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MULTINATIONAL ENTERPRISES, DEVELOPMENT AND DECENT WORK

Report on the promotion and application of the Tripartite
Declaration of Principles concerning Multinational Enterprises
and Social Policy in the Americas

18th American
Regional Meeting

Lima, Peru
13–16 October
2014

Multinational enterprises, development and decent work

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of the Tripartite Declaration of Principles
concerning Multinational Enterprises
and Social Policy in the Americas

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Foreword

Ever since the Governing Body of the International Labour Organization adopted the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), it has seen the need for a follow-up mechanism. Over the years several mechanisms have been put in place, such as the interpretation procedure and surveys conducted every four years among ILO member States on the effect given to the provisions of the MNE Declaration. In 2006 the Governing Body suspended these survey exercises and asked the Office to look for alternative ways to enhance the effectiveness of the follow-up mechanism of the MNE Declaration.

In March 2014, the Governing Body adopted a new implementation strategy for the follow-up mechanism of and promotional activities on the MNE Declaration, with a strong emphasis on enhanced promotion and capacity building, country-level support and an information-gathering system. The objective of this information gathering is to provide inputs for a tripartite discussion taking place during each Regional Meeting on the promotion and application of the MNE Declaration in the region, with a view to the possible formulation of recommendations and concrete initiatives in this regard.

The first such exercise was conducted in preparation of the 18th American Regional Meeting (Lima, Peru, 13–16 October 2014). On the basis of the responses received directly from the tripartite constituents and information available in other sources, such as the ILO Gateway, the Office prepared the present report for the special session on the MNE Declaration taking place during the 18th American Regional Meeting.

The present report provides important elements for consideration regarding further action on the promotion of the MNE Declaration in the region by the tripartite constituents, and technical support requested from the Office. We trust that the report will encourage further dialogue among constituents, facilitate the exchange of experiences and lessons learned and contribute to the identification of opportunities and challenges in the areas covered by the MNE Declaration at national and regional levels.

The Multinational Enterprises and Enterprise Engagement Unit of the Enterprises Department, responsible for the development of this report, wishes to warmly thank the governments and employers' and workers' organizations who took the time to complete and return the questionnaire within the short response time. We also express our thanks to the colleagues in the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP), in ILO headquarters and in the region, for their support, guidance and inputs in the different stages of the development of this report.

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Comments from staff in the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP), in ILO headquarters as well as in the American region further enriched the report.

The English version of the report was edited by John Dawson; Mónica Moreno-Corregidor translated and edited the report in Spanish.

Priscille Latchman (DTP/PRODOC) designed the cover. Colleagues in the Document, Publications Production, Printing and Distribution Branch (PRODOC) provided extensive support throughout the production of the report.

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Abbreviations

ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EFTA	European Free Trade Association
FDI	foreign direct investment
ICA	Investment Canada Act
ILO	International Labour Organization
IOE	International Organisation of Employers
MNE	multinational enterprise
MNE Declaration	Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
NAALC	North American Agreement on Labor Cooperation
NAFTA	North American Free Trade Agreement
NCP	National contact point
OECD	Organisation for Economic Co-operation and Development
OFC	offshore financial centre
RedLat	Latin American Network for Research on MNEs
SPE	Special purpose entity
UNCTAD	United Nations Conference on Trade and Development
WAIPA	World Association of Investment Promotion Agencies



Executive summary

This report presents an overview of activities undertaken by governments and employers' and workers' organizations in the International Labour Organization (ILO) member States in the Americas to raise awareness on, and promote the observance of, the recommendations set forth in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) of the ILO.

The report has been elaborated on the basis of information collected directly from the tripartite constituents of the Americas, covering 35 ILO member States. To this end, a questionnaire was distributed at the end of May 2014 through various channels to all tripartite constituents of the ILO member States taking part in the 18th American Regional Meeting. Responses received until 31 July 2014 were taken into consideration for this report.

The questionnaire is an integral part of the new follow-up mechanism of the MNE Declaration, adopted by the Governing Body at its 320th Session in March 2014, which also comprises promotional activities, including providing technical support in ILO member States on areas covered by the MNE Declaration.

The report starts by providing an introduction to the MNE Declaration and then gives an overview of the main foreign direct investment (FDI) trends in the Americas, such as developments in terms of FDI inflows and outflows, the rise of *multilatinas* (companies with headquarters in Latin America and the Caribbean investing in other Latin American countries), the sectoral composition of FDI, and the link of FDI to decent work.

The responses of the tripartite constituents to the questionnaire are then presented. A total of 62 responses were received from 31 member States: 9 were from governments, 15 from employers' organizations, and 38 from workers' organizations. The questionnaire covered the following areas: awareness of the principles of the MNE Declaration; dialogue and consultation; promotion of the principles of the MNE Declaration; and any other information.

There are interesting similarities between the tripartite constituents in regard to the relevance attributed to the areas of the MNE Declaration. Of all replies, 69% highlighted the relevance of employment promotion. Governments and employers' organizations coincided in the relevance attributed to training, governments and workers' organizations coincided in the relevance attributed to wages, benefits and conditions of work, and employers' and workers' organizations had similar views regarding the importance of safety and health.

When breaking down the responses by constituent, the majority of responding governments (78%) indicated that employment promotion is the most relevant area, followed by equality of opportunity and treatment; training; wages, benefits and conditions of work; and freedom of association and the right to organize (all with 67%). Employers' organizations

highlighted the relevance of employment promotion (56%), followed by training (60%), equality of opportunity and treatment, security of employment, and safety and health (all 53%). Workers' organizations, for their part, identified collective bargaining, freedom of association and the right to organize, and employment promotion as the most relevant areas, with 79%, 76% and 68% respectively.

In regard to dialogue and consultation on the operations of multinational enterprises (MNEs), governments and employers' and workers' organizations provided information on the diverse mechanisms that they have in place. Governments are more likely than employers' and workers' organizations to have an official representative or office that serves as a contact point for representatives of foreign MNEs, including workers' representatives in foreign MNEs, and engage in convening consultations and dialogue and in organizing events on the areas addressed in the MNE Declaration. Workers' organizations tend to undertake more coordinated action at the regional level, and employers' organizations are more likely than governments or workers' representatives to hold consultations on MNE activity.

An average of 39% of respondents indicated that they had organized events in recent years to promote the principles of the MNE Declaration. According to the responses received, governments have been the most proactive in recent years, followed by employers' organizations and workers' organizations. Of these events, 35% were organized with the assistance of the ILO, and many of them involved more than one constituent. Workers' organizations in particular co-organized events jointly with their peers in other countries.

The information gathered directly from the tripartite constituents through the questionnaires clearly provides elements for consideration regarding further action in the Americas. First, several respondents indicated that they would welcome ILO technical assistance in the organization of events, including trainings, and the development and dissemination of promotional materials. This is in line with the new implementation strategy for the follow-up mechanism of and promotional activities on the MNE Declaration.

Dialogue and consultation is another area that can be further strengthened, particularly through tripartite dialogues – including government and employers' and workers' organizations – contributing to enhanced policy coherence and joint action.

Finally, comments regarding the low level of awareness about the MNE Declaration in some countries, particularly in contrast to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, demonstrate the need to further strengthen the promotion of the instrument among the tripartite constituents and the availability of ILO technical assistance. Several respondents clearly indicated that they would like further technical assistance in this regard.



Introduction

1

The present report provides an overview of activities undertaken by governments and employers' and workers' organizations in the International Labour Organization (ILO) member States in the Americas to raise awareness on, and promote the observance of, the recommendations set forth in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) of the ILO.

The Governing Body of the ILO adopted at its 320th Session in March 2014 a new follow-up mechanism on the MNE Declaration. This new follow-up mechanism comprises promotional activities to be undertaken by the International Labour Office, including providing technical support in ILO member States on areas covered by the MNE Declaration, and an information-gathering mechanism. This mechanism foresees the collection of information directly from the tripartite constituents in ILO member States of a certain region on the basis of a questionnaire. The information provided by the tripartite constituents is then distilled into a report, presented by the Office during an ILO Regional Meeting, as input for a tripartite discussion. The reports prepared for the following four ILO Regional Meetings – Americas, Africa, Asia and the Pacific, and Europe and Central Asia – and the global summary report will allow the Governing Body in 2018 to identify lessons learned and good practices, and to assess member States' needs and the effectiveness of promotional activities related to the MNE Declaration.

The present report has been elaborated on the basis of information collected directly from the tripartite constituents of the Americas, covering 35 ILO member States. To this end, the questionnaire was distributed at the end of May 2014 through various channels to all tripartite constituents of the ILO member States taking part in the 18th American Regional Meeting. Responses were received until 31 July 2014.

The breadth and depth of the responses, in spite of the limited response time, are a clear indication of the interest attributed by governments and employers' and workers' organizations of a diverse and heterogeneous region to the areas covered by the MNE Declaration and operations of multinational enterprises.

This is very relevant in a time of global uncertainty. Even though in 2013 the urban unemployment rate in Latin America and the Caribbean fell to historic lows – which is particularly relevant for a region that had a double-digit unemployment rate a decade ago – the slowdown of economic dynamism in national economies is causing labour market indicators

to stagnate.¹ This may lead to an increase of the unemployment rate and a widening of decent work deficits and informality (ILO, 2013a). In Canada and the United States of America, the impact of the slow recovery of the world economy has resulted in greater inequality.

As stated by the ILO Director-General in his report to the 18th American Regional Meeting: “The informal economy, persistently high inequality, discriminatory patterns and pockets of poverty highlight the need to empower the work of the Organization in the region to promote more and better jobs, providing for the full exercise of rights, in particular freedom of association and collective bargaining” (ILO, 2014b).

The present report on the promotion of the MNE Declaration in the Americas is organized as follows:

- Chapter 2 provides an overview of the recommendations of the MNE Declaration to fully harness the potential of foreign direct investment (FDI) for decent work and development.
- Chapter 3 describes key characteristics of FDI in the Americas, the sectoral composition of FDI, the intersection between FDI and decent work, and policy initiatives taken by governments of the region to better align FDI to national development agendas. This chapter is largely based on reports by specialized agencies, and it looks at the different scenarios of FDI in the different subregions.²
- Chapter 4 presents an overview of the way in which the principles of the MNE Declaration have been promoted at the country level by the tripartite constituents, namely government and employers’ and workers’ organizations. This chapter entirely draws on the inputs provided by the tripartite constituents from the 31 ILO member States of the Americas from which responses were received.
- Chapter 5 provides concluding remarks and suggestions for further direction concerning the promotion of the principles of the MNE Declaration in view of a broader uptake.

1. Changes in the unemployment rate for selected countries in the Americas between 2010 and 2013 can be seen in Appendix VI.

2. The member States of the Americas are Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Plurinational State of Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, United States of America, Uruguay, and the Bolivarian Republic of Venezuela. In terms of subregions mentioned in this report, Central America includes seven countries: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, and many small offshore islands. The Caribbean comprises 30 territories including sovereign States, overseas departments and dependencies. South America comprises 12 sovereign States: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela. When Latin America and the Caribbean is mentioned, it refers to the 22 nations that cover the area from the southern border of the United States to the southern tip of South America, including the Caribbean.



About the MNE Declaration

2

2.1 Recommendations of the MNE Declaration

Governments seek to attract FDI on the assumption that it will positively contribute to job creation and stimulate new production capacity, spillover benefits, technology transfer and upgrading of skills.

Multinational enterprises (MNEs) can indeed contribute to more efficient utilization of capital, technology and labour; and to more employment opportunities, improved living standards and the satisfaction of basic needs where they operate. However, their operations can also give rise to concerns in terms of their conduct on labour and social policy issues as well as their relations with host countries.

The ILO MNE Declaration recognizes the important role of MNEs in social and economic development and seeks to encourage their positive contribution and minimize potential negative impacts. The MNE Declaration is the only tripartite-agreed global instrument with recommendations addressed to MNEs. But it also speaks to governments and the social partners and is “intended to guide the governments, the employers’ and workers’ organizations and the multinational enterprises in taking such measures and actions and adopting such social policies, including those based on the principles laid down in the Constitution and the relevant Conventions and Recommendations of the ILO, as would further social progress” (ILO, 1977, p. 2). The MNE Declaration encourages MNEs³ to obey national laws, respect international standards – including international labour standards⁴ and United Nations human rights instruments – and support development priorities.

The MNE Declaration clarifies the roles of governments, enterprises and employers’ and workers’ organizations and draws attention to the importance of closer alignment between corporate policies and programmes with public policy and development objectives in the country of operation. It strongly encourages dialogue between home and host governments; enterprises, government and employers’ and workers’ organizations; and management and workers at the enterprise level. The MNE Declaration addresses five key areas: general policies, employment, training, conditions of work and life, and industrial relations.⁵

3. It is important to note that the definition of “multinational enterprise” in the MNE Declaration includes enterprises, whether they are of public, mixed or private ownership, that own or control production, distribution, services or other facilities outside the country in which they are based. The term also includes parent companies or local entities, or both, or the organization as a whole.

4. A list of these Conventions and Recommendations can be found in the Annex to the MNE Declaration (p. 11).

5. A summary of the provisions of the MNE Declaration pertaining to governments and enterprises is provided in Appendix III.

2.2 Link to sustainable enterprises and development

Enterprises obeying national law and observing the recommendations of the MNE Declaration contribute to sustainable development, especially to its social pillar.

The concept of sustainable development has been high on the international policy agenda since the United Nations Conference on Sustainable Development (Rio+20), June 2012, in which United Nations member States agreed to launch a process to develop a set of sustainable development goals, to be agreed by the General Assembly, building on the Millennium Development Goals and converging with the post-2015 development agenda.⁶

At the same time, there is a broad and wide-ranging international debate on the promotion of sustainable enterprises and a growing recognition of the central role of the private sector in addressing key development challenges, including employment creation (ILO, 2007b).

The promotion of sustainable enterprises focuses on strengthening the rule of law, institutions and governance systems that nurture enterprises, and encouraging them to operate in a sustainable manner. Tripartism, including social dialogue and collective bargaining, is a vital element to achieve this.

Sustainable enterprises can be any size, from micro to large; and any type, including State-owned and multinational enterprises, as well as cooperatives and social enterprises. However, given the ever-increasing levels of FDI, the operational scale of MNEs and the number of direct, indirect and induced jobs they create worldwide, the concept of sustainable enterprises is all the more relevant for large enterprises. Thus, a sustainable MNE is one that seeks to maximize the positive economic, social and environmental impact of its business activities, and takes a proactive and consistent stance in limiting and mitigating its negative impact.

The conclusions of the International Labour Conference on sustainable enterprises emphasize the important role of governments to create an enabling environment for sustainable enterprise development through an appropriate legislative and policy framework and strengthened institutions and governance system in which enterprises operate (ILO, 2007a). The MNE Declaration invites governments of ILO member States, the employers' and workers' organizations and the MNEs operating in their territories to observe the principles embodied in the Declaration.

6. More information about the process to define a set of sustainable development goals can be found at the Sustainable Development Knowledge Platform at <http://sustainabledevelopment.un.org/?menu=1300>.

Foreign direct investment and multinational enterprises in the Americas: Current trends

3

This chapter provides a brief overview of the main foreign direct investment (FDI)⁷ trends in the Americas. Main sources that inform this chapter are reports by international organizations on the topic, such as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), and ILO publications such as the *World of Work Report 2014* (ILO, 2014d) and the *2013 Labour Overview for Latin America and the Caribbean* (ILO, 2013a).

