan Burrow, President, Australian Council of Trade Unions and Vice-Chairperson of the ILO MNE Subcommittee</p> <p>Ms. Renate Hornung-Draus, Managing Director, Confederation of German Employers’ Associations (BDA) and Vice-Chairperson of the ILO MNE Subcommittee</p> <p><i>Panellists:</i></p> <p>Ms. Veronica Nilsson, Senior Policy Advisor, Trade Union Advisory Committee (TUAC)</p> <p>Mr. Nick Smythe, Senior Manager and Head of Industrial Relations, Gold Fields Limited, South Africa</p> <p>Mr. Joris Oldenziel, Senior Researcher, Centre for Research on Multinational Corporations (SOMO), The Netherlands</p> <p>Discussion</p>
11:15-11:30	Coffee Break

SESSION FIVE AND CONCLUSION – WORKING TOGETHER

What are the main synergies between the OECD Guidelines and the ILO MNE Declaration? Would it be feasible and desirable to strengthen these synergies further? What avenues and initiatives could be envisaged for this purpose? How can the promotion of responsible business conduct in the areas of employment and industrial relations be generally advanced?

11:30-13:00

Moderation and joint presentation by Mr. Manfred Schekulin, Chair of the Investment Committee and **Mr. Stephen Pursey**, Director, Policy Integration and Statistics Department and Senior Advisor to the Director General, ILO

Panellists:

Mr. Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities

Professor John G. Ruggie, Special Representative of the UN Secretary-General on Business and Human Rights

Mr. Brent Wilton, Deputy Secretary-General, International Organisation of Employers (IOE)

Mr. John Evans, Secretary General, Trade Union Advisory Committee to the OECD (TUAC)

Ms. Serena Lillywhite, Manager, Ethical Business, Brotherhood of St Laurence

Discussion and Closing Remarks

ANNEX

ABOUT THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

The OECD Guidelines for Multinational Enterprises, adopted in 1976 and substantially revised in 2000, are the most comprehensive government-supported corporate responsibility instrument in existence today. Their forty adhering governments – those of 30 OECD countries and 10 non-OECD countries representing all regions of the world and accounting for 85 per cent of foreign direct investment – are committed to encourage enterprises operating in their territory to observe a set of widely recognised principles and standards for responsible business conduct wherever they operate.

The promotion of high-level standards for employment and industrial relations is one of the most important features of the Guidelines. In particular, Chapter IV on *Employment and Industrial Relations*:

- Promotes the effective abolition of child and forced labour, non-discrimination, the right to employee representation, and the protection of health and safety of workers.
- Provides, in the event of closure of an entity involving collective lay-offs or dismissals, that enterprises should give reasonable notice to representatives of their employees and co-operate with the employee representatives and appropriate governmental authorities so as to mitigate to the maximum extent practicable adverse effects.
- Asks companies, in the context of bona fide negotiations with representatives of employees on conditions of employment, not to threaten to transfer activities from the country concerned to other countries in order to influence those negotiations unfairly.

The OECD Guidelines also ask companies to refrain from seeking or accepting exemptions to labour and other regulatory standards, and to encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct.

The Guidelines are supported by a unique implementation mechanism – the specific instance facility – which commits National Contact Points to resolve disputes and reduce tensions with respect to the implementation of the Guidelines. Most of the specific instances so far have dealt with employment and labour and industrial relations issues. Moreover, an increasing share of these complaints relates to employment and industrial relations conditions at work sites in non-OECD countries.

ABOUT THE ILO TRIPARTITE DECLARATION OF PRINCIPLES CONCERNING MULTINATIONAL ENTERPRISES AND SOCIAL POLICY

Origin

The Governing Body of the International Labour Organization adopted the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy in 1977. It was most recently revised in 2006.

Purpose

The Declaration is intended to encourage the positive contribution which multinational enterprises (MNEs) can make to economic and social progress, and to minimize difficulties arising from their operations. It provides principles regarding the social aspects of multinational enterprises, for the use of governments, employee organizations, and MNEs themselves.

The ILO MNE Declaration speaks not only to enterprises, but to governments about their role in promoting employment creation and respect for workers' rights—the individual choices of companies concerning CSR are situated in the larger context of public policy to advance economic and social development. Consequently, it also encourages enterprises to engage in dialogue with government and employer and worker organizations, when appropriate, to ensure that their activities are in harmony with the development priorities and social aims and structure of the country in which they operate. The ILO MNE Declaration also highlights that CSR is about good labour-management practices. Freedom of association and collective bargaining foster good labour-management relations, and are essential for raising productivity and creating decent work.

Critical content

General Policies

MNEs should obey national laws, respect international standards, honour voluntary commitments, and harmonize their operations with the social aims and structure of countries in which they operate.

