

Bern, 2. Mai 1977

Zo/me - 799.1.6.

A k t e n n o t i z

Rückblick auf die tripartite Weltkonferenz über  
Beschäftigung, Einkommensverteilung und sozialen  
Fortschritt und die internationale Arbeitsteilung  
vom 4. - 17. Juni 1976 in Genf

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Mit dieser Notiz möchten wir zu Handen des BIGA und im Hinblick auf den Bericht der Schweizer Delegation einige Gedanken über die Konferenz im allgemeinen sowie über die vom Verfasser verfolgten Diskussionen in der 4. Arbeitsgruppe (multinationale Unternehmen) festhalten.

I.

1. Bekanntlich wurde die tripartite Weltbeschäftigungskonferenz vom IAA einberufen und zwar aufgrund einer Resolution der 59. Session der IAO im Jahre 1974. Folgende fünf Punkte standen zur Diskussion:
  - Nationale Beschäftigungsstrategien und -massnahmen, unter besonderer Berücksichtigung der Entwicklungsländer.
  - Internationale Arbeitskräftebewegungen und Beschäftigung.
  - Technologien für die Schaffung produktiver Beschäftigungsmöglichkeiten in Entwicklungsländern.
  - Die Rolle der multinationalen Unternehmen bei der Schaffung von Beschäftigungsmöglichkeiten in den Entwicklungsländern.
  - Aktive Arbeitskräftepolitik und Anpassungshilfen in entwickelten Ländern.
  
2. Die Weltbeschäftigungskonferenz fügt sich in die Reihe der grossen Sonderkonferenzen der UNO ein (Bevölkerung, Landwirtschaft, Wohnung, Wasser, Technologietransfer, usw.). Auch an dieser Konferenz war wiederum die Verwirklichung einer "Neuen Internationalen Wirt-

schaftsordnung das Hauptanliegen und zwar nicht nur der Entwicklungsländer.

Im Unterschied zu anderen UNO-Konferenzen waren an der Weltbeschäftigungskonferenz neben den Regierungen auch die Arbeitgeber und die Arbeitnehmer (Gewerkschaften) der Teilnehmerstaaten vertreten. Diese tripartite Struktur, sie ist eine Eigenheit der IAO, hatte sich im Verlaufe der Diskussionen der anstehenden, vorwiegend weltwirtschaftlichen Probleme eher als hinderlich erwiesen.

3. Hauptgrundlage der Konferenz bildete der vom IAA veröffentlichte Bericht: "Beschäftigung, Wachstum und Grundbedürfnisse, ein weltweites Problem". Hinzu kamen noch verschiedene Papiere der drei regionalen Vorbereitungskonferenzen; diese wurden durch die Regionalbüros der IAO und durch die regionalen UNO-Kommissionen (CESAP, CEA, CEPAL) in Bangkok, Tunis und Cartagena (Kolumbien) durchgeführt. Der Bericht des IAA stellt das Beschäftigungsproblem und die Grundbedürfnisse in den Vordergrund. Eine Ueberwindung der Armut könne nur durch eine verstärkte Förderung der Beschäftigung erfolgen. Die Beschäftigungsmöglichkeiten müssten dabei vorab in jenen Bereichen geschaffen werden, die der Befriedigung der Grundbedürfnisse dienen. Es wird im Bericht eine eigentliche Strategie der Befriedigung der Grundbedürfnisse entworfen, die sowohl nationale wie auch internationale Massnahmen vorsieht. Das Schwergewicht wird dabei eindeutig auf Massnahmen im Bereiche der internen Wirtschaftspolitik der Entwicklungsländer gelegt.

Es war dies das erste Mal, dass die Beschäftigung im Mittelpunkt einer internationalen Konferenz über Entwicklungszusammenarbeit stand. Die erst sehr vage formulierte Strategie der Befriedigung der Grundbedürfnisse verdient unsere volle Aufmerksamkeit. Eines-teils deckt sie sich weitgehend mit der, unserem Bundesgesetz über die internationale Entwicklungszusammenarbeit und humanitäre Hilfe zugrunde liegenden Idee der Hilfe an die Aermsten. Andern-

teils werden jedoch durch diese Strategie Probleme der internationalen Arbeitsteilung, des Technologietransfers, des Welthandels und der multinationalen Unternehmen aufgeworfen, deren Lösung für uns von grösstem Interesse ist.