3.1 FDI flows in the Americas

The Americas is an attractive hub for FDI. Six economies from the Americas – United States, Brazil, Canada, Mexico, Chile, and Colombia – were among the top 20 host economies of FDI in the world in 2012 and 2013. Figure 3.1 shows the top 10 destinations for FDI inflows in the Americas in 2013, excluding special purpose entities (SPEs) and offshore financial centres (OFCs) in the Caribbean.⁸

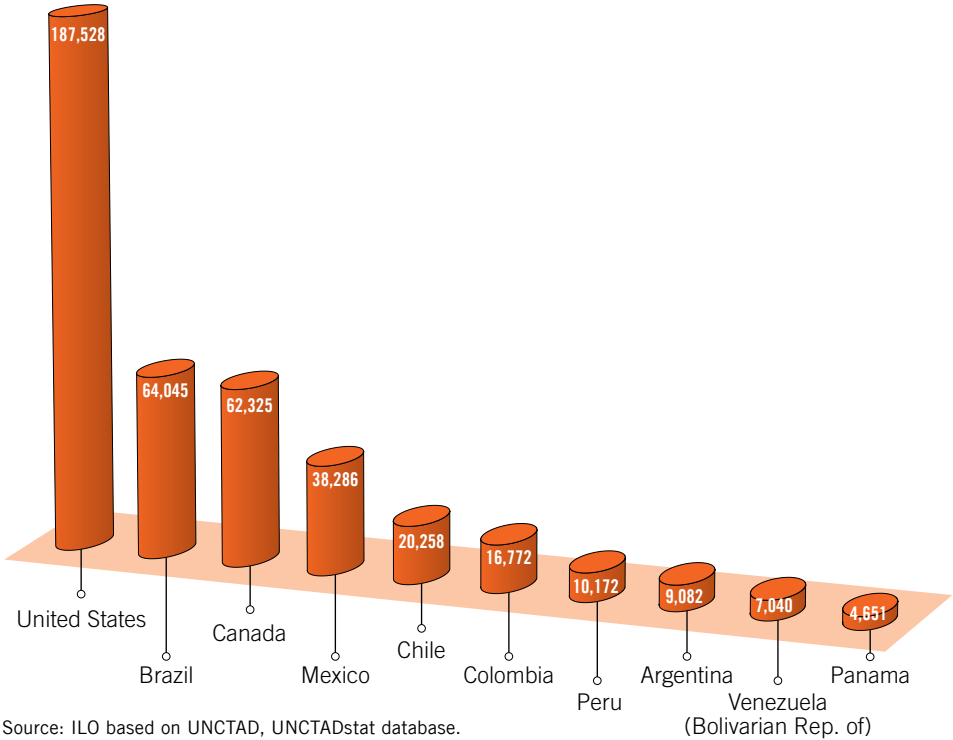
In terms of the home countries of investments in the Americas, the United States – the top destination of FDI in the Americas as well as globally – attracts investments mainly from the United Kingdom, Switzerland, Luxembourg, Japan and the Netherlands (Government of the United States, 2013). In Canada, inflows in 2011 came mainly from the United States, European Union Member States (primarily the United Kingdom) and Japan.

In Latin America and the Caribbean, the United States and European Union Member States are the biggest investors. According to ECLAC, the United States remains the largest investor in Latin America and the Caribbean generally, with a particularly prominent role in Central America and Mexico. Europe overall is the largest investor in Brazil, Mexico and Colombia (ECLAC, 2014). Chinese FDI in Latin America and the Caribbean was very limited until 2010 but it has intensified since then, concentrating mostly in the primary sector (extractives) and in the manufacturing sector, especially in the case of Brazil.

7. FDI is defined as “an investment involving a long-term relationship and reflecting a lasting interest in and control by a resident entity in one economy (foreign direct investor or parent enterprise) of an enterprise resident in a different economy (FDI enterprise or affiliate enterprise or foreign affiliate). Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates” (UNCTAD, 2012, p. 3).

8. SPEs are “foreign affiliates that are established for a specific purpose or that have a specific legal structure; they tend to be established in countries that provide specific tax benefits for SPEs. Both OFCs and SPEs are used to channel funds to and from third countries” (UNCTAD, 2013, p. 6).

FIGURE 3.1 FDI inflows, top 10 host economies in the Americas, 2013 (millions of US\$)



Source: ILO based on UNCTAD, UNCTADstat database.

3.2 The rise of multilatinas

In addition to MNEs from Canada, the United States and Europe operating in the region, large Latin American enterprises have accelerated their cross-border acquisitions and operations in Latin America and the Caribbean since 2006 and particularly in 2010. According to ECLAC (2013), the majority of these *multilatinas*⁹ initially came from Argentina, Brazil, Chile and Mexico, investing in nearby markets. These multilatinas then expanded to farther markets in Latin America and the Caribbean, with a number of them setting up operations in other parts of the world. In recent years, MNEs with headquarters in Colombia, Peru, Central America and the Caribbean have also expanded their operations into other markets of Latin America and the Caribbean.

Factors that help explain the rise of multilatinas include increased confidence of Latin American investors in the economies of Latin America and the Caribbean, political stability, periods of stable economic growth in the region, opportunities to acquire assets from European companies operating in the region and hit by the global financial crisis, improved access to international finance, and stronger competition from MNEs in their own markets, motivating multilatinas to look for markets elsewhere.

In several countries, multilatinas significantly contribute to FDI flows. In Ecuador, for example, FDI by multilatinas accounts for 46% of the FDI inflows, in Colombia for 30%, and in Central America for 39%. Table 3.1 shows the main cross-border acquisitions by multilatinas from companies located in the United States, Canada, Europe, Australia and other countries in Latin America. As can be seen in table 3.1, most of the acquisitions by Latin American firms in 2013 originated in Brazil, Colombia and Mexico (ECLAC, 2013).

Although most countries in Latin America still have modest levels of outward FDI, countries such as Chile, Colombia and Mexico are approaching a more balanced ratio between FDI inflows and outflows. With the rise of multilatinas, the overall trend in Latin America and the Caribbean is towards increased investment abroad, especially but not exclusively in other countries of the region.

9. ECLAC refers to “multilatinas” as “Trans-Latins”.

TABLE 3.1 Main cross-border acquisitions by multilaterals, 2013

No.	Company	Country of origin	Assets acquired	Assets located in	Seller located in	Sector
1	Bancolombia	Colombia	HSBC Panama	Panama	United Kingdom	Finance
2	Coca-Cola FEMSA	Mexico	Spaipa SA	Brazil	Brazil	Food and beverages
3	Grupo BTG Pactual	Brazil	Stake in oil exploration (50%)	Africa	Brazil	Oil
4	Grupo Nutresa	Colombia	Tresmontes Lucchetti	Chile	Chile	Food and beverages
5	Banco Safra	Brazil	Bank J Safra Sarasin (50%)	Switzerland	Switzerland	Finance
6	Coca-Cola FEMSA	Mexico	Coca-Cola Bottlers Philippines (51%)	Philippines	United States	Food and beverages
7	Grupo Aval	Colombia	Banco Bilbao Vizcaya Panama (99%)	Panama	Spain	Finance
8	Grupo Aeropuerto del Sureste	Mexico	LMM Airport	Puerto Rico	Puerto Rico	Transport
9	Cementos Argos	Colombia	Lafarge Cementos Honduras (53%)	Honduras	France	Cement
10	Coca-Cola FEMSA	Mexico	Companhia Fluminense de Refrigerantes	Brazil	Brazil	Food and beverages
11	ENTEL	Chile	Nextel de Peru	Peru	United States	Telecommunications
12	Investor group	Mexico	ISC Fresh Water	Spain	United Kingdom	Real estate
13	Alfa SAB	Mexico	Campofrio Food Group (45%)	Spain	Spain	Food and beverages
14	Corpesca	Chile	Sementes Selecta (60%)	Brazil	Brazil	Agriculture
15	Mexichem SAB	Mexico	Resin production assets	United States	United States	Chemicals
16	Bancolombia	Colombia	Grupo Agromercantil Holding (40%)	Guatemala	United States	Agriculture
17	Vale SA	Brazil	Belvedere coal mine	Australia	Australia	Mining
18	Pluspetrol	Argentina	Harvest Vinccler (29%)	Venezuela	United States	Oil
19	Marcopolo SA	Brazil	New Flyer (20%)	Canada	Canada	Automotive industry
20	Amil Participacoes SA	Brazil	Hospitais Privados de Portugal	Portugal	Portugal	Health care

Source: ECLAC, 2014, p. 49.

3.3 Sectors attracting FDI to the Americas

An analysis of FDI according to economic sectors gives another interesting picture.

The tertiary sector, which includes economic activities that supply services to consumers and businesses, is the main target of FDI in Latin America and the Caribbean, especially in the subregions of Central America and the Caribbean. Investment in this sector is often market seeking, mainly due to the fact that sustained economic growth and the expansion of domestic markets make investments in sectors such as telecommunications, retail commerce, tourism and financial services increasingly attractive.

The secondary sector, which involves the transformation of raw or intermediate materials into goods, attracts the biggest share of investment flowing into the United States. Over the last 10 years, manufacturing's share of FDI in the country has averaged 39.2%, increasing to 45.4% from 2010 to 2012 (Government of the United States, 2013). In Latin America and the Caribbean, manufacturing is the second most important target of FDI inflows; it is particularly significant in the cases of Mexico and Central America, mostly due to their proximity to the United States, a main export market for manufacturing products. These often consist of medium- and high-skilled technology-intensive products, as well as low-technology products.

The primary sector, which makes direct use of natural resources, is more important for the economies of South America and has attracted a significant share of natural resource-seeking investment, particularly in the last decade due to the high price of raw materials. In this sector, exports are predominantly primary products and commodity-based manufactures,

which are at the beginning of the value chain. These products are then used as intermediate goods in third-country exports. Foreign companies are important actors with a dominant position in all the mineral-rich countries, with the exception of Brazil (UNCTAD, 2013, p. 60). However, inflows going to the sector have decreased lately as commodity prices have dropped, and costs of extraction and key inputs such as energy have risen.

3.4 FDI and decent work

The impact of FDI on decent work has generated considerable debate. In general, governments pursue strategies to attract FDI partly based on the expectation that FDI will have a positive impact on job creation, productivity, wages and working conditions.

In Latin America and the Caribbean, governments also pursued FDI as a means to compensate for the lack of financial resources for upgrading and increasing productivity and competitiveness of domestic enterprises, which is essential for sustained economic development.¹⁰

A global survey undertaken in early 2014 by UNCTAD among investment promotion agencies on their prospects for FDI and for the promotion of sustainable development through investment incentives indicated that job creation ranked as the most important objective of investment incentives. Among those investment promotion agencies surveyed, almost 75% ranked it as their primary or secondary objective, followed by technology transfer, export promotion, local linkages and domestic value added, and development of skills. Local development, industrial policy and environmental protection did not rank as high in terms of investment incentive objectives. In terms of industries, investment promotion agencies of Latin America and the Caribbean identified finance, hotels and restaurants, and food as the most promising sectors to attract FDI into their countries.

Job creation is thus a key motivation for countries to attract FDI. However, generally speaking, the impact of FDI on job creation largely depends on a series of factors, such as the type of investment, the sector targeted, the degree of integration into the local economy, and the strength of institutions that regulate investment and labour markets. When FDI enters countries mainly through greenfield projects, which aim to build production capacity, the impact on job creation is estimated to be higher, in terms of both direct and indirect job creation. This is particularly the case when greenfield investments target labour-intensive sectors such as agriculture, manufacturing, tourism and the retail trade – although in the cases of agriculture and tourism (to a certain extent), most of the jobs created are seasonal ones. ECLAC estimates that greenfield investments represented around 60% of inward FDI in Latin America and the Caribbean between 2003 and 2013.

Alternatively, when FDI targets the acquisition of domestically owned companies and capital-intensive sectors, the impact on job creation is estimated to be lower in the short term, due to potential restructuring and lay-offs, and crowding out of domestic competitors, among other factors. In the long term, however, this type of investment could enhance employment creation through sectoral reallocation of jobs (ILO, 2014d, p. 67).

Data limitations pose significant challenges to clearly identify the impact of FDI on employment, both in quantitative terms (the number of jobs created) and in qualitative terms (the quality of the jobs, for example by examining the evolution of wages and job security).

According to an estimate by ECLAC (2013), however, the job content of FDI in Latin America and the Caribbean varies significantly from country to country and from sector to sector. In the Caribbean, when investment targets the tourism sector, it is estimated that each US\$1 million of investment can generate about six jobs. However, when it targets the financial sector, and mining and natural resource-intensive manufacturing, every \$1 million is estimated to generate fewer than two jobs. In Mexico and Central America FDI has a high

10. National competitiveness is determined by a range of national and enterprise-level factors, which include the quality of institutions and infrastructure; the education, skill level and health status of the population and workforce; macroeconomic and labour market performance; business sophistication and innovation; and the ability of workers and enterprises to adopt new technology. While these factors do not, in themselves, ensure competitiveness, they are considered crucial to the development of more competitive economies (ILO, 2014d, p. 78).

job content, as it is significantly focused on manufacturing, and thus \$1 million is projected to create around four jobs. In South America, where investment tends to be linked to natural resources, the average number of jobs estimated to be created by \$1 million is 2.5.¹¹

The sectors that receive more significant shares of investment are not necessarily those that create most jobs; in cases where more jobs are created, the quality of those jobs may vary considerably. The service sector, for example, can potentially create a high number of jobs, but it is also a sector where stability of employment is often lower.

Governments and social partners have an important role to play in attracting FDI to increase the productivity and competitiveness of their national economies. The conclusions of the International Labour Conference discussion on the promotion of sustainable enterprises emphasize the importance of creating an enabling environment for sustainable enterprises and of designing appropriate policies to ensure that competitive outcomes are built on a strong and sustainable foundation (ILO, 2007a). As often debated, there are high roads and low roads that national economies can take to increase their productivity and competitiveness to foster economic and social development. The adoption and effective enforcement of international labour standards can prevent a race to the bottom in the quest for FDI and economic growth.

As the ILO *World of Work Report 2014* states: “Robust labour market institutions, underpinned by effective tripartite dialogue between workers, employers and governments, are essential for ensuring that the path to competitive outcomes is pursued in a way that maximizes social welfare. Meaningful social dialogue can effectively become a source of competitiveness, as a more stable and harmonious work environment can help to increase productivity levels, enhanced stability and attract additional investment.” This highlights the crucial role that governments and employers’ and workers’ organizations have to play in ensuring that FDI contributes to the requirements of each country’s economic and social development priorities.

This is particularly relevant in Latin America and the Caribbean, which has the highest level of inequality in the world and where job insecurity, underemployment and the informal economy remain significant.¹²

3.5 Investment policies and initiatives to boost the positive impact of FDI

Governments have several tools at their disposal to limit the possible negative impacts of FDI and boost its positive contribution to economic and social development in terms of creating more and better jobs, establishing backward and forward linkages to domestic large, medium and small enterprises, promoting value chain upgrading and investing in human capital development.

In the Americas, several examples exist of national policy initiatives to better align FDI with national development priorities. These may take the form of specific provisions in national investment policies, as discussed above, or the establishment of dialogue mechanisms, such as national councils (box 3.1).

Governments can also integrate social issues in other instruments affecting investment decisions, in particular bilateral or regional free trade agreements. The increasing trend to integrate provisions related to social issues into free trade agreements is particularly relevant given the increasing tendency of countries to form megaregional groupings, which are shaping global FDI.¹³ According to an ILO study on the social dimensions of free trade

11. More information about the direct job content of announced FDI between 2003 and 2012 and the methodology used to estimate it can be found in ECLAC, 2013.

12. In Latin America and the Caribbean, at least 130 million workers are employed in conditions of informality, and it is estimated that three of every ten workers do not have any type of social security coverage (ILO, 2013a).