Employment Promotion

Governments should promote full, productive, freely chosen employment. MNEs should endeavour to increase employment opportunities and standards in host and home countries; give priority to the employment, development, promotion and advancement of host country nationals at all levels; and promote employment through use of employment-generating technologies and local sourcing arrangements.

Equality of opportunity and treatment

All governments should promote equality of opportunity in employment.

Security of employment

Governments should take suitable measures to deal with the employment impacts of MNEs. MNEs should strive to provide stable employment and reasonable notice to government authorities when operational changes would have major employment effects. Governments, together with MNEs, should provide some form of income protection for workers whose employment has been terminated.

Training

Governments should develop national policies for vocational training and guidance. MNEs should ensure relevant training is provided to all employees, to meet the needs of the firm and those of the host country. Multinationals should also afford opportunities within the enterprise as a whole to broaden the experience of local management.

Conditions of work and life

In developing countries, MNEs should provide the best possible wages, conditions of work (including health and safety), and benefits, adequate to satisfy basic needs and within the framework of government policies. Governments should adopt policies ensuring that lower income groups and less developed areas benefit as much as possible from MNE activities. MNEs should provide upon request information concerning health and safety standards observed in other countries which are relevant to local operations.

Industrial relations

Workers should have the right to establish and join organizations of their choosing, and protection against anti-union discrimination. MNEs should allow collective bargaining, providing facilities and access to resources that will allow meaningful negotiation. MNEs and national enterprises should consult regularly with employees on matters of mutual concern. All workers should have the right to submit grievances without prejudice, and to have them investigated. MNEs and national enterprises should work to develop resolution mechanisms to assist in the prevention and settlement of disputes.

Implementation

Implementation of these standards is on a voluntary basis. ILO undertakes periodic surveys to evaluate the effect being given to the principles enshrined in the ILO MNE Declaration. ILO is also launching a helpdesk in 2008 to provide advice to companies seeking to put into practice principles of the ILO MNE Declaration.

DOCUMENTATION

OECD and ILO Instruments

- *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, ILO, 2006.
- *OECD Guidelines for Multinational Enterprises*, 2000.
- *ILO Declaration on Fundamental Principles and Rights at Work*, ILO, 1998.

Other references

- *Overview of Initiatives and Instruments Relevant to Corporate Social Responsibility*, OECD, June 2008.
- *Review of NCP Performance: Key Findings*, Report by the Working Party of the OECD Investment Committee, June 2008.
- *Corporate Responsibility Practices in the Area of Employment and Industrial Relations*, Study prepared by the Ethical Investment Research Services (EIRIS) for OECD, June 2008
- *The Impact of Foreign Direct Investment on Wages and Working Conditions*, OECD, June 2008.
- *Development and Decent Work: New Directions for Multinational Enterprises in Shaping a Fair Globalization*, ILO, June 2008.
- *A Perspective from the MNE Declaration to the Present: Mistakes, Surprises, and Newly Important Policy Implications*, Study prepared by Theodor H. Moran for the ILO, June 2008.
- “Policies for Promoting Responsible Business Conduct”, Chapter 7 of the *Policy Framework for Investment*, OECD, 2006.
- *The Ten Principles of the Global Compact*, 2005.

Additional background documentation

OECD

- “Encouraging Responsible Business Conduct in China”, in *Investment Policy Review of China*, OECD, 2008 (forthcoming).
- *Globalisation, Jobs and Wages*, Policy Brief, OECD, 2007.

- “OECD Workers in the Global Economy: Increasingly Vulnerable?” Chapter 3 in *OECD Employment Outlook*, 2007.
- *Annual Report on the OECD Guidelines for Multinational Enterprises*, OECD, 2006, 2007.
- *Trade and Structural Adjustment: Embracing Globalisation*, OECD, 2005.
- *Corporate Responsibility: Private Initiatives and Public Goals*, OECD, 2001.

ILO

- *The Promotion of Sustainable Enterprises*, ILO 2007.
- *The Promotion of Sustainable Enterprises: Conclusions concerning the promotion of sustainable enterprises*, ILO, 2007.
- *Labour Dimension of CSR: From principles to practice*, ILO, 2007.
- *Changing Patterns in the World of Work*, ILO 2006.
- *Better Business: Multinationals and Decent Work*, *ILO World of Work*, Magazine No.62 April 2008.

United Nations

- Human Rights Council, *Protect, Respect and Remedy: a Framework for Business and Human Rights*, Report by the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, 7 April 2008.
- Human Rights Council, *Business and Human Rights: Mapping International Standards of Responsibility and Accountability for Corporate Acts*, Report by the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, 9 February 2007.