



Tenth European Regional Meeting

Istanbul, Turkey, 2–5 October 2017

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Concept note

Special plenary debate 2

Organization of work and production (including the promotion and application of the MNE Declaration)

Aim

This session is invited to explore how new and emerging forms of organization of work and production impact the nature of work for enterprises/employers, workers and their representative organizations in terms of their rights and responsibilities in the changing world of work, and how opportunities for and challenges to decent work as a result of these changes can be tackled. Secondly, it could consider how the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)¹ can play a positive role in this regard in Europe and Central Asia.²

Context

Changes in the world of work, including innovations in transport, information and communication technologies, as well as international trade and the financialization and servicification of the global economy have had substantive impacts on the organization of work and production in Europe and Central Asia.

As important vectors of change, enterprises through their organizational structures and size – both big and small – have been affected.

On the one hand, many enterprises are outsourcing or subcontracting work to third-party agencies and other intermediaries at the local, national and international levels. The growing fragmentation of production processes, including through supply chains, has raised questions concerning the implications for employers, workers, economies and societies. At the fore of debates on inclusive and sustainable enterprise, economic growth and employment are issues such as productivity, competitiveness, market behaviour, fiscal and

¹ The revised version of the MNE Declaration as adopted by the Governing Body at its 329th Session (March 2017) following a tripartite review process, can be found [here](#).

² For further information on the regional follow-up mechanism of the ILO MNE Declaration, see Annex II, point 1.a.

social policies, environmental and trade policies, as well as fundamental labour rights and working conditions.

On the other hand, the emergence of new forms of enterprises such as those in the gig, platform, sharing or crowd-work economy has disrupted many traditional enterprises and established markets, while also being an important source of new forms of employment. This has contributed to the emergence of a new set of entrepreneurs, creating work opportunities and livelihoods for many in the labour market.

While such transformations in the organization of work and production have provided many opportunities for employers and workers, as well as greater flexibility and work–life balance, they have also raised questions as to the nature and scope of rights and responsibilities, including how these rights can be exercised and where and by whom such responsibilities are borne. Likewise, the roles of governments, employers' and workers' organizations, enterprises and labour market institutions are also being revisited.

These transformations and their impacts on the labour market have challenged the understanding of the standard employment relationship as it shifts from one based on continuous, regular and full-time employment towards employment relationships that are looser and fluid, or in some cases no longer exist at all. The lines between employment and self-employment have become increasingly blurred.

The proliferation of diverse and more flexible forms of employment arrangements, such as temporary work, part-time work, agency work and subcontracting, and dependent self-employment, as well as the erosion of the traditional employment relationship, have raised concerns that an increasing number of workers might be exposed to greater levels of labour market vulnerabilities and social insecurities. In some cases, workers are finding themselves outside or excluded from the scope of social protection and labour protection systems. This raises questions as to the adequacy and coverage of social and labour protection systems that would ensure a fair balance between flexibility and security.

Furthermore, as rights and responsibilities are increasingly decoupled from the employment relationship, there may be implications for occupational safety and health at work, working conditions, as well as the exercise of fundamental labour rights including freedom of association and collective bargaining, and the manner in which these rights are defended. At the same time, enterprises may be deprived of continuity and skill development within their workforces.

Changes in the organization of work and production are having, and will continue to have, far-reaching consequences for workers, employers, governments and society, as well as employment and industrial relations systems.

While all stakeholders of the economy bear responsibility for the shaping of future production processes, multinational enterprises – as a mobile and far-reaching stakeholder in an increasingly globalized economy – are particularly well-placed to, and have particular responsibilities in, advancing a sustainable future of work and production. In recent decades, production processes have become progressively more differentiated and have partly grown into global supply chains that extend beyond the reach of regulation of individual countries. This development further magnifies the role for tripartite social dialogue and promotion of good business practices.

A key instrument in the promotion of sustainable enterprises is the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy containing recommendations to enterprises (multinational and national), governments and social partners in the areas of general policies, employment, training, conditions of work and life and industrial relations. The aim of the instrument is to stimulate the positive contribution

of enterprises to socio-economic development and decent work and mitigate and resolve possible negative impacts. These recommendations reflecting good practices for all enterprises are also highly relevant in the context of the [2030 Agenda for Sustainable Development](#) and future developments in the organization of work and production.

Multinational enterprises headquartered or with operations in Europe and Central Asia play an important role in socio-economic development and decent work through their decisions on investment, procurement and employment, and the business relationships they maintain with other enterprises, especially local firms, including micro-, small and medium enterprises. While, the presence of multinationals and their supply chains present significant opportunities for socio-economic development and decent work, they may also pose challenges. It is also important that governments help create an enabling environment for multinationals and their suppliers to fully harness these opportunities and effectively manage potential disruptive impacts.

The report *Multinational enterprises, development and decent work – Report on the promotion and application of the MNE Declaration in Europe and Central Asia* presents an overview of trends in foreign direct investment (FDI) in the region and the opportunities and challenges that such investment holds for decent work.³ It also summarizes the views of governments, employers' and workers' organizations on the application of the MNE Declaration based on a questionnaire that was distributed to all ILO member States in the region. The high number of responses received⁴ indicates the strong level of interest in MNEs and their contribution to decent work and inclusive, sustainable development, as well as the importance of the promotion of this tripartite policy framework. In addition, the report provides details on the initiatives undertaken by governments, employers and workers to raise awareness on the instrument and promote the application of the recommendations set forth in the MNE Declaration.

Potential questions for consideration

- What are the new forms of enterprises and how does this impact productivity and competitiveness? How are new forms of work and employment affecting traditional categories of workers in the region? How can employment creation and protection of labour and social rights be promoted to ensure decent work for all?
- What can governments, employers' and workers' organizations do to promote an enabling environment for sustainable enterprises?
- How can investment and trade enhance the creation of decent work opportunities in the region?
- How can governments, employers' and workers' organizations take on the roles and responsibilities outlined in the MNE Declaration to better harness operations of MNEs for more and better jobs, including through their business linkages with domestic firms, including micro-, small and medium enterprises? What is the way forward for a better promotion and application of the principles of the MNE Declaration in the region in the

³ The report *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 Europe and Central Asia*, can be found [here](#).

⁴ Overall, 83 responses were received from a total of 43 countries, representing 84 per cent of the region's member States.

context of the 2030 Agenda for Sustainable Development, including through the operational tools as outlined in the revised MNE Declaration?

Reference materials

For additional information, please see the following report: *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 Europe and Central Asia*.