13. According to UNCTAD, the three main regional groups currently under negotiation – the Trans-Pacific Partnership (TPP), the Transatlantic Trade and Investment Partnership (TTIP) and the Regional Comprehensive Economic Partnership (RCEP) – each account for a quarter or more of global FDI flows. Asia-Pacific Economic Cooperation (APEC) remains the largest regional economic cooperation grouping, with 54% of global inflows (UNCTAD, 2014, p. ix).

Box 3.1 National policies and initiatives to increase the contribution of FDI to socio-economic development

Investment Canada Act, Canada

The Investment Canada Act (ICA) is a Canadian federal law governing FDI in Canada. It came into force on 30 June 1985 and has been amended several times since. The aim of the ICA is to encourage foreign investment in Canada while at the same time ensuring that foreign investment contributes to economic growth and employment opportunities. Under the Act, acquisitions or investments in Canada are either subject to notification or to review, meaning that they are subject to approval by the federal Government. In particular, the Act empowers the Government to forbid foreign investments of “significant” size if they do not present a “net benefit to Canada”. In 2014, the Canadian policy established the threshold for an investment to be considered as “significant” at 354 million Canadian dollars. The determination of the existence of a “net benefit” depends on a list of factors that the Government takes into account, such as the effect of the investment on economic activity, productivity and competition within an industry. In addition, foreign investments are also subject to review if they directly acquire control of a Canadian cultural business. The authority to review such investments lies with the Minister of Canadian Heritage. Finally, amendments to the ICA in March 2009 give the Government broad discretion to review foreign investments in Canada that could be injurious to national security (Frigon, 2011).

SelectUSA programme, United States

In June 2011, the United States Government launched the first federal initiative, known as SelectUSA, to attract, retain, and expand business investment in the United States. The aim of the programme is to facilitate business investment in order to create jobs, stimulate economic growth and strengthen American competitiveness. As a programme of the Department of Commerce’s International Trade Administration, SelectUSA serves as a single point of contact for investors and economic development organizations to receive counsel on investment attraction strategy, starting a business, accessing federal resources and navigating government regulations. It offers a number of tools for foreign investors looking to invest in the United States, including a list of various state and federal programmes. The initiative’s central piece is the SelectUSA Investment Summit, a two-day event geared towards facilitating and promoting America’s business community. The first Investment Summit was held on 31 October and 1 November 2013, in Washington, DC, providing opportunities for businesses and investors to network and meet with experts in a variety of fields.*

Social Responsibility Council for Sustainable Development, Chile

In April 2013, the Ministry of Economy, Development and Tourism of Chile established by decree the Social Responsibility Council for Sustainable Development, a multisectoral body created to advise the ministry on the development of public policy in the field of social responsibility. The council references the MNE Declaration as one of the five international frameworks that can guide business behaviour. The council acts as a dialogue platform between different public agencies, the private sector, civil society organizations and academia, and serves to identify good practices and to propose concrete initiatives and policies to promote sustainable development. The council is chaired by the Ministry of Economy, Development and Tourism, and gathers representatives from other ministries (such as Finance, Foreign Affairs, Labour and Environment), employers’ organizations, small and medium enterprise associations, a trade union, non-governmental organizations, and the academic sector, among others.**

* President Obama to announce first-ever federal effort to attract job-creating foreign investment to the United States, the White House, 31 October 2013, www.whitehouse.gov/the-press-office/2013/10/31/president-obama-announce-first-ever-federal-effort-attract-job-creating-.

** More information about the Social Responsibility Council for Sustainable Development is available at <http://consejors.economia.cl>.

agreements (ILO, 2013d), the number of trade agreements that include labour provisions has increased significantly over the past two decades, and this trend has resulted in more ratifications, particularly of the core international labour standards, cooperation activities between signatory parties, and in some cases development of complaint mechanisms (box 3.2).

Box 3.2 Examples of labour provisions in bilateral or regional free trade agreements

North American Free Trade Agreement

The North American Agreement on Labor Cooperation (NAALC) is a supplementary accord to the North America Free Trade Agreement (NAFTA), which was signed between Canada, Mexico and the United States in 1994. NAALC was the first international agreement on labour to be linked to an international trade agreement, and it adds a social dimension to NAFTA. NAALC provides a mechanism for member countries to ensure the effective enforcement of existing and future domestic labour standards and laws without interfering in the sovereign functioning of the different national labour systems. It contains a commitment to work towards the improvement of domestic labour standards by all parties and creates mechanisms for cooperative activities, intergovernmental consultations, independent evaluations and dispute settlement related to the enforcement of each nation's labour laws. NAALC requires each government to maintain a national administrative office within its labour ministry to, amongst other functions, receive and respond to public communications regarding labour law matters arising in another NAALC country. Each national administrative office establishes its own domestic procedures for reviewing public communications and deciding what action to take in response. For cases concerning occupational safety and health, child labour and technical minimum wage there is a comprehensive follow-up procedure. If this is not successful, an evaluation committee of experts or an arbitral panel can be convened. If the decision of the panel is not observed and implemented, a monetary fine may be imposed (ILO, 2013d).*

EFTA-Costa Rica-Panama Free Trade Agreement

Ministers from the member States of the European Free Trade Association (EFTA) – Iceland, Liechtenstein, Norway and Switzerland – and from Costa Rica and Panama signed the Free Trade Agreement between the EFTA States and the Central American States on 24 June 2013, enhancing economic ties and promoting trade and investment between parties. The agreement addresses trade in goods (industrial and agricultural goods, fish and other marine products), rules of origin, trade facilitation, trade in services, investment, competition, protection of intellectual property rights, government procurement and sustainable development. The preamble of the agreement makes references to sustainable development and labour and environment policies. In addition, Chapter 9 on trade and sustainable development affirms that economic development, social development and environmental protection are interdependent and mutually supportive components of sustainable development. The parties commit to respect, promote and realize international labour standards with an explicit reference to the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up; to implement multilateral environmental agreements; and to encourage corporate social responsibility. In addition, the parties explicitly recognize that they should not weaken labour or environmental protection to attract foreign investments (EFTA, 2013).

European Union-Chile Association Agreement

The European Union-Chile Association Agreement, signed in 2002, which includes a comprehensive free trade agreement that entered into force in February 2003, provides a comprehensive framework for the main aspects of relations between the European Union and Chile. The agreement provides for political dialogue meetings, which have taken place regularly at all levels since 2003. A policy dialogue on labour and employment was initiated in 2005 and rounds have since taken place in 2007, 2008 and 2010. The first three dialogue rounds focused on employment policy and social security, including employment promotion strategies (2005), pension systems reform and public employment services (2007), and vocational training and labour intermediation (2008). The 2010 dialogue, which followed the Chilean mine collapse that trapped miners for weeks, focused on the sharing of European Union experiences and best practices in occupational safety and health in mining.

* It should be noted that since 20 August 2010, the office of the Secretariat of the Commission for Labor Cooperation in Washington, DC, has been closed temporarily as part of broader discussions among the parties to improve the implementation of NAALC. See Secretariat for the Commission for Labor Cooperation, www.naalc.org.

Promotion of the principles of the MNE Declaration in the Americas

4

This chapter provides a summary of responses received from the tripartite constituents to the questionnaire¹⁴ and follows its order. The questions have been included for easy reference. ILO has not verified the accuracy of the information provided, and thus mention of particular laws, policies, measures, actions and comments by respondents does not constitute an endorsement by the ILO. Likewise, any failure to mention any of the above is not a sign of disapproval.

The questionnaire was distributed at the end of May 2014 through various channels to the tripartite constituents of the 35 ILO member States participating in the 18th American Regional Meeting.¹⁵ The Office accepted replies submitted until 31 July 2014, after having twice extended the deadline for submission.

The participation rate was significant, particularly among workers' organizations. This is notable, particularly when taking into account the short time that elapsed between the decision of the Governing Body in March 2014, the distribution of the new questionnaires at the end of May 2014, and the response time.

In total, 62 questionnaires were returned providing information from 31 member States: 9 from governments, 15 from employers' organizations, and 38 from workers' organizations (table 4.1).¹⁶ In the case of governments, responses were received from all four subregions (North America, Central America, the Caribbean and South America). In the case of employers' organizations, responses mainly came from the Caribbean and from four employers' organizations in South America. Workers' organizations from all four subregions submitted responses, including a subregional workers' organization covering Mexico and Central America.

14. The questionnaires for governments, employers' organizations and workers' organizations can be found in Appendix II.

15. Antigua and Barbuda, Argentine Republic, Commonwealth of the Bahamas, Barbados, Belize, Plurinational State of Bolivia, Federative Republic of Brazil, Canada, Republic of Chile, Republic of Colombia, Republic of Costa Rica, Republic of Cuba, Commonwealth of Dominica, Dominican Republic, Republic of Ecuador, Republic of El Salvador, Grenada, Republic of Guatemala, Republic of Guyana, Republic of Haiti, Republic of Honduras, Jamaica, United Mexican States, Republic of Nicaragua, Republic of Panama, Republic of Paraguay, Republic of Peru, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Republic of Suriname, Republic of Trinidad and Tobago, United States of America, Eastern Republic of Uruguay, Bolivarian Republic of Venezuela.

16. The list of respondents can be found in Appendix I.

TABLE 4.1 Overview of responses

Responses received	Number
Governments	9
Employers' organizations	15
Workers' organizations	38
Total	62

The member States from which no replies were received are Grenada, Honduras, Nicaragua, and Saint Vincent and the Grenadines. Two replies from workers' organizations in Brazil and Ecuador, and a workers' organization covering the Americas, were received after the final submission date of 31 July 2014 and could not be included in the present report. They will be incorporated in the global report submitted to the Governing Body in 2018 for discussion.

4.1 Awareness of the principles of the MNE Declaration

“Taking into account the political and economic situation in your country, which areas of the MNE Declaration are relevant when it comes to operations of multinational enterprises?”

The areas of the MNE Declaration are shown in table 4.2.

The large majority of government respondents (78%) indicated that employment promotion was the most relevant. They also ranked equality of opportunity and treatment, training, wages, benefits and conditions of work, and freedom of association and the right to organize of high relevance when it came to operations of MNEs. Areas that received fewer mentions were consultation (33%), minimum age (33%) and examination of grievances (22%).

Responses from employers' organizations indicated that they also attributed high importance to the area of employment promotion, with 67% of them identifying this as a relevant area, followed by training with 60%, and equality of opportunity and treatment, security of employment, and safety and health (all 53%). The areas that received fewer

TABLE 4.2 Areas of the MNE Declaration

Areas	
Employment	Employment promotion
	Equality of opportunity and treatment
	Security of employment
Training	Training
Conditions of work and life	Wages, benefits and conditions of work
	Minimum age
	Safety and health
Industrial relations	Freedom of association and the right to organize
	Collective bargaining
	Consultation
	Examination of grievances
	Settlement of industrial disputes

mentions by employers' organizations were settlement of industrial disputes (27%), collective bargaining (27%), minimum age (20%) and examination of grievances (13%).

Responding workers' organizations identified collective bargaining (79%) and freedom of association and the right to organize (76%) as the most relevant areas when it came to operations of MNEs. Employment promotion was also identified as important (68%), as was the area of wages, benefits and conditions of work (66%). The areas that received fewer mentions were consultation (34%), minimum age (29%) and examination of grievances (26%).

Two governments and one employers' organization did not answer this question for the following reasons:

The U.S. Department of Labor, the government agency charged with responding to this questionnaire, cannot speak to this question as it requires the knowledge of multinational enterprises (MNEs). As the questionnaire is relevant to various stakeholders, MNEs may be best positioned to explain what areas of the MNE Declaration are most relevant for its operations and why. (Department of Labor, United States of America)

FDI-related activities comply with labour and social security legislation, as provided in related laws... Cuban workers who work in mixed ownership or foreign enterprises ... have an employment relationship with Cuban entities that guarantee their rights on labour and social security matters. [Non-official translation] (Ministry of Labour and Social Security, Republic of Cuba)

This is not traditionally the role of national employers' organisations to address the areas identified above. Additionally, MNEs are at liberty to associate or not with NEOs [national employers' organizations]. (Dominica Employers' Federation, Commonwealth of Dominica)

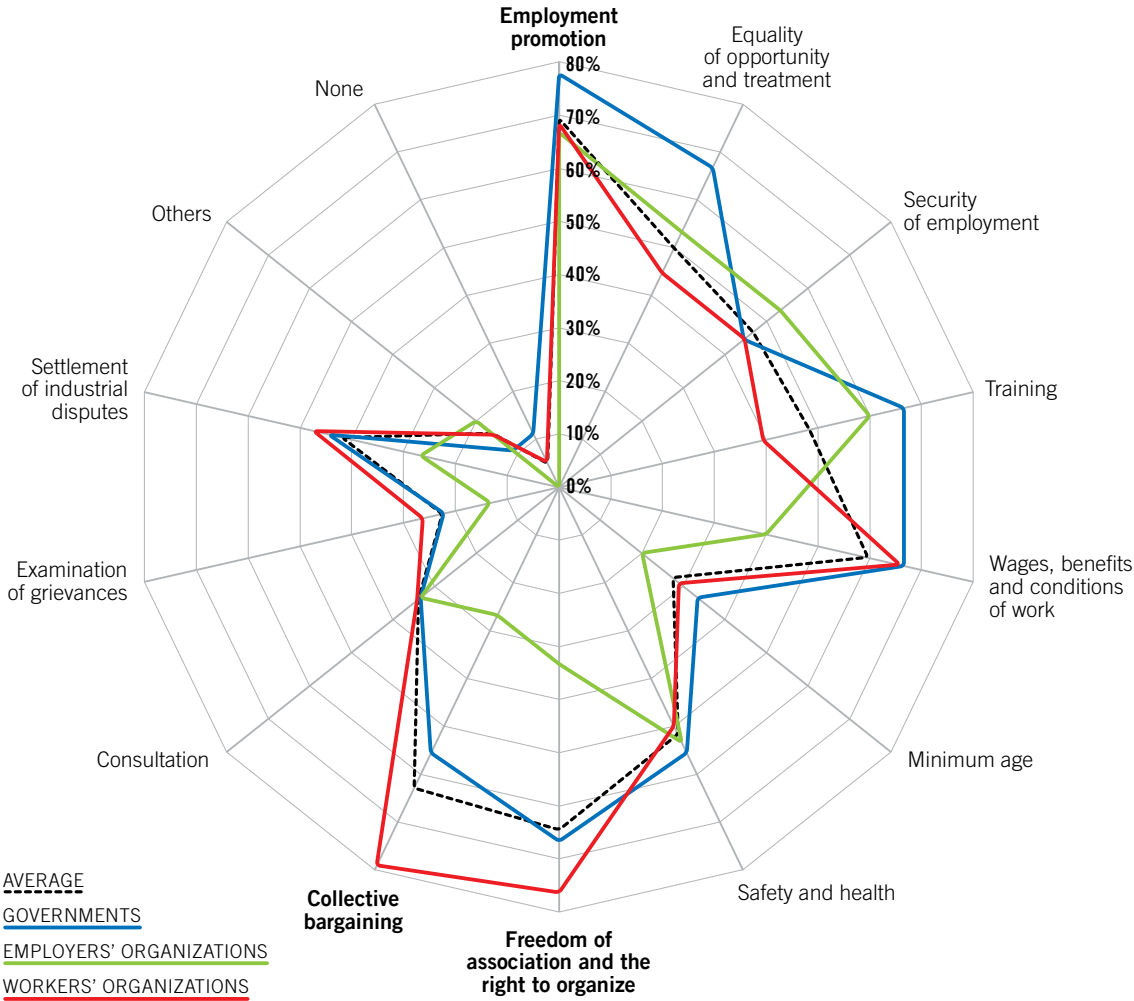
Table 4.3 provides a more detailed overview of the responses of the tripartite constituents to this question.