4. Der Verlauf der Konferenz war durch die tripartite Struktur einerseits und durch die zahlreichen vorliegenden Papiere andererseits weitgehend vorbestimmt. Im Plenum wurden während der ganzen Konferenzdauer die 204 Erklärungen der verschiedenen Regierungs-, Arbeitgeber- und Arbeitnehmervertreter verlesen. Der parallel tagende Gesamtausschuss benötigte zu Beginn mehrere Tage zur Diskussion der Papiere der regionalen Vorbereitungskonferenzen, zur Regelung formeller Fragen sowie zur Bildung von vier Arbeitsgruppen. Diese Arbeitsgruppen wurden durch Vertreter aller drei "Parteien" besetzt; in ihrem Rahmen fanden die eigentlichen Sachdiskussionen statt. Diese Diskussionen trugen jedoch meist kaum mehr neue Elemente bei, waren doch die Meinungen der verschiedenen Interessengruppen bereits weitgehend gemacht und in Papieren festgehalten. In verschiedenen Bereichen war denn auch von Anbeginn an klar, dass kaum eine Einigung zustande kommen würde.
5. Das Resultat der Konferenz ist dementsprechend zu würdigen. Die Weltbeschäftigungskonferenz verabschiedete zu Handen des Verwaltungsrates des IAA eine Grundsatzerklärung und ein Aktionsprogramm, das dieser, soweit zweckmässig sowie in Zusammenarbeit mit anderen internationalen Organisationen durchführen sollte.

Der für dieses Schlussdokument vorausgesetzte Konsensus kam nur mühsam und unter Zuhilfenahme verschiedener Verhandlungstricks zustande; ebenso war niemand bereit, die Verantwortung für einen allfälligen Misserfolg zu tragen. Verschiedene Erklärungen, namentlich jene der EC-Staaten der USA und der Schweiz, engten jedoch diesen Konsensus wiederum ein. Es wurde besonders darauf verwiesen, dass das IAA und die IAO sich nicht in Angelegenheiten einmischen sollten, die in den Zuständigkeitsbereich anderer Organisationen

gehören, und von diesen auch effektiv behandelt werden (GATT, UNCTAD, UNIDO, usw.).

Ueber weite Bereiche ist zudem das Schlussdokument praktisch inhaltslos. In den Bereichen der "Grundbedürfnisse", der "internationalen Arbeitskräftebewegungen und Beschäftigung", der "Technologien für die Schaffung produktiver Beschäftigungsmöglichkeiten in Entwicklungsländern" sowie der "aktiven Arbeitskräftepolitik und Anpassungshilfen in den wirtschaftlich entwickelten Ländern" konnte man sich auf die Formulierung gewisser, zwar nicht durchwegs unbestrittener, Massnahmen und Empfehlungen einigen. Im Bereiche der "Rolle der multinationalen Unternehmen bei der Schaffung von Arbeitsplätzen in den Entwicklungsländern" konnte man sich jedoch bloss über die "fortbestehende Uneinigkeit" einigen. Dieser Teil des Aktionsprogrammes enthält denn auch nur die Stellungnahmen der Regierungs-, Arbeitgeber- und Arbeitnehmervertreter, wobei innerhalb dieser drei Gruppen wiederum unterschiedliche Meinungen zu verzeichnen sind.

## II.

6. Der vierten Arbeitsgruppe oblag die Aufgabe, die "Rolle der multinationalen Unternehmen bei der Schaffung von Arbeitsplätzen in den Entwicklungsländern" näher zu beleuchten. Als Ziel wurde der Arbeitsgruppe die Ausarbeitung von einschlägigen Empfehlungen zu Händen des Gesamtausschusses gesetzt. Als Grundlage hatten dabei der bereits erwähnte Bericht des IAA sowie das Schlussdokument einer tripartiten Konsultativkonferenz über die Beziehungen zwischen den multinationalen Unternehmen und der Sozialpolitik (diese fand vom 4. - 12. Mai 1976 in Genf statt) zu dienen.