When accumulating the responses given by governments, employers' organizations and workers' organizations there are clear similarities between the tripartite constituents. Figure 4.1 highlights similarities and differences among the responses provided by governments and employers' and workers' organizations.

TABLE 4.3 Relevance attributed to areas of the MNE Declaration by governments, employers' organizations and workers' organizations (%)

Areas		Average	Governments	Employers' organizations	Workers' organizations
Employment	Employment promotion	69	78	67	68
	Equality of opportunity and treatment	50	67	53	45
	Security of employment	47	44	53	45
Training	Training	48	67	60	39
Conditions of work and life	Wages, benefits and conditions of work	60	67	40	66
	Minimum age	27	33	20	29
	Safety and health	52	56	53	50
Industrial relations	Freedom of association and the right to organize	65	67	33	76
	Collective bargaining	63	56	27	79
	Consultation	34	33	33	34
	Examination of grievances	23	22	13	26
	Settlement of industrial disputes	42	44	27	47
Others		16	11	20	16
None		5	11	0	5

FIGURE 4.1 Relevance attributed to areas of the MNE Declaration by governments, employers' organizations and workers' organizations (%)



Note: Percentages have been calculated by dividing the total marks by area per constituent by the total number of responses by constituent category, being 9, 15, and 38 for governments, employers' organizations, and workers' organizations respectively. The average corresponds to the total marks by area divided by the total number of responses (62). Example: 43 responses out of 62 marked "employment promotion" as one of the relevant areas of the MNE Declaration, which results in an average of 69% (43/62).

Of all replies, 69% highlighted the relevance of employment promotion. The areas that followed in relevance were freedom of association and the right to organize; collective bargaining; and wages, benefits and conditions of work.

In addition to the relevance attributed by all constituents to employment promotion, responses from governments and employers' and workers' organizations were also similar concerning safety and health (with 56%, 53% and 50% respectively).

Responses from governments and employers' organizations were similar concerning training (67% and 60% respectively), and governments and workers' organizations coincided in the relevance attributed to wages, benefits and conditions of work (67% and 66% respectively).

There were also similarities among governments and employers' and workers' organizations in terms of the areas that received fewer mentions, including examination of grievances (23%) and minimum age (27%).

The area of "others" also received a low number of replies across all three constituent groups (16%). Respondents were given the opportunity to provide further information under this area, and in some cases the additional information provided was in fact covered by

specific recommendations of the MNE Declaration. Examples include initiatives to enhance compliance with national labour laws and the use of technologies that generate employment. A few respondents pointed out that the MNE Declaration could contribute to putting in place measures to avoid arbitrary transfers of workers and to compensate workers and communities when MNEs decided to cease operations and relocate to another country.

Other areas that are not directly covered in the MNE Declaration and were mentioned as relevant concerning MNE operations in host countries include environmental protection and sustainability.

4.2 Challenges and opportunities regarding the operations of MNEs

Building on the first question of the questionnaire, governments, employers' and workers' organizations were invited to provide more information about the challenges and opportunities encountered regarding the operations of MNEs in the areas considered by them as most relevant.

“Please provide further information on the areas that you have indicated above, including specific challenges and opportunities, and indicate which of these areas are most relevant and why.”

“Please describe initiatives taken ... to address the areas indicated above (legislation, policies, measures and actions).”

In this section, most respondents – and governments in particular – provided extensive information on specific legislation, programmes and actions. A selection of the challenges and opportunities mentioned by area of the MNE Declaration are provided below.

4.2.1 Employment

This area includes employment promotion, equality of opportunity and treatment, and security of employment.¹⁷

Employment promotion was seen by all respondents as a crucial component of the positive contribution that MNEs could make to socio-economic development in the countries of the region, which therefore needed to be encouraged.

In terms of employment, the immediate effect of the establishment of multinational enterprises is job creation... Therefore, and to ensure national development, it is necessary to design and implement policies, programmes and actions that aim to create an enabling environment for foreign investment and to ensure that such investments guarantee their workers a decent quality of life and sustainable human development. [Non-official translation] (Secretariat of Labour and Social Welfare, United Mexican States)

In regard to employment promotion, it is crucial that multinational enterprises offer job opportunities free from discrimination to the nationals of the country where they operate, guaranteeing “decent work” and respecting all labour rights and obligations established in the country. In this sense, multinational enterprises should not only contribute to the progress of the country where they operate but also to that of its workers. [Non-official translation] (Venezuelan Federation of Chambers of Commerce, Bolivarian Republic of Venezuela)

17. Background information on employment can be found in ILO, 2014a and 2014d; and the ILO Employment protection legislation database (EPLex), which provides information on all the key topics that are regularly examined in national and comparative studies on employment termination legislation: <http://www.ilo.org/dyn/eplex/termmain.home>.

Jobs are a pillar of development, since they are essential for poverty reduction, allowing cities to function and to offer options to youths to keep them away from violence. ... Jobs promote diversity and offer alternatives to conflict. [Non-official translation] (Trade Union of Workers of Guatemala, Republic of Guatemala)

Challenges

Several workers' organizations considered that measures to attract FDI often did not adequately encourage decent employment creation or stimulate sufficient linkages to domestic firms.¹⁸ The Government of Argentina welcomed linkages but expressed concern over the high percentage of informality of small and medium enterprises integrating the value chains of MNEs.

While we have greatly reduced the unemployment rate, the significant percentage of informality has to be reversed. It is mostly concentrated in small and medium enterprises, many of which integrate the business value chains of MNEs. [Non-official translation] (Ministry of Labour, Employment and Social Security, Argentine Republic)

Concerning equality of opportunity and treatment, a responding workers' organization¹⁹ noted the absence of gender equality policies in several MNEs, particularly those operating in traditionally male-dominated sectors. One employers' organization²⁰ stated some of the challenges faced by MNEs to hire nationals of the host country for higher positions in the company, and a workers' organizations²¹ raised concerns regarding arbitrary dismissals. Two workers' organizations²² also expressed concerns about sexual harassment at the workplace.

In terms of security of employment, one workers' organization²³ expressed fears that in the quest for lower labour costs worldwide some MNEs might leave the country and relocate, leading to major lay-offs. Another workers' organization²⁴ focused on the link between subcontracting practices by MNEs, lay-offs and employment instability.

MNEs have adopted, and in some cases promoted, subcontracting practices with the main objective of increasing the flexibility of industrial relations, facilitating lay-offs and labour instability. [Non-official translation] (Trade Union Convergence Movement, Republic of Panama)

Other workers' organizations stated that in some cases, when MNEs decided to close operations and relocate to another country, they did not respect the principles in the MNE Declaration in case of closure of an entity involving lay-offs or dismissals. Several respondents also highlighted the current outsourcing practices by MNEs, transferring responsibilities for staff to the suppliers in their value chains.

However, an employers' organization noted that legislation needed to be in tune with economic activity.

At the global level, there is a need for legislation to evolve at the same pace as economic activity, and in this regard it is necessary for working conditions to adjust to the flexible requirements of the present day. [Non-official translation] (National Employers' Association of Colombia, Republic of Colombia)

18. Consejo Sindical Unitario de América Central, Caribe y México (Union Council of Central America, the Caribbean, and Mexico) and Confederación de Trabajadores Rerum Novarum (Confederation of Workers Rerum Novarum, Costa Rica).

19. Convergencia Sindical (Trade Union Convergence Movement, Panama).

20. Belize Chamber of Commerce and Industry.

21. Sindicato de los Trabajadores de la Empresa Risk Control SAC (Trade Union of Risk Control SAC Enterprise).

22. Centro de Capacitación Sindical de Guatemala: Federación de Sindicatos de Empresas de Bienes y Servicio and Federación Sindical de Trabajadores de la Alimentación, Agroindustria y Similares (Union Training Centre of Guatemala: Federation of Bank, Service and State Employees of Guatemala, FESEBS, and Trade Union Federation of Food, Agricultural and Allied Workers, FESTRAS); and União Geral dos Trabalhadores (General Union of Workers, Brazil).

23. American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

24. Trade Union Convergence Movement, Panama.

Opportunities

One employers' organization²⁵ highlighted that MNEs were usually at the forefront of management and quality systems, including new technologies and know-how, which were important to promote business development in host countries. Another respondent²⁶ declared that, very often, MNEs had a positive impact through their corporate social responsibility practices in host countries.

Referring to initiatives to promote employment, the Government of Peru highlighted the creation of the Single Window for Employment Promotion,²⁷ an initiative to harmonize all services for employment promotion, employability and entrepreneurship; the Governments of Guatemala and Costa Rica mentioned the organization of national job fairs.

The creation of high-level managerial jobs for nationals of the host country was underlined by the Saint Kitts and Nevis Chamber of Industry and Commerce.

4.2.2 Training

With regard to the area of training, the following challenges and opportunities were identified in the questionnaires.²⁸

Challenges

Several respondents indicated the need for targeted training and skill development policies and actions, particularly on new technologies. According to ANDI,²⁹ one of the biggest challenges was the diversification of professional competencies.

A workers' organization in Panama³⁰ stated that MNEs favoured the recruitment of international staff when qualified workers were required, instead of participating in local training programmes to build the capacity of women and men in the country of operation.

Opportunities

Several respondents noted that MNEs could help raise skill levels and strengthen capacities of local and national enterprises, particularly in the services sector, through the development of quality upgrading programmes for their suppliers. Several respondents moreover indicated that local skill gaps could be tackled through training programmes set up by MNEs or with their participation.

Respondents also mentioned the use of fiscal mechanisms to stimulate training schemes for workers, especially in new technologies, or to encourage MNE participation in programmes that fostered training and career guidance.

In this regard, a workers' organization³¹ highlighted the effectiveness of a national training institute in building the capacity of the workforce for short-term labour market requirements. One workers' organization³² provided information on the cooperation between two professional training institutes in the country to provide training for workers. Another³³ informed that it organized an introductory training for workers before they took up their duties in the company.

25. Federación de Cámaras de Industrias del Ecuador (National Federation of Chambers of Industries of Ecuador).

26. Confederación de Empresarios Privados de Bolivia (Confederation of Private Employers of Bolivia).

27. Ventanilla Única de Promoción del Empleo (VUPE).

28. The Inter-American Centre for Knowledge Development in Vocational Training (ILO/Cinterfor) is a technical service of the International Labour Organization (ILO), which brings together a network of national institutions and works as the core of a knowledge management network of entities related to professional training in Latin America and the Caribbean, including RedIFP, Spain and Cape Verde. More information can be found at www.oitcinterfor.org and www.redifp.net.

29. National Employers' Association of Colombia.

30. Trade Union Convergence Movement, Panama.

31. Trade Union Convergence Movement, Panama.

32. Plenario Intersindical de Trabajadores – Convención Nacional de Trabajadores (Inter-Union Assembly of Workers – Workers' National Convention, Uruguay).

33. Sindicato Nacional de Trabajadores de Red de Energía del Perú (National Union of Workers of the Red de Energía del Perú).

4.2.3 Conditions of work and life

This section covers responses received on the areas of wages, benefits and conditions of work; minimum age; and occupational safety and health (ILO, 2013b, 2013c, 2014c).³⁴

Challenges

Many responding workers' organizations provided detailed information on the area of wages, benefits and conditions of work. Several reported that minimum wages remained low in their countries and indicated that some companies did not comply with social security regulations.

Several respondents noted challenges concerning minimum age for admission to employment or work.³⁵ An employers' organization³⁶ stated that the lack of resources to conduct inspections verifying minimum age compliance hindered the enforcement of national labour law. A workers' organization³⁷ mentioned the existence of the worst forms of child labour in the value chains of MNEs operating in Panama, particularly in the agro-industrial and tourism sectors; it also indicated that the Government had recently initiated programmes to eradicate child labour.

Concerning occupational safety and health, the absence of effective inspection mechanisms was raised, along with low sanctions in cases of violations of the law. A workers' organization³⁸ described how many workers in Brazil were exposed to repetitive work, causing repetitive strain injury, while many suffered from bullying in the workplace.

Opportunities

Workers' organizations indicated that MNEs could help boost productivity and increase workers' purchasing power by paying adequate wages.

The Government of Guatemala noted that its National Wage Commission received technical assistance from the ILO to develop a formula to increase current wages.

Regarding the minimum age, the Government of Mexico highlighted the opportunity to increase the minimum age for admission to employment or work in order to effectively eradicate child labour and give protection to young women and men who could legally work.

With regard to occupational safety and health, it was noted³⁹ that MNEs played a positive role because of their often comprehensive company risk assessment and management mechanisms. They also were expected to share knowledge about existing regulations, policies and practices in companies, and cooperated with international organizations that were in charge of the preparation and adoption of international occupational safety and health standards.

An employers' organization⁴⁰ highlighted the establishment of a business council on HIV/AIDS, which assisted in the preparation of occupational safety and health policies in companies, including MNEs.

Workers' organizations in the Dominican Republic reported on union campaigns for better working conditions through the promotion of collective bargaining in free zones, call centres and mines.

34. Country profiles on occupational safety and health are available at <http://ilo.ch/safework/countries/lang--en/index.htm>.

35. See Appendix IV on the ratification of ILO Conventions.

36. Belize Chamber of Commerce and Industry.

37. Trade Union Convergence Movement, Panama.

38. General Union of Workers, Brazil.

39. Central Autónoma de Trabajadores del Perú (Autonomous Workers' Confederation of Peru).

40. Jamaica Employers' Federation.

4.2.4 Industrial relations

This section covers the areas of freedom of association and the right to organize, collective bargaining, consultation, examination of grievances, and settlement of industrial disputes.⁴¹

Challenges

Many responses stressed how important it was that MNEs observed freedom of association and collective bargaining. One example:

The respect of human rights and the principles promoted by the ILO in the area of freedom of association and collective bargaining, which are today essential to the free development of workers, is an undeniable requirement for MNEs. [Non-official translation] (Venezuelan Federation of Chambers of Commerce, Bolivarian Republic of Venezuela)

Many noted, however, that more work needed to be done to ensure MNEs respected this right:

[In] Brazil ... anti-union practices are very common, such as companies that prevent the unionization of workers, persecute, and dismiss union leaders, and adopt several practices to prevent trade union work... . [Non-official translation] (Single Confederation of Workers, Federative Republic of Brazil)

One government response noted how it had reacted to evident problems following a complaint in the ILO's Committee on Freedom of Association:

The Government of Guatemala has promoted respect for freedom of association, following the establishment of a possible Commission of Inquiry by the ILO. The Government has developed a roadmap, with a commitment to promote freedom of association and strengthen the security apparatus and immediate reaction of security, to prevent and eliminate crimes committed against trade union members and leaders. [Non-official translation] (Ministry of Labour and Social Welfare, Republic of Guatemala)

Several responses described specific impediments to freedom of association and the right to organize. A number of workers' organizations mentioned that some MNEs had mechanisms in place to prevent the creation of independent trade unions. For example, two workers' organizations⁴² both described how "management-friendly" trade unions were set up to curtail the creation of free trade unions by workers; in some MNEs workers had to associate in secrecy out of fear of persecution and dismissal. One respondent⁴³ indicated that MNEs in the garment and textile sectors were more likely to arbitrarily dismiss trade union officers.

Challenges were also expressed by workers' organisations regarding the difficulties of pursuing labour rights cases in judicial and administrative processes. On this topic, however, an employers' organization⁴⁴ expressed concerns regarding a perceived bias against employers in such processes.

Many workers' organizations considered that MNEs did not particularly facilitate collective bargaining. In Costa Rica, a workers' organization⁴⁵ mentioned that the failure to create unions made it impossible to negotiate; and another one⁴⁶ stated that sometimes MNEs threatened to relocate to put pressure on negotiations with workers.

41. Reports of the Committee on Freedom of Association are available at

http://ilo.ch/global/standards/information-resources-and-publications/WCMS_159872/lang-en/index.htm.

42. Unión Nacional de Trabajadores de México (National Union of Workers of Mexico) and Trade Union Convergence Movement, Panama.

43. Confederación Sindical de Trabajadoras y Trabajadores de El Salvador (Trade Union Confederation of Workers of El Salvador).

44. Confederation of Private Employers of Bolivia.

45. Confederation of Workers Rerum Novarum, Costa Rica.

46. Autonomous Workers' Confederation of Peru.

Many respondents from workers' organizations noted that MNEs did not organize consultations with workers' organizations, and that there were often no institutional or governmental mechanisms to ensure that they took place.

Mechanisms for the examination of grievances were reported to be slow, and one workers' organization⁴⁷ considered that the decisions of arbitration courts might be biased in favour of MNEs; another proposed establishing voluntary conciliation mechanisms, including alternative dispute resolution machinery consisting of equal representation of employers and workers.⁴⁸

Opportunities

Some respondents identified better implementation of national legislation on collective bargaining as a way to address challenges in regard to industrial relations.

For example, the Ministry of Labour, Employment and Social Security of Argentina and a workers' organization in Peru stressed the positive impact of better functioning collective bargaining mechanisms and the establishment of alternative dispute resolution and arbitration centres to improve the settlement of disputes.

An employers' organization⁴⁹ reported that it had memoranda of understanding with the government on alternative dispute resolution and arbitration, and on trade information services.

The Government of Argentina observed that collective agreements had improved real wages of workers and conditions of work in all economic sectors in the country. A workers' organization⁵⁰ noted that it supported unions in collective bargaining.

4.2.5 Other areas

Workers' organizations in the Dominican Republic⁵¹ mentioned challenges regarding the impact of MNE operations on the environment and indicated that the MNE Declaration might be helpful in ensuring accountability by MNEs regarding their impact on the natural environment in the communities of operation. A workers' organization⁵² in Peru reported on its work in the area of occupational safety and health, which also had a component regarding environmental protection.

Challenges related to corporate governance and accountability were mentioned several times, highlighting MNEs' "tremendous financial and political resources", as stated by the Dominica Employers' Federation.

47. Trade Union Convergence Movement, Panama.

48. Autonomous Workers' Confederation of Peru.

49. The Bahamas Chamber of Commerce and Employers' Confederation.

50. Central de Trabajadores de la Argentina (Confederation of Workers of Argentina).

51. Confederación Nacional de Trabajadores Dominicanos, Confederación Autónoma Sindical Clasista, and Confederación Nacional de Unidad Sindical (National Confederation of Dominican Workers, Autonomous Confederation of Workers' Unions, and National Confederation of Trade Union Unity).

52. National Union of Workers of the Red de Energía del Perú.

4.3 Dialogue and consultation

“In your country, does your organization provide an official representative or office that serves as a contact point for representatives of foreign MNEs, or peers of other countries regarding the conduct of MNEs?”

“In your country, does your organization hold any institutional consultations on MNE activity with foreign MNEs, governments, employers’ organizations, or workers’ organizations?”

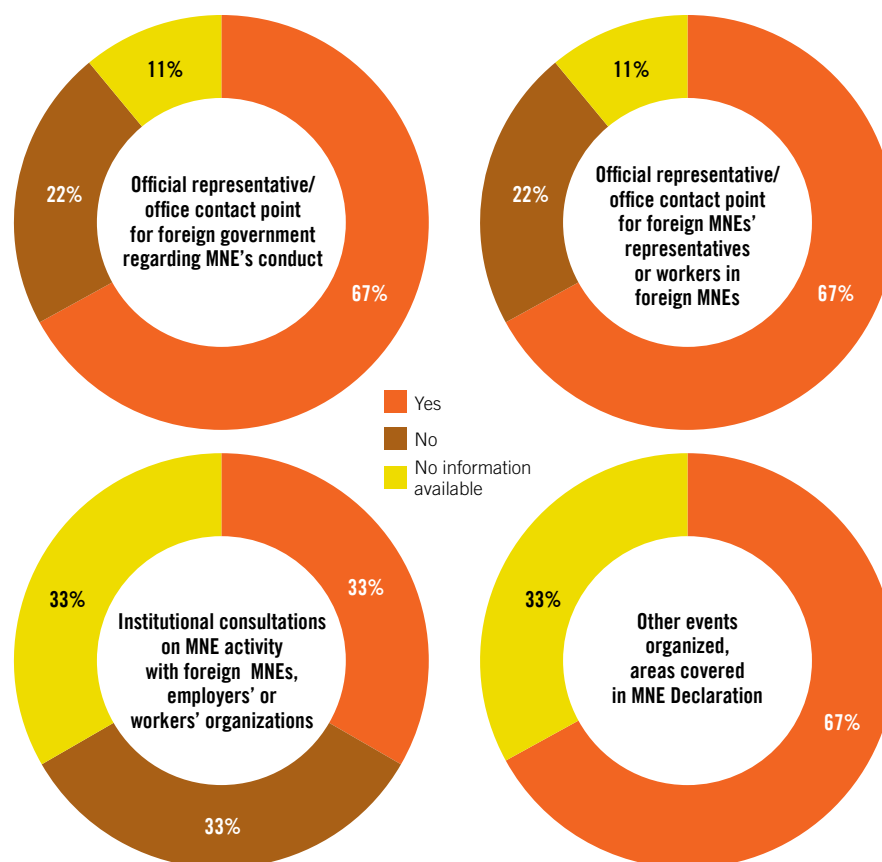
“In addition to institutional consultations, has your organization organized any events in recent years dealing with the areas covered in the MNE Declaration?”

The responses received indicated that overall dialogue and consultation indeed constituted the basis for addressing concerns and discussing opportunities regarding the operations of multinationals companies. Hence, it is important to look at the different mechanisms that are in place for facilitating dialogue and consultations, as reported through the questionnaire.

4.3.1 Governments

The majority of responding governments (67%) confirmed that there were official representatives or a specific office in the government institutions serving as contact points for representatives of foreign MNEs, or for governments of other countries regarding the conduct of MNEs operating in their countries (figure 4.2).

FIGURE 4.2 Dialogue and consultation, governments (%)



Note: Percentages have been calculated by dividing the number of government responses to each specific question (“yes”, “no”, “no information available”) by the total number of responding governments. Example: 6 out of 9 (67%) responding governments responded “Yes” to the question “In your country, does the government provide an official representative or office that serves as a contact point for representatives of foreign MNEs, including workers’ representatives in foreign MNEs?”

Box 4.1 NCPs under the OECD MNE Guidelines

The main role of the NCPs that governments adhering to the OECD MNE Guidelines have to establish is to further the effectiveness of the OECD MNE Guidelines by undertaking promotional activities; handling enquiries; and contributing to the resolution of issues that arise from the alleged non-observance of the Guidelines by enterprises through specific instances.

NCP structures and governmental location differ. In ILO member States in the Americas the NCPs have the following structure and governmental location.

Country	Structure	Governmental location in 2013
Argentina	Monopartite	Ministry of Foreign Affairs
Brazil	Monopartite	Ministry of Finance
Canada	Interagency	Ministry of Foreign Affairs
Chile	Monopartite	Ministry of Foreign Affairs
Colombia	Monopartite	Ministry of Trade, Industry, Tourism
Mexico	Monopartite	Ministry of Economy
Peru	Monopartite	Private Investment Promotion Agency
United States	Monopartite	State Department

Source: OECD, 2013.

Governments from the Organisation for Economic Co-operation and Development (OECD) member countries, or from countries that had adhered to the OECD MNE Guidelines,⁵³ often attributed the contact point function to the national contact point (NCP), which they set up when adhering to the OECD MNE Guidelines (box 4.1).

In addition to our OECD NCP, the Department of Foreign Affairs, Trade and Development, and the Office of the Extractive Sector CSR Counsellor, act as official representatives to serve as a contact point for representatives of foreign MNEs, including workers' representatives, and governments of other countries. (Multilateral Labour Affairs, Labour Program, Government of Canada)

Guatemala stated that it did not have a contact point for MNEs or their workers' organizations, as communication with MNEs took place through an employers' organization.⁵⁴ In the case of Cuba, the official representative or contact point for MNEs was through the Ministry of Foreign Trade and Investment.

With regard to contact points for other governments to discuss issues related to the conduct of MNEs, governments indicated that there were different ways of proceeding. The most frequent was through diplomatic channels, whether through diplomatic missions accredited in their countries or departments located in the ministry of foreign affairs.

In Costa Rica, the Investment Promotion Agency (CINDE) is a member of the World Association of Investment Promotion Agencies (WAIPA) and acts as a contact point through its engagement with over 250 other WAIPA members around the world (box 4.2).

Of the responding governments, 67% reported that they had organized events dealing specifically with the areas covered in the MNE Declaration; 33% reported that they had

53. OECD member countries and their respective years of adherence to the OECD Guidelines for Multinational Enterprises include Canada (1976), Chile (1997), Mexico (1994) and United States (1976); adhering countries to the OECD Guidelines for Multinational Enterprises include Argentina (1997), Brazil (1997), Colombia (2011), Costa Rica (2013) and Peru (2008).

54. The Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (CACIF).

Box 4.2 World Association of Investment Promotion Agencies

The World Association of Investment Promotion Agencies (WAIPA) is a non-governmental organization established in 1995 in Geneva by UNCTAD. It acts as a forum for investment promotion agencies to provide networking opportunities and facilitate the exchange of best practices in capacity building and investment promotion. Training events have been organized by WAIPA, alone or in coordination with partner organizations. WAIPA members include 244 national and subnational agencies from 162 different countries, including many countries of the Americas (Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, United States, Uruguay and Venezuela). Membership is open to all entities, the primary function of which is “to promote any country, political sub-division of a country or other uncontested territory, as a destination for, or source of, investments.”

Source: www.waipa.org.

conducted institutional consultations with foreign MNEs and with employers’ or workers’ organizations on MNEs activities; and 33% did not have information available on the organization of institutional consultations or events.

In terms of institutional consultations with foreign MNEs or employers’ and workers’ organizations on MNE activities, a few governments provided specific examples.

As part of the Government of Canada’s efforts to promote responsible business practice, Canada’s NCP holds annual multi-stakeholder information sessions on the OECD Guidelines, which address the areas covered in the MNE Declaration.⁵⁵ (Multilateral Labour Affairs, Labour Program, Government of Canada)

The Ministry of Labour conducts consultations with MNEs in order to gather information on required job profiles in the industry sector where they operate. Such profiles were established as the basis for certification schemes (standardizations) of various job posts. Training and skill certification programmes were organized based on these standardizations. [Non-official translation] (Ministry of Labour, Employment, and Social Security, Argentine Republic)

The USG [U.S. Government] organizes a number of consultations related to labor rights and the operation of MNEs both domestically and internationally. The National Advisory Committee (NAC) for Labor Provisions of U.S. Free Trade Agreements (FTAs) provides advice on how to better implement the labor provisions of any FTAs that the U.S. signs, and on related submissions received under these agreements. The NAC is composed of 12 members appointed by the Secretary of Labor and include four representatives from the labor community, four from the business community, and four from the public. (Department of Labor, United States of America)

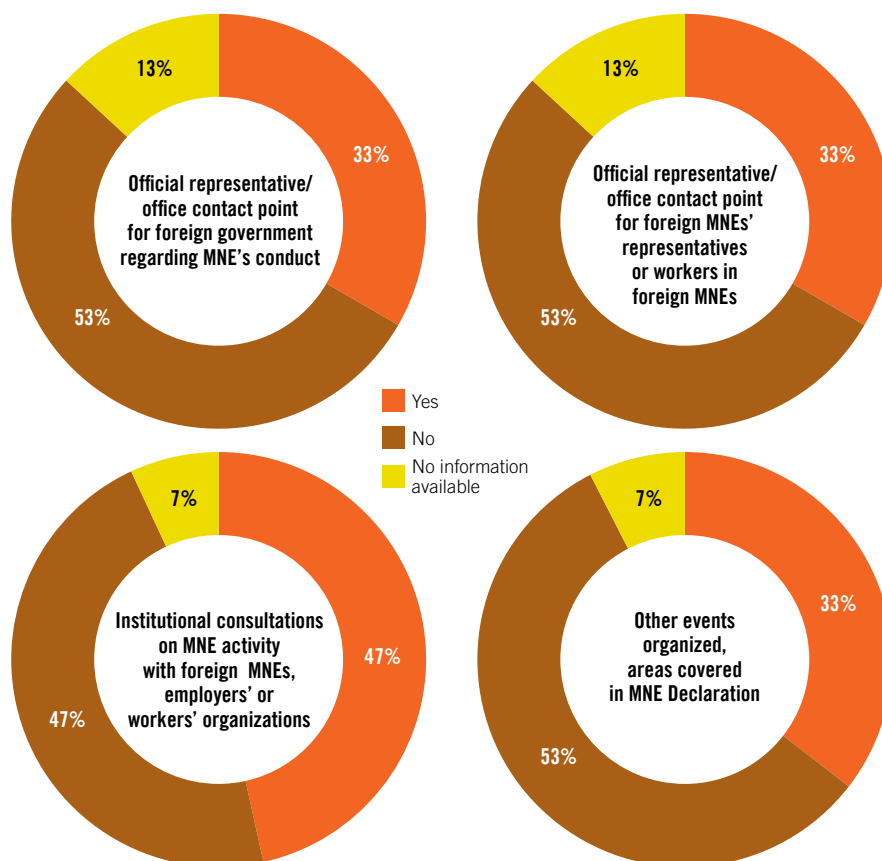
Government respondents reported organizing other events in recent years dealing with the areas covered in the MNE Declaration. Chile organized several training activities and seminars on topics related to the areas of the MNE Declaration, such as the role of government in social responsibility, and established the National Social Responsibility Council for Sustainable Development, convening a wide range of public and private stakeholders, including several ministries and employers’ and workers’ organizations. Argentina undertook joint research with the Copenhagen Institute for Futures Studies on the influence of MNEs on value chains as drivers for the reduction of informal labour. The United States hosted multiple information and implementation workshops targeting a broad range of external stakeholders, including businesses, members of civil society, academia and think tanks.

55. Chapter V of the OECD MNE Guidelines, “Employment and industrial relations”, is entirely aligned with and based on the MNE Declaration (OECD, 2011).

4.3.2 Employers' organizations

Responding employers' organizations indicated that in a few cases they had staff serving as contact points for foreign MNEs (33%) or for employers' organizations from other countries (33%) (figure 4.3). This function often fell either on a specialist or on an executive-level member within employers' organizations. For example, within one employers' organization,⁵⁶ this function fell on the enterprise development specialist; in the case of two other employers' organizations,⁵⁷ high-ranking executives within the chambers acted as focal points. In the case of Colombia, an employers' organization⁵⁸ noted that it was developing a project to provide support to Colombian companies expanding their operations to other countries, particularly in Latin America; it also stated that the International Organisation of Employers (IOE) fulfilled the role of facilitating contacts and exchanges with other employers' organizations. In Ecuador, an employers' organization⁵⁹ also confirmed that the IOE facilitated contacts with other employers' organizations; additionally to the IOE, another employers' organization⁶⁰ noted that it also channelled its communication with employers' organizations in other countries through the Andean Business Advisory Council (CCEA) and the MERCOSUR Advisory Council.

FIGURE 4.3 Dialogue and consultation, employers' organizations (%)



Note: Percentages have been calculated by dividing the number of employers' organizations responses to each specific question ("yes", "no", "no information available") by the total number of responding employers' organizations. Example: 5 out of 15 (33%) responding employers' organizations responded "Yes" to the question "In your country, does your organization provide an official representative or office that serves as a contact point for representatives of foreign MNEs?"