Die vierte Arbeitsgruppe gab sich folgendes Büro:

Präsident: Arpurua Ayala, Regierungsvertreter Venezuela,

Vizepräsident: Smith, Arbeitgebervertreter USA,

Vizepräsident: Engman, Arbeitnehmervertreter Schweden,

Berichter-  
statter : Tscherning, Regierungsvertreter Schweden.

Ausserdem wurden für jede der drei Interessengruppen eine Unterarbeitsgruppe gebildet; diese drei Untergruppen setzten sich folgendermassen zusammen:

Untergruppe der Regierungsvertreter:

Kerouaz, Algerien  
 Langer, BRD  
 Lanuza, Philippinen  
 Davydov, UdSSR

Untergruppe Arbeitgebervertreter:

Aibara, Indien  
 Smith, USA  
 Davison, Vereinigtes Königreich  
 Nolen, Niederlande

Untergruppe Arbeitnehmervertreter:

Hassene-Daouadji, Algerien  
 Magniadas, Frankreich  
 Knox, Neuseeland  
 Engman, Schweden

Die Verhandlungen wurden in der vierten Arbeitsgruppe in einem beinahe durchwegs ruppigen Tone geführt. Sehr oft wurde am Thema vorbei diskutiert. Auch wurden, besonders zwischen Arbeitnehmer- und Arbeitgebervertretern, teils persönliche Anschuldigungen ausgetauscht (der Fall "Nestlé" musste ebenfalls dazu herhalten).

Die Regierungsvertreter der westlichen Industrieländer betonten die positiven Aspekte der Tätigkeiten der multinationalen Unternehmen, ohne jedoch nicht auch die negativen Auswirkungen mindestens teilweise anzuerkennen. Die Regierungsvertreter der zur Gruppe der 77 gehörenden Länder beriefen sich auf die UNO-Resolution betreffend eine "Neue Weltwirtschaftsordnung" und forderten

unter anderem einen Verhaltenskodex für multinationale Unternehmen, ferner eine verstärkte Ausrichtung derer Tätigkeiten auf die durch die Entwicklungsländer autonom festgelegten nationalen Entwicklungspläne (namentlich in Bezug auf Transfer und Anwendung von angepasster Technologie). Die Regierungsvertreter der sozialistischen Länder Europas unterstützten weitgehend die Forderungen der Gruppe der 77.

Die Arbeitgebervertreter - mit Ausnahme derjenigen aus den sozialistischen Ländern, deren Ansichten sich mit jenen ihrer Regierungsvertreter deckten - beriefen sich auf eine Untersuchung der IAO, nach welcher sich die multinationalen Unternehmen im allgemeinen verantwortungsbewusst verhielten. Sie lehnten die Schaffung von Verhaltensrichtlinien nicht zum vornherein ab; immerhin hätten diese auf Freiwilligkeit zu beruhen und auch noch weitere Bedingungen zu erfüllen. Sie waren jedoch der Ansicht, dass es nicht Aufgabe der Weltbeschäftigungskonferenz sei, den Inhalt solcher Richtlinien zu erörtern.

Die Arbeitnehmervertreter schliesslich hoben vor allem beschäftigungspolitische Aspekte hervor. Sie forderten eine weltweite Ratifikation verschiedener IAO-Uebereinkommen (betreffend Vereinigungsfreiheit, Kollektivverhandlungen, Lohngleichheit, Beschäftigungspolitik, bezahlter Bildungsurlaub, usw.). Sie unterstützten die Forderung nach einem Verhaltenskodex und wandten sich gegen diskriminierende Verhaltensweisen der multinationalen Unternehmen auf dem Arbeitsmarkt. Sie betonten, dass die IAO sich aller Fragen annehmen sollte, die mit den sozialen Aspekten der Tätigkeit der multinationalen Unternehmen zusammenhängen.