56. The Dominica Employers' Federation.

57. The Saint Kitts and Nevis Chamber of Industry and Commerce and the Bahamas Chamber of Commerce and Employers' Confederation.

58. Asociación Nacional de Empresarios de Colombia (National Employers' Association of Colombia).

59. National Federation of Chambers of Industries of Ecuador.

60. Confederation of Private Employers of Bolivia.

Among responding employers' organizations, 47% affirmed that consultations were held with foreign MNEs, the government or workers' organizations regarding the activities of MNEs, while the same percentage indicated not conducting such consultations. Two employers' organizations mentioned that they conducted consultations through their participation in a labour advisory council or board, or through tripartite meetings, sometimes hosted by the ministry of labour or economy. In a few cases, consultations were reported to have been held upon the request of MNEs. An employers' organization⁶¹ in Bolivia highlighted the relevance of tripartite social dialogue to build consensus not only on labour issues but also in regard to sustainable growth.

In addition to consultations, a number of employers' organizations indicated that they carried out other events covering areas of the MNE Declaration. On occupational safety and health, for instance, an employers' organization⁶² conducted regular consultations with its members. Respondents also referred to capacity-building activities, such as workshops on social dialogue and industrial relations, as well as monthly training activities. An employers' organization in Colombia had organized multiple activities in the area of corporate social responsibility with the participation of MNEs, while another one in Bolivia was working towards the creation of a specific corporate social responsibility unit within the organization.

ANDI conducts several activities in the area of corporate social responsibility, in which renowned MNEs participate. The objective is to reach all ANDI affiliates and provide them with information and assistance to enable them to develop a corporate social responsibility strategy aligned to its business focus, global corporate social responsibility trends, and the realities and needs of the country. ANDI is a pioneer in the development and dissemination of tools to implement corporate social responsibility strategies among Colombian enterprises. [Non-official translation] (National Employers' Association of Colombia, Republic of Colombia)

We consider it important to show the social side of enterprises, so we have been working on providing training on good corporate social responsibility practices and we are advancing, with the support of the ILO, in institutionalizing this theme, as well as in the creation of a unit within the CEPB to promote, encourage and implement good corporate social responsibility practices. [Non-official translation] (Confederation of Private Employers of Bolivia, Plurinational State of Bolivia)

4.3.3 Workers' organizations

About half of responding workers' organizations (47%) stated that they had contact points for workers' organizations of other countries regarding the conduct of MNEs (figure 4.4).

Large workers' organizations often had a secretariat or department for international relations, which acted as a contact point for MNEs and other constituents.

The AFL-CIO's International Department serves as a contact point for trade unions around the world who want to engage with the U.S. labor movement on issues of mutual interest, including the conduct of MNEs. Many of the AFL-CIO's affiliated unions who represent or are seeking to organize workers employed by foreign-based multinationals also work directly with unions in other countries representing workers of the same company on issues of mutual concern. (American Federation of Labor and Congress of Industrial Organizations, AFL-CIO, United States of America)

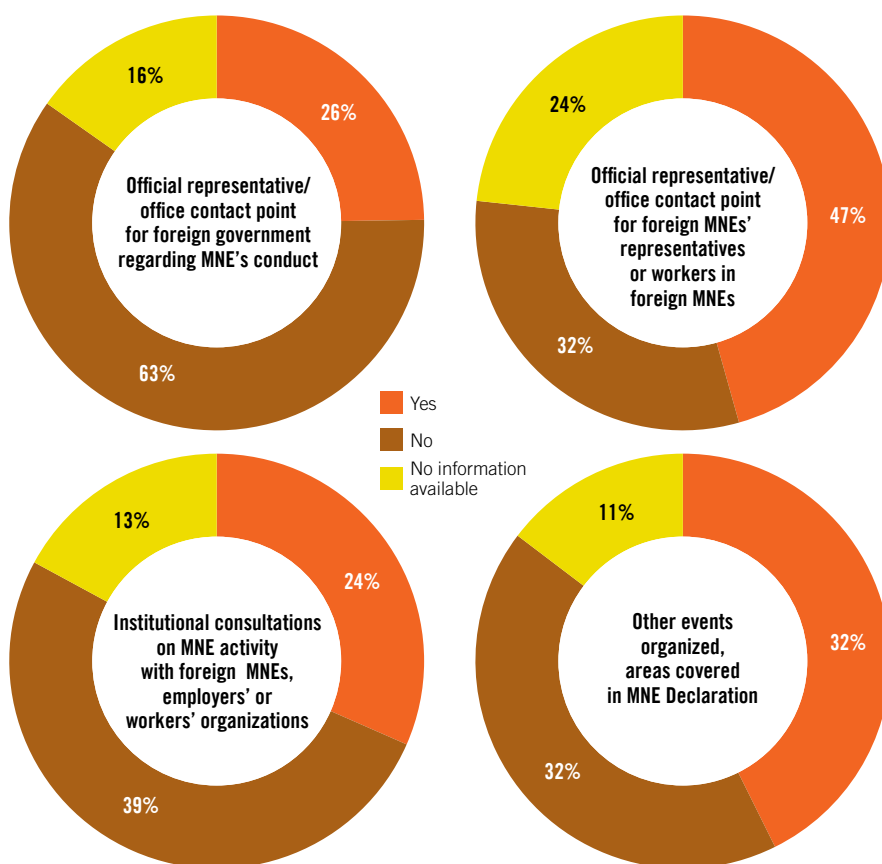
In Mexico, coordination at the international level was highlighted, as one workers' organization⁶³ has established cooperation agreements with trade unions in Canada, Germany

61. Confederation of Private Employers of Bolivia, CEPB, Bolivia.

62. Belize Chamber of Commerce and Industry.

63. National Union of Workers of Mexico.

FIGURE 4.4 Dialogue and consultation, workers' organizations (%)



Note: Percentages have been calculated by dividing the number of workers' organizations responses to each specific question ("yes", "no", "no information available") by the total number of responding workers' organizations. Example: 10 out of 38 (26%) responding workers' organizations responded "Yes" to the question "In your country, does your organization provide an official representative or office that serves as a contact point for representatives of workers of foreign MNEs?"

and the United States, among other countries, as well as with international trade union organizations.

Some respondents highlighted their cooperation with international or global union federations, such as the International Trade Union Confederation and the Trade Union Confederation of the Americas. One respondent⁶⁴ referred to its membership of the Latin American Network for Research on MNEs (RedLat) as a communication and coordination channel for workers' organizations of different countries in Latin America regarding the conduct of MNEs (box 4.3).

Box 4.3 Latin American Network for Research on MNEs

The Latin American Network for Research on MNEs (RedLat) was established in October 2005 to assist the Latin American labour movement. Seven countries are part of RedLat: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay. They represent a total of 11 participating institutions. The purpose of the network is to deepen and share knowledge about the conduct of MNEs and to strengthen and promote trade union action, contributing to their recognition as relevant social actors.

Source: www.redlat.net.

64. Confederation of Workers of Argentina.

A limited number of the responding workers' organizations had specific contact points for representatives of workers of foreign MNEs (26%), or had held institutional consultations on MNE activity with foreign MNEs, the government or employers' organizations (24%); 32% stated that they had organized events on the areas of the MNE Declaration.

Workers' organizations highlighted that dialogue and consultation often took place at the sectoral level, with concrete examples provided by several respondents.⁶⁵

The majority of trade unions by sector are affiliated to a trade secretariat at the international level, in their corresponding sectors. At this level, it is about providing follow-up to the behaviour and compliance with labour standards, through international framework agreements or specifically regarding a conflict affecting one affiliate. [Non-official translation] (General Confederation of Labour, Argentine Republic)

Some respondents⁶⁶ indicated that they channelled consultations with foreign MNEs, the government or employers' organizations on MNE activity through their OECD NCP.⁶⁷ Several workers' organizations⁶⁸ participated in their respective national OECD stakeholders' advisory boards; however, one⁶⁹ clarified that the OECD NCP function had limitations, particularly in the absence of a dialogue culture.

Other specialized bodies to conduct consultations were also mentioned, such as the Inter-Union Department of Statistics and Socio-economic Studies in Brazil. In some cases, workers' organizations also engaged suppliers of MNEs, such as in the Dominican Republic, where a tripartite body had been set up for enterprises in free trade zones, serving for dispute resolutions and social project development.

Finally, workers' organizations (32%) highlighted other activities, including training on collective bargaining, occupational safety and health, and other labour rights, as well as workshops and seminars on social dialogue, industrial relations, freedom of association, and international framework agreements, among others.

Other events mentioned by workers' organizations included forums on youth and employment and regular sectoral union meetings. As its most important institutional event, one workers' organization⁷⁰ highlighted its participation in fostering the development and adoption of a Criminal Enterprise Responsibility Act, to redress the high mortality rate in the construction sector in the country. Another workers' organization⁷¹ highlighted that limitations to freedom of association in the country, lack of specialists on the topic and shortage of available resources seriously limited the capacity of workers' organizations to organize events.

65. Confederación General de Trabajo (General Confederation of Labour, Argentina), General Union of Workers, Brazil, Confederación Nacional de Unidad Sindical Independiente (National Confederation of United Independent Unions, Panama), among others.

66. Such as Central Única Dos Trabajadores (Single Confederation of Workers, Brazil).

67. AFL-CIO and Single Confederation of Workers, Brazil.

68. AFL-CIO in the United States and Central Unitaria de Trabajadores (Single Central Organization, Chile).

69. Central Unitaria de Trabajadores del Perú (Single Confederation of Workers of Peru).

70. Inter-Union Assembly of Workers – Workers' National Convention, Uruguay.

71. Single Confederation of Workers of Peru.

4.4 Promotion of the principles of the MNE Declaration

“Did your organization organize any events or take any initiatives in recent years that sought to promote the principles of the MNE Declaration?”

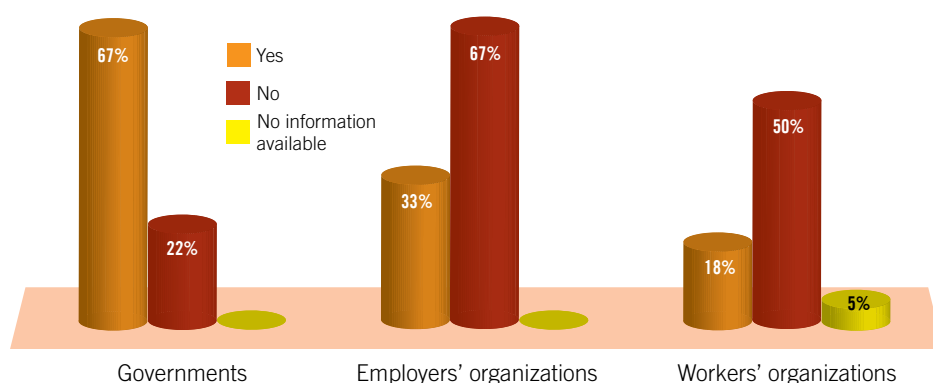
“If so, were any of these events organized or initiatives taken (1) jointly with or including governments, employers’ organizations or workers’ organizations; (2) jointly with peers of other countries; (3) with assistance from the ILO?”

“Has your organization developed or commissioned any promotional materials on the principles of the MNE Declaration which are available to the public in languages spoken in your country?”

Of all respondents, 39% indicated that they had organized events. Among them, governments had been the most proactive, with 67% of them responding affirmatively, followed by employers’ organizations (33%) and workers’ organizations (18%) (figure 4.5). Responses indicated that, overall, in 35% of the cases the events had been organized with the assistance of the ILO.

Many events were organized jointly with other constituents. Among responding governments, 44% indicated that some events had been organized jointly with or included

FIGURE 4.5 Events or initiatives to promote the principles of the MNE Declaration by governments and employers’ and workers’ organizations (%)



Note: Percentages have been calculated by dividing the number of responses to each specific question (“yes”, “no”, “no information available”) per constituent by the total number of responses per constituent. The response rate for this question was 89% for governments, 100% for employers’ organizations, and 76% for workers’ organizations, i.e. some respondent left the reply blank. Hence in some cases the percentages do not sum to close to 100%.

FIGURE 4.6 Overview of co-organized events and initiatives by governments, employers’ organizations and workers’ organizations (%)



Note: Percentages have been calculated on the number of affirmative responses (“Yes”). Hence, 100% represents a different total for each constituent, as follows: 6 for governments, 5 for employers’ organizations, and 7 for workers’ organizations. Standardization has been used for comparative purposes.

employers' or workers' organizations; and 31% of responding governments indicated that events were co-hosted with governments of other countries (figure 4.6).

Employers' organizations responded that they had organized in equal measure events with other constituents and with assistance of the ILO (37.5%).

Half of the responding workers' organizations had organized events or taken initiatives with workers' organizations of other countries, occasionally also with government or employers' organizations (14.3%), reflecting the particular emphasis they placed on coordination at the international level.

The higher rate of governments organizing events was consistent with their role as conveners of dialogue.

In regard to promotional materials on the principles of the MNE Declaration, 16% of respondents indicated that they had undertaken some action. Most participants declared not being aware of having undertaken any initiative in this direction (58%), and in the case of responding employers' organizations, none indicated having developed any promotional materials.

4.4.1 Governments

Most responding governments provided information on events or initiatives undertaken to promote the principles of the MNE Declaration, which in most cases were done jointly with or including workers' or employers' organizations. Guatemala reported that the Government had not organized any event or adopted any initiative in this regard, but stated that, although it had promoted the principles of the MNE Declaration through its public policies, it would be necessary to organize technical workshops in order to raise awareness specifically about the MNE Declaration.

On the topic of equality of opportunity and treatment, Peru mentioned an awareness-raising event for workers and employers about the Andean Migrant Worker Virtual System jointly organized with the National Society of Industries (SNI) in 2013 and with the Exporters' Association (ADEX) in 2014.

On employment promotion and training, Costa Rica provided information about a number of promotional activities, such as job fairs, the development and implementation of a platform containing placement and traineeships offers, training for professions in high demand on the labour market, and an alliance with the organization Junior Achievement Costa Rica, which promoted entrepreneurship among young people.

In the framework of the Social Responsibility Council for Sustainable Development, Chile had organized several seminars on the areas of the MNE Declaration, held jointly with the ILO, the Organization of American States and ECLAC.

Likewise, the Argentine Government mentioned its promotional activities on the areas of the MNE Declaration under the leadership of the Ministry of Labour, Employment, and Social Security.

Both the United States and Canadian Governments indicated that promoting the OECD MNE Guidelines indirectly contributed to the promotion of the principles of the MNE Declaration. The Government of the United States had also developed several guidance documents on business and human rights and forced labour, among others, and Canada used its resources abroad for the promotion of the instrument, and provided examples of links to the ILO MNE Declaration on the Government's websites as part of their efforts to raise awareness on the instrument.

As Canada's [OECD] NCP Secretariat is housed in the Department of Foreign Affairs, Trade and Development (DFATD), Canada has integrated extensive use of Canada's international platform abroad to promote and enhance awareness of the OECD Guidelines for MNEs and areas covered by the ILO MNE Declaration. (Multilateral Labour Affairs, Labour Program, Government of Canada)

Several governments, such as Argentina and Costa Rica, provided examples of promotional materials developed on the principles of the MNE Declaration, including guides and toolkits.

4.4.2 Employers' organizations

Of the responding employers' organizations, 33% indicated having organized events to promote the areas of the MNE Declaration. Several respondents signalled their interest in obtaining technical support from the ILO towards a better dissemination of the instrument among their member companies.

To this end, we would like to obtain ILO advice and support to carry out some dissemination on this topic. [Non-official translation] (Venezuelan Federation of Chambers of Commerce, Bolivarian Republic of Venezuela)

This sounds like an area that the ECA can and would wish to pursue. We will approach the ILO Caribbean Office to initiate. Any support would be appreciated. (Employers' Consultative Association of Trinidad and Tobago, Republic of Trinidad and Tobago)

The time is considered opportune for MNEs in Jamaica to be invited to a series of sessions on the Tripartite Declaration on MNEs and social policy. The opportunity will involve some research and liaison with public sector agencies, i.e. SAMPro for the total MNEs, matching some with those that are JEF members. The assistance of the ILO will greatly propel this endeavour. (Employers' Federation of Jamaica, JEF, Jamaica)

Others observed that "MNEs are not at the moment creating an obvious concern to the nation"⁷² and that meetings with MNEs had taken place on a "one-on-one" basis.⁷³

Three employers' organizations⁷⁴ gave examples of promotional activities undertaken, often during members' meetings, providing information on the industrial relations landscape in the region, processes related to dispute settlement, and occupational safety and health. Moreover, one of them⁷⁵ had created the first Business Coalition on HIV/AIDS and reactivated the Suriname Arbitration Institute for Industrial Disputes.

In terms of promotional materials, none of the responding employers' organizations stated having developed or commissioned any promotional materials on the principles of the MNE Declaration.

4.4.3 Workers' organizations

Of the responding workers' organizations, 18% affirmed having organized events or taken an initiative that sought to promote the principles of the MNE Declaration; 5% responded that they did not have available information on such initiatives.

The examples provided nonetheless indicate that even though promotional activities may not have been undertaken specifically on the MNE Declaration itself, a great number of such activities had taken place on its areas and principles. Examples mentioned by a large number of responding workers' organizations⁷⁶ include conferences, forums and seminars, often conducted with governments or with larger organizations that grouped several workers' organizations in a given country. One workers' organization⁷⁷ highlighted the introduction of a union platform to address the promotion of employment, the protection of labour rights and access to social justice.

72. The Dominica Employers' Federation.

73. Saint Kitts and Nevis Chamber of Industry and Commerce.

74. The Belize Chamber of Commerce and Industry, the Jamaica Employers' Federation, and Vereniging Surinaams Bedrijfsleven (Suriname Trade and Industry Association).

75. Suriname Trade and Industry Association.

76. Some of these include the Confederation of Workers of Argentina, Central Unitaria de Trabajadores Auténtica (Central Confederation of Workers – Authentic, Paraguay) and Central Nacional de Trabajadores (National Confederation of Workers, Paraguay).

77. Trade Union Confederation of Workers of El Salvador.

International activities have also taken place, such as international seminars by a workers' organization⁷⁸ in Brazil on "World Network of Corporate Power" in 2013, and "Work and Inequality" in 2014, jointly organized with the Centre for Trade Union Studies and Labour Economics (CESIT/Unicamp).⁷⁹

In terms of promotional materials, a workers' organization⁸⁰ in Haiti said it had developed promotional materials regarding the MNE Declaration in Creole, such as banners, flyers, posters and CDs, while another two⁸¹ had distributed the text of the MNE Declaration in meetings and events. A workers' organization⁸² in Paraguay reported it had used magazines, posters and newsletters to promote the MNE Declaration.

Three workers' organizations⁸³ produced or contributed to working papers, guides, strategies and magazines dedicated to the areas covered in the MNE Declaration. Finally, one⁸⁴ suggested that the absence of promotional materials could be partly attributed to the fact that there was no officer specifically responsible for relations with MNEs.

4.5 Other information

"Please provide any other information that you find important regarding the promotion of the MNE Declaration at the national, regional and international levels."

The questionnaire gave respondents the opportunity to provide additional information related to the promotion of the MNE Declaration at the national, regional and international levels. In this section, some respondents emphasized the relevance of the MNE Declaration as an instrument, whereas others stated that they did not have sufficient information about it. Subsequently, in some cases the MNE Declaration was not promoted directly as an instrument, even though its areas and principles were.

As indicated previously in this report, several respondents, particularly employers' organizations,⁸⁵ took the opportunity to request ILO assistance in disseminating information and building capacity on the MNE Declaration.

Concerns were raised by the tripartite constituents about the low level of awareness regarding the MNE Declaration in some countries, particularly in contrast to the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (OECD, 2011; United Nations, 2011).

One respondent⁸⁶ expressed the view that the ILO and its constituents should invest more efforts in promoting the MNE Declaration in the region.

78. General Union of Workers, Brazil.

79. University of Campinas.

80. Confédération des Travailleurs Haïtiens (Confederation of Haitian Workers).

81. Confederación de Trabajadores de Colombia (Confederation of Workers of Colombia) and Confederación de Trabajadores de Venezuela (Confederation of Workers of Venezuela).

82. Central Confederation of Workers – Authentic, Paraguay.

83. Confederation of Workers of Argentina, General Confederation of Labour, Argentina, and General Union of Workers, Brazil.

84. Confederación de Trabajadores de México (Confederation of Workers of Mexico).

85. For instance, the Federación de Cámaras y Asociaciones de Comercio y Producción de Venezuela (Venezuelan Federation of Chambers of Commerce), the Employers' Consultative Association of Trinidad and Tobago, and the Jamaica Employers' Federation.

86. AFL-CIO.



Final remarks

5

The depth and breadth of responses received in a very short period of time are a clear indication of the importance that governments and employers' and workers' organizations give to the areas covered by the MNE Declaration.

The relevant areas of the MNE Declaration indicated by governments, employers' organizations and workers' organizations included employment, particularly employment promotion, as well as conditions of work and industrial relations.

On the dialogue and consultation elements regarding MNE operations, governments, employers' organizations and workers' organizations already had diverse mechanisms in place. Governments, on the one hand, were more likely than employers' and workers' organizations to have an official representative or office that served as a contact point for representatives of foreign MNEs, including workers' representatives in foreign MNEs. Workers' organizations tended to undertake more coordinated action at the regional level, and employers' organizations were more likely than governments or workers' representatives to hold consultations on MNE activity.

An average of 39% of respondents indicated that they had organized events in recent years to promote the principles of the MNE Declaration. Governments seemed to have been most proactive, followed by employers' organizations and workers' organizations. Of these events, 35% had been organized with the assistance of the ILO, and many of them included other constituents.

The information gathered directly from the tripartite constituents through these questionnaires provides elements for consideration regarding further promotional action in the Americas. First, several respondents indicated that they would welcome ILO technical assistance in the organization of events, including trainings, and the development and dissemination of promotional materials. This is fully in line with the new implementation strategy for the follow-up mechanism of and promotional activities on the MNE Declaration, adopted by the Governing Body at its 320th Session, March 2014, where country assistance is one of the priority areas.

Dialogue and consultations is another area that can be further strengthened, particularly through tripartite dialogues – including government and employers' and workers' organizations – contributing to enhanced policy coherence and joint action. Existing tripartite structures, as well as the exchange of practices and lessons learned among tripartite constituents, could be used to this end.

Finally, comments regarding the low level of awareness about the MNE Declaration in some countries demonstrate the need to strengthen the promotion of the instrument among the tripartite constituents and to make further ILO technical assistance available in this regard.



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Appendices

Appendix I. List of responding governments and employers' and workers' organizations

Country	Government	Employers	Workers
Antigua and Barbuda		Antigua and Barbuda Employers' Federation	
Argentine Republic	Ministerio de Trabajo, Empleo y Seguridad Social		Central de Trabajadores de la Argentina (CTA) Confederación General de Trabajo (CGT R.A.)
Commonwealth of the Bahamas		Bahamas Chamber of Commerce and Employers' Confederation (BCCEC)	
Barbados		Barbados Employers' Confederation (BEC)	Congress of Trade Unions and Staff Associations of Barbados (CTUSAB)
Belize		Belize Chamber of Commerce and Industry	
Bolivia, Plurinational State of		Confederación de Empresarios Privados de Bolivia (CEPB)	
Federative Republic of Brazil			União Geral dos Trabalhadores (UGT) Central Única Dos Trabalhadores (CUT) Confederação Nacional das Profissões Liberais (CNPL)
Canada	Government of Canada. Labour Program. Multilateral Labour Affairs		
Republic of Chile	Ministerio de Trabajo y Previsión Social		Central Unitaria de Trabajadores (CUT) Central Autónoma de Trabajadores (CAT)
Republic of Colombia		Asociación Nacional de Empresarios de Colombia (ANDI)	Confederación de Trabajadores de Colombia (CTC) Central Unitaria de Trabajadores de Colombia (CUT) Confederación General del Trabajo (CGT)
Republic of Costa Rica	Coalición Costarricense de Iniciativas de Desarrollo (CINDE)		Confederación de Trabajadores Rerum Novarum (CTRNL)
Republic of Cuba	Ministerio de Trabajo y Seguridad Social		
Commonwealth of Dominica		Dominica Employers' Federation (DEF)	
Dominican Republic			Confederación Nacional de Trabajadores Dominicanos (CNTD) Confederación Autónoma Sindical Clasista (CASC) Confederación Nacional de Unidad Sindical (CNUS)
Republic of Ecuador		Federación Nacional de Cámaras de Industrias del Ecuador	
Republic of El Salvador			Confederación Sindical de Trabajadoras y Trabajadores de El Salvador (CSTS)
Grenada			
Republic of Guatemala	Ministerio de Trabajo y Previsión Social. Dirección de Asuntos Internacionales		Centro de Capacitación Sindical de Guatemala (Federación de Sindicatos de Empresas de Bienes y Servicio (FESEBS) + Federación Sindical de Trabajadores de la Alimentación, Agroindustria y Similares (FESTRAS) Unión Sindical de Trabajadores de Guatemala (UNSTRAGUA)
Republic of Guyana		Consultative Association of Guyanese Industry Ltd. (CAGI)	

Country	Government	Employers	Workers
Republic of Haiti			Confédération des Travailleurs/euses des Secteurs Public et Privé (CTSP) Confédération des Travailleurs Haïtiens (CTH)
Republic of Honduras			
Jamaica		Jamaica Employers' Federation (JEF)	
United Mexican States	Secretaría del Trabajo y Previsión Social		Confederación de Trabajadores de México (CTM) Sindicato Único de Trabajadores de la Universidad de Guadalajara (SUTUDEG) Unión Nacional de Trabajadores de México (UNT)
Republic of Nicaragua			
Republic of Panama			Convergencia Sindical Confederación Nacional de Unidad Sindical Independiente (CONUSI) – Central General Autónoma de Trabajadores de Panamá (CGTP)
Republic of Paraguay			Central Nacional de Trabajadores (CNT) Central Unitaria de Trabajadores Auténtica (CUT-A)
Republic of Peru	Ministerio de Trabajo y Promoción del Empleo		Sindicato de Trabajadores Ministerio de Transportes y Comunicaciones Ferrocarril Huancayo-Huancavelica (SITRAFHHU-MTC) Central Autónoma de Trabajadores del Perú (CATP) Sindicato Nacional de Trabajadores de Red de Energía del Perú (SINTREP) Sindicato de los Trabajadores de la Empresa RISK CONTROL SAC Confederación General de Trabajadores del Perú (CGTP) Central Unitaria de Trabajadores del Perú (CUT Perú)
Saint Kitts and Nevis		Saint Kitts and Nevis Chamber of Industry and Commerce	
Saint Lucia		St. Lucia Employers' Federation	
Saint Vincent and the Grenadines			
Republic of Suriname		Vereniging Surinaams Bedrijfsleven – Suriname Trade and Industry Association (VSB/STIA)	Progressieve Werknemers Organisatie (PWO)
Republic of Trinidad and Tobago		Employers' Consultative Association of Trinidad and Tobago (ECATT)	
United States of America	Department of Labor. Bureau of International Labor Affairs		American Federation of Labor and Congress of Industrial Organizations (AFL–CIO)
Eastern Republic of Uruguay			Plenario Intersindical de Trabajadores – Convención Nacional de Trabajadores (PIT-CNT)
Venezuela, Bolivarian Republic of		Federación de Cámaras y Asociaciones de Comercio y Producción de Venezuela (FEDECAMARAS)	Confederación de Trabajadores de Venezuela (CTV)
Others: regional/subregional organizations			Consejo Sindical Unitario de América Central, Caribe y México (CSU)

Appendix II. Questionnaires for governments, employers' and workers' organizations

Governments

1. Awareness of the principles of the MNE Declaration

1.1 Taking into account the political and economic situation in your country, which areas of the MNE Declaration are relevant when it comes to operations of multinational enterprises?

- Employment promotion
- Equality of opportunity and treatment
- Security of employment
- Training
- Wages, benefits and conditions of work
- Minimum age
- Safety and health
- Freedom of association and the right to organize
- Collective bargaining
- Consultation
- Examination of grievances
- Settlement of industrial disputes
- None
- Other. If so, please elaborate:

1.2 Please provide further information on the areas that you have indicated above, including specific challenges and opportunities, and indicate which of these areas are most relevant and why.

1.3 Please describe initiatives taken by the government to address the areas indicated above (legislation, policies, measures and actions).

2. Dialogue and consultation

2.1 In your country, does the government provide an official representative or office that serves as a contact point for:

2.1.a ... representatives of foreign MNEs, including workers' representatives in foreign MNEs?

- yes. If so, please specify
- no
- no information available

2.1.b ... governments of other countries regarding the conduct of MNEs?

- yes. If so, please specify
- no
- no information available

2.2 In your country, does the government hold any institutional consultations on MNE activity with foreign MNEs, employers' organizations or workers' organizations?

- yes. If so, please specify
- no
- no information available

2.3 In addition to these institutional consultations, has the government organized any events in recent years dealing with the areas covered in the MNE Declaration?

- yes. If so, please specify
- no
- no information available

2.4 Please describe the institutional consultation or event that you regard as the most important one and indicate why.

3. Promotion of the principles of the MNE Declaration

3.1 Did the government or any governmental agency organize any events or take any initiatives in recent years that sought to promote the principles of the MNE Declaration?

- yes
- no
- no information available

3.2 If yes: Were any of these events organized or initiatives taken:

.....
.....

3.2.a ... jointly with or including employers' or workers' organizations?

- yes
- no
- no information available

3.2.b ... jointly with governments of other countries?

- yes
- no
- no information available

3.2.c ... with assistance from the ILO?

- yes
- no
- no information available

3.3 Please give examples of such promotional activities and describe the most successful ones.

3.4 Has the government developed or commissioned any promotional materials on the principles of the MNE Declaration which are available to the public in languages spoken in your country? Please give examples of the types of material on offer.

4. Any other information

4.1 Please provide any other information that you find important regarding the promotion of the MNE Declaration at the national, regional and international levels.

Employers' organizations

1. Awareness of the principles of the MNE Declaration

1.1 Taking into account the political and economic situation in your country, which areas of the MNE Declaration are relevant when it comes to operations of multinational enterprises?

- Employment promotion
- Equality of opportunity and treatment
- Security of employment
- Training
- Wages, benefits and conditions of work
- Minimum age
- Safety and health
- Freedom of association and the right to organize
- Collective bargaining
- Consultation
- Examination of grievances
- Settlement of industrial disputes
- None
- Other. If so, please elaborate:

- 1.2 Please provide further information on the areas that you have indicated above, including specific challenges and opportunities, and indicate which of these areas are most relevant and why.
- 1.3 Please describe initiatives taken by your organization to address the areas indicated above.

2. Dialogue and consultation

- 2.1 In your country, does your organization provide an official representative or office that serves as a contact point for:
 - 2.1.a ... *representatives of foreign MNEs?*
 - yes. If so, please specify
 - no
 - no information available
 - 2.1.b ... *employers' organizations of other countries regarding the conduct of MNEs?*
 - yes. If so, please specify
 - no
 - no information available
- 2.2 In your country, does your organization hold any consultations on MNE activity with foreign MNEs, the government or workers' organizations?
 - yes. If so, please specify
 - no
 - no information available
- 2.3 In addition to these consultations, has your organization organized any events in recent years dealing with the areas covered in the MNE Declaration?
 - yes. If so, please specify
 - no
 - no information available
- 2.4 Please describe the consultation or event that you regard as the most important one and indicate why.