Dem eher destruktiven Verlauf der Diskussionen entsprechend fiel das Resultat der vierten Arbeitsgruppe aus. Trotz zahlreicher persönlicher Vorstösse zur Kompromissfindung war es in dieser Arbeitsgruppe nicht möglich, zuhanden des Gesamtausschusses, ein auf dem Konsensus basierendes Dokument mit entsprechenden Empfehlungen zu verabschieden. Es wurde denn auch bloss eine Art Ver-

handlungsprotokoll, das die verschiedenen Aeusserungen wiedergibt geliefert, das seinerseits als Kapitel V in das im Schlussdokument enthaltene Aktionsprogramm aufgenommen wurde. Ueber diesen Misserfolg in der vierten Arbeitsgruppe äusserten besonders die Arbeitnehmervertreter ihre tiefe Unzufriedenheit.

Oscar Zosso

#### Beilagen

- Déclaration suisse, prononcée le 7.6.76 par le délégué gouvernemental, Monsieur Jean-Pierre Bony<sup>n</sup>, Directeur de l'OFIAMT.
- Summary record 20, enthaltend die Grundsatzklärung und das Aktionsprogramm.
- Explication de vote de la Délégation gouvernementale suisse à la Conférence mondiale de l'emploi.

Beilage 1

Conférence mondiale tripartite sur l'emploi  
la répartition du revenu, le progrès social et la  
division internationale du travail

Genève, du 4 au 17 juin 1976

Déclaration suisse

prononcée le 7 juin 1976 par le délégué gouvernemental,  
M. Jean-Pierre Bonny, Directeur de l'OFIAMT.

Monsieur le Président,  
Mesdames et Messieurs les Délégués,

Nous sommes réunis aujourd'hui pour traiter l'un des problèmes les plus graves de notre temps: je veux parler de l'aspiration la plus légitime de tout être humain, qui est celle de pouvoir travailler pour assurer sa propre subsistance et celle de sa famille.

En mettant le problème de l'emploi au centre de ce qu'il faut bien appeler une stratégie du développement, le B.I.T. a eu le mérite, dans son rapport, de remettre l'homme au coeur du débat. Et, pour servir l'homme, il s'agit avant tout de trouver des solutions concrètes à des problèmes concrets.

Une stratégie du développement, surtout lorsqu'elle est conçue à l'échelle mondiale, suppose que chaque Etat analyse tout d'abord sa situation et les problèmes auxquels il est confronté. Or, en ce qui concerne l'emploi, il ne fait pas de doute que les pays industrialisés eux-mêmes ne se trouvent plus aujourd'hui dans une situation aussi favorable qu'auparavant.

Ainsi qu'il est relevé dans l'introduction du rapport du B.I.T., ces deux dernières années ont été marquées par un ralentissement net de la croissance économique, et sans vouloir être trop pessimiste, il faut admettre qu'il est très improbable que l'on parvienne à retrouver ou même à maintenir les taux de croissance connus au cours des décennies précédentes.

Pays dont l'économie dépend étroitement de la conjoncture mondiale, la Suisse traverse aujourd'hui, sans aucun doute, une période difficile. Le recul de 7 % qu'a connu le produit national brut en 1975 signifie un fléchissement important de la production, fléchissement beaucoup plus fort que dans la plupart des pays industrialisés.