3. Promotion of the principles of the MNE Declaration

- 3.1 Did your organization host any events or take any initiatives in recent years that sought to promote the principles of the MNE Declaration?
 - yes
 - no
 - no information available
- 3.2 If yes: Were any of these events organized or initiatives taken:
 - 3.2.a ... *jointly with or including the government or workers' organizations?*
 - yes
 - no
 - no information available
 - 3.2.b ... *jointly with employers' organizations of other countries?*
 - yes
 - no
 - no information available
 - 3.2.c ... *with assistance from the ILO?*
 - yes
 - no
 - no information available
- 3.3 Please give examples of such promotional activities and describe the most successful ones.

- 3.4 Has your organization developed or commissioned any promotional materials on the principles of the MNE Declaration which are available to the public in languages spoken in your country? Please give examples of the types of material on offer.

4. Any other information

- 4.1 Please provide any other information that you find important regarding the promotion of the MNE Declaration at the national, regional and international levels.

Workers' organizations

1. Awareness of the principles of the MNE Declaration

- 1.1 Taking into account the political and economic situation in your country, which areas of the MNE Declaration are relevant when it comes to operations of multinational enterprises?
- Employment promotion
 - Equality of opportunity and treatment
 - Security of employment
 - Training
 - Wages, benefits and conditions of work
 - Minimum age
 - Safety and health
 - Freedom of association and the right to organize
 - Collective bargaining
 - Consultation
 - Examination of grievances
 - Settlement of industrial disputes
 - None
 - Other. If so, please elaborate:
- 1.2 Please provide further information on the areas that you have indicated above, including specific challenges and opportunities, and indicate which of these areas are most relevant and why.
- 1.3 Please describe initiatives taken by your organization to address the areas indicated above.

2. Dialogue and consultation

- 2.1 In your country, does your organization provide an official representative or office that serves as a contact point for:
- 2.1.a ... representatives of workers of foreign MNEs?
yes. If so, please specify
- no
 - no information available
- 2.1.b ... workers' organizations of other countries regarding the conduct of MNEs?
- yes. If so, please specify
 - no
 - no information available
- 2.2 In your country, does your organization hold any consultations on MNE activity with foreign MNEs, the government or employers' organizations?
- yes. If so, please specify
 - no
 - no information available

2.3 In addition to these consultations, has your organization hosted any events in recent years dealing specifically with the areas covered in the MNE Declaration?

- yes. If so, please specify
- no
- no information available

2.4 Please describe the consultation or event that you regard as the most important one and indicate why.

3. Promotion of the principles of the MNE Declaration

3.1 Did your organization hold any events or take any initiatives in recent years that sought to promote the principles of the MNE Declaration?

- yes
- no
- no information available

3.2 If yes: Were any of these events organized or initiatives taken:

3.2.a ... *jointly with or including the government or employers' organizations?*

- yes
- no
- no information available

3.2.b ... *jointly with workers' organizations of other countries?*

- yes
- no
- no information available

3.2.c ... *with assistance from the ILO?*

- yes
- no
- no information available

3.3 Please give examples of such promotional activities and describe the most successful ones.

3.4 Has your organization developed or commissioned any promotional materials on the principles of the MNE Declaration which are available to the public in languages spoken in your country? Please give examples of the types of material on offer.

4. Any other information

4.1 Please provide any other information that you find important regarding the promotion of the MNE Declaration at the national, regional and international levels.

Appendix III. Principles of the MNE Declaration

	Principles directed to governments	Principles directed to enterprises
General policies	<p>Ratify all the Fundamental Conventions and apply to the greatest extent possible, through their national policies, the principles embodied therein;</p> <p>Promote good social practice in accordance with the MNE Declaration and be prepared to have consultations with other governments whenever the need arises.</p>	<p>Obey national laws and respect international standards;</p> <p>Contribute to the realization of the fundamental principles and rights at work;</p> <p>Consult with government, employers' and workers' organizations to ensure that operations are consistent with national development priorities.</p>
Employment	<p>Declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment;</p> <p>Pursue policies designed to promote equality of opportunity and treatment in employment, with a view to eliminating any discrimination based on race, colour, sex, religion, political opinion, national extraction or social origin;</p> <p>Never require or encourage multinational enterprises to discriminate and provide guidance, where appropriate, on the avoidance of discrimination;</p> <p>Study the impact of multinational enterprises on employment in different industrial sectors;</p> <p>In cooperation with multinational and national enterprises, provide income protection for workers whose employment has been terminated.</p>	<p>Endeavour to increase employment opportunities and standards, taking the employment policies and objectives of governments into account;</p> <p>Give priority to the employment, occupational development, promotion and advancement of nationals of the host country;</p> <p>Use technologies which generate employment, both directly and indirectly;</p> <p>Build linkages with local enterprises by sourcing local inputs, promoting the local processing of raw materials and local manufacturing of parts and equipment;</p> <p>Extend equality of opportunity and treatment in employment;</p> <p>Promote security of employment, providing reasonable notice of intended changes in operations and avoiding arbitrary dismissal.</p>
Training	<p>Develop national policies for vocational training and guidance, closely linked with employment, in cooperation with all the parties concerned.</p>	<p>Provide training for all levels of employees to meet the needs of enterprises as well as development policies of the country;</p> <p>Participate in programmes to encourage skill formation and development;</p> <p>Afford opportunities within MNEs for local management to broaden their experience.</p>
Conditions of work and life	<p>Endeavour to adopt suitable measures to ensure that lower-income groups and less developed areas benefit as much as possible from the activities of multinational enterprises;</p> <p>Ensure that both multinational and national enterprises provide adequate safety and health standards for their employees.</p>	<p>Provide wages, benefits and conditions of work not less favourable than those offered by comparable employers in the country concerned;</p> <p>Provide the best possible wages, benefits and conditions of work, within the framework of government policies, to meet the basic needs of employees and their families;</p> <p>Respect the minimum age for admission to employment;</p> <p>Maintain highest standards of safety and health at work;</p> <p>Examine the causes of industrial safety and health hazards, provide information on good practice observed in other countries, and effect necessary improvements.</p>
Industrial relations	<p>Apply the principles of Convention No. 87, Article 5, in view of the importance, in relation to multinational enterprises, of permitting organizations representing such enterprises or the workers in their employment to affiliate with international organizations of employers and workers of their own choosing;</p> <p>Not include in their incentives to attract foreign investment any limitation of the workers' freedom of association or the right to organize and bargain collectively.</p>	<p>Observe industrial relations no less favourable than those observed by comparable employers;</p> <p>Respect freedom of association and the right to collective bargaining, providing the facilities and information required for meaningful negotiations;</p> <p>Support representative employers' organizations;</p> <p>Provide for regular consultation on matters of mutual concern;</p> <p>Examine the grievances of worker(s), pursuant to an appropriate procedure.</p>

Appendix IV. List of ratifications of core ILO Conventions by member States in the Americas

Country	Freedom of association		Forced labour		Discrimination		Child labour	
	Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	Forced Labour Convention, 1930 (No. 29)	Abolition of Forced Labour Convention, 1957 (No. 105)	Equal Remuneration Convention, 1951 (No. 100)	Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	Minimum Age Convention, 1973 (No. 138)	Worst Forms of Child Labour Convention, 1999 (No. 182)
Antigua and Barbuda	1983	1983	1983	1983	2003	1983	1983	2002
Argentina	1960	1956	1950	1960	1956	1968	1996	2001
Bahamas	2001	1976	1976	1976	2001	2001	2001	2001
Barbados	1967	1967	1967	1967	1974	1974	2000	2000
Belize	1983	1983	1983	1983	1999	1999	2000	2000
Bolivia, Plurinational State of	1965	1973	2005	1990	1973	1977	1997	2003
Brazil		1952	1957	1965	1957	1965	2001	2000
Canada	1972		2011	1959	1972	1964		2000
Chile	1999	1999	1933	1999	1971	1971	1999	2000
Colombia	1976	1976	1969	1963	1963	1969	2001	2005
Costa Rica	1960	1960	1960	1959	1960	1962	1976	2001
Cuba	1952	1952	1953	1958	1954	1965	1975	
Dominica	1983	1983	1983	1983	1983	1983	1983	2001
Dominican Republic	1956	1953	1956	1958	1953	1964	1999	2000
Ecuador	1967	1959	1954	1962	1957	1962	2000	2000
El Salvador	2006	2006	1995	1958	2000	1995	1996	2000
Grenada	1994	1979	1979	1979	1994	2003	2003	2003
Guatemala	1952	1952	1989	1959	1961	1960	1990	2001
Guyana	1967	1966	1966	1966	1975	1975	1998	2001

Country	Freedom of association		Forced labour		Discrimination		Child labour	
	Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	Forced Labour Convention, 1930 (No. 29)	Abolition of Forced Labour Convention, 1957 (No. 105)	Equal Remuneration Convention, 1951 (No. 100)	Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	Minimum Age Convention, 1973 (No. 138)	Worst Forms of Child Labour Convention, 1999 (No. 182)
Haiti	1979	1957	1958	1958	1958	1976	2009	2007
Honduras	1956	1956	1957	1958	1956	1960	1980	2001
Jamaica	1962	1962	1962	1962	1975	1975	2003	2003
Mexico	1950		1934	1959	1952	1961		2000
Nicaragua	1967	1967	1934	1967	1967	1967	1981	2000
Panama	1958	1966	1966	1966	1958	1966	2000	2000
Paraguay	1962	1966	1967	1968	1964	1967	2004	2001
Peru	1960	1964	1960	1960	1960	1970	2002	2002
Saint Kitts and Nevis	2000	2000	2000	2000	2000	2000	2005	2000
Saint Lucia	1980	1980	1980	1980	1983	1983		2000
Saint Vincent and the Grenadines	2001	1998	1998	1998	2001	2001	2006	2001
Suriname	1976	1996	1976	1976				2006
Trinidad and Tobago	1963	1963	1963	1963	1997	1970	2004	2003
United States				1991				1999
Uruguay	1954	1954	1995	1968	1989	1989	1977	2001
Venezuela, Bolivarian Republic of	1982	1968	1944	1964	1982	1971	1987	2005

Source: www.ilo.org/normlex

Appendix V. List of ratifications of other Conventions referred to in the MNE Declaration

Country	Conditions of Employment of Plantation Workers, 1958 (No. 110)	Protection of Workers against Ionising Radiations, 1960 (No. 115)	Guarding of Machinery, 1963 (No. 119)	Employment Policy Convention, 1964 (No. 122)	Medical Care and Sickness Benefits, 1969 (No. 130)	Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking, 1971 (No. 135)	Protection against Hazards of Poisoning arising from Benzene, 1971 (No. 136)	Prevention and Control of Occupational Hazards caused by Carcinogenic Substances and Agents, 1974 (No. 139)	Vocational Guidance and Vocational Training in the Development of Human Resources, 1975 (No. 142)
Antigua and Barbuda				2002		2002			2002
Argentina		1978				2006		1978	1978
Bahamas									
Barbados		1967		1976		1977			
Belize		1983				1999			
Bolivia, Plurinational State of				1977	1977		1977		
Brazil	Not in force	1966	1992	1969		1990	1993	1990	1981
Canada				1966					
Chile		1994		1968		1999	1994		
Colombia							1976		
Costa Rica				1966	1972	1977			
Cuba	1958			1971		1972	1972		1978
Dominica						2004			
Dominican Republic			1965	2001					
Ecuador	1969	1970	1969	1972	1978		1975	1975	1977
El Salvador				1995		2006			1995
Grenada									
Guatemala			1964	1988					
Guyana		1966				1983	1983	1983	1983

Country	Conditions of Employment of Plantation Workers, 1958 (No. 110)	Protection of Workers against Ionising Radiations, 1960 (No. 115)	Guarding of Machinery, 1963 (No. 119)	Employment Policy Convention, 1964 (No. 122)	Medical Care and Sickness Benefits, 1969 (No. 130)	Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking, 1971 (No. 135)	Protection against Hazards of Poisoning arising from Benzene, 1971 (No. 136)	Prevention and Control of Occupational Hazards caused by Carcinogenic Substances and Agents, 1974 (No. 139)	Vocational Guidance and Vocational Training in the Development of Human Resources, 1975 (No. 142)
Haiti									
Honduras				1980					
Jamaica				1974					
Mexico	1960	1983				1974			1978
Nicaragua	1981	1981	1981	1981		1981	1981	1981	1977
Panama	1971		1971	1970					
Paraguay		1967	1967	1969					
Peru				1967				1976	
Saint Kitts and Nevis									
Saint Lucia									
Saint Vincent and the Grenadines				2010					
Suriname				1976		1976			
Trinidad and Tobago				Will enter into force in Sep 2014					
United States									
Uruguay	1973	1992	1977	1977	1973	2013	1977	1980	
Venezuela, Bolivarian Republic of				1982	1982			1983	1984

Source: www.ilo.org/normlex

Appendix VI. Unemployment rate (%), selected countries of the Americas, 2010–2013

Country	2010	2011	2012	2013	Average unemployment rate 2010–2013 (%)	Variation of unemployment rate 2010–2013
Argentine Republic	7.7	7.2	7.2	7.3	7.3	–0.4
Commonwealth of the Bahamas	14.7	13.7	14.0	13.6	14.0	–1.1
Barbados	10.8	11.2	11.6	12.2	11.4	1.4
Belize	8.3	8.4	7.9	8.2	8.2	–0.1
Bolivia, Plurinational State of	3.3	3.2	3.2	3.2	3.2	–0.1
Federative Republic of Brazil	7.9	6.7	6.9	6.6	7.0	–1.3
Canada	8.0	7.4	7.2	7.1	7.4	–0.9
Republic of Chile	8.1	7.1	6.4	5.9	6.9	–2.2
Republic of Colombia	12.0	11.1	10.6	10.5	11.0	–1.5
Republic of Costa Rica	7.3	7.7	7.8	7.7	7.6	0.4
Republic of Cuba	2.5	3.2	3.2	3.2	3.0	0.7
Dominican Republic	12.4	14.7	14.8	15.0	14.2	2.6
Republic of El Salvador	7.0	6.6	6.1	6.3	6.5	–0.7
Republic of Guatemala	3.7	4.1	2.9	2.8	3.4	–0.9
Republic of Guyana	11.4	11.2	11.3	11.2	11.3	–0.2
Republic of Haiti	8.3	6.7	7.0	7.1	7.3	–1.2
Republic of Honduras	4.8	4.4	4.4	4.2	4.4	–0.6
Jamaica	12.4	12.7	13.7	15.0	13.4	2.6
United Mexican States	5.2	5.3	4.9	5.0	5.1	–0.2
Republic of Panama	6.5	4.5	4.0	4.0	4.7	–2.5
Republic of Paraguay	5.7	5.6	4.9	5.2	5.3	–0.5
Republic of Peru	4.0	3.9	3.6	3.8	3.8	–0.2
Republic of Suriname	13.0	12.8	12.8	12.4	12.7	–0.6
Republic of Trinidad and Tobago	5.9	6.3	5.8	6.6	6.1	0.7
United States of America	8.2	7.5	7.2	6.0	7.2	–2.2
Eastern Republic of Uruguay	7.2	6.3	6.5	6.3	6.6	–0.9
Venezuela, Bolivarian Republic of	8.6	8.3	8.1	7.6	8.1	–1.0
Average unemployment rate	8.0	7.7	7.6	7.6		–0.4

Source: ILO, *Trends Econometric Models*, October 2013.