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Au niveau du marché de l'emploi, cette détérioration s'est traduite par l'apparition d'un phénomène quasiment ignoré par la Suisse au cours de ces quinze dernières années: le chômage. Certes, le taux du chômage complet demeure-t-il relativement bas dans notre pays, mais, pour pouvoir véritablement apprécier la situation, il faut tenir compte de l'importance du nombre des chômeurs partiels, qui, en Suisse, proportionnellement, est l'un des plus forts, sinon le plus fort de tous les autres pays industrialisés. En permettant d'éviter des licenciements, le recours au chômage partiel peut sans doute contribuer à résoudre certains problèmes du marché de l'emploi. Mais ceci est valable uniquement lorsqu'il s'agit de difficultés passagères, car le recours au chômage partiel comporte des risques certains dont le plus important est celui d'opposer un frein à la nécessaire restructuration de l'économie. J'ai dit restructuration nécessaire, mais je voudrais ajouter restructuration progressive et équilibrée. Car il est bien évident que l'on ne saurait envisager une évolution des structures sans tenir compte d'un impératif majeur, celui du maintien d'un taux d'emploi aussi élevé que possible.

Pour ce qui est du marché du travail en Suisse, et puisqu'il s'agit là d'un des aspects du problème évoqués par le rapport, je voudrais parler du rôle important que jouent les travailleurs migrants dans notre économie. Ainsi que le relève le rapport, c'est en Suisse que la population active compte la plus forte proportion d'étrangers.

Cette situation pose des problèmes particuliers, qu'il s'agit de résoudre en tenant compte des intérêts de toutes les parties. La politique du Gouvernement suisse en la matière a été clairement définie, et elle peut se résumer ainsi: il s'agit d'une part d'atteindre un juste équilibre entre la population indigène et la population allogène, et d'autre part de trouver les meilleurs moyens pour favoriser l'intégration des travailleurs étrangers, intégration qui peut se réaliser dans le respect des différentes identités culturelles.

Pour en venir maintenant à la stratégie des besoins essentiels préconisée par le rapport du B.I.T., je dirais que nous sommes tout à fait conscients de la relation directe qui existe entre l'emploi et les besoins fondamentaux. Sans la pleine utilisation du capital humain existant, ceux-ci ne pourront qu'à grand-peine être satisfaits. La création de postes de travail exerce aussi un impact socio-politique, en effectuant une péréquation économique qui permet de diminuer les causes des tensions sociales et politiques sur le plan intérieur aussi bien qu'international,

ce qui, en dernière analyse, est dans notre propre intérêt général.

Nous sommes reconnaissants au Directeur général d'avoir souligné combien importante était la politique économique et sociale de chaque pays en développement dans la réalisation de cet objectif. Dans les pays où la majorité de la population vit dans les campagnes, une politique de développement rural est un facteur indispensable à l'augmentation du niveau de l'emploi, et à ce qui est son corollaire, à l'amélioration des conditions d'existences des masses. C'est également par le développement d'activités nouvelles que pourrait être attaqué avec le plus de chances de succès le problème du chômage et du sous-emploi urbain.

En matière de services, il serait par exemple possible de fournir des services de santé et d'hygiène élémentaires, ainsi que des moyens d'éducation et de formation qui pourraient absorber une main-d'oeuvre importante dans des activités qui ont une indéniable utilité. Mais il est clair, là encore, que ce type d'activités ne peut se développer que si les gouvernements et les peuples intéressés ont réellement la volonté de réorienter leurs politiques de développement économique et social en vue de la satisfaction des besoins élémentaires humains.

Le choix des techniques appropriées constitue un autre élément de l'emploi. Par techniques appropriées, nous n'entendons pas seulement la technologie intermédiaire, qu'il est indispensable de développer dans un certain nombre de cas, mais nous pensons également au recours à des techniques de pointe lorsque celles-ci s'avèrent réellement plus productives et ne mettent pas en danger des postes de travail dans les pays qui les adopteraient, qu'il s'agisse de pays en développement ou de pays déjà développés. Dans le choix et l'utilisation des techniques nouvelles, l'O.I.T. a une importante contribution à apporter: c'est ainsi le cas pour l'analyse des répercussions de la technologie sur le lieu de travail, sur le niveau des relations professionnelles et sur l'emploi. Nous pensons cependant qu'une coordination et une étroite coopération entre les diverses institutions qui s'occupent de ce même problème sont indispensables, chaque organisation devant fournir sa contribution propre dans les domaines où elle dispose d'une expérience particulière.

Si la responsabilité première d'une politique de croissance fondée sur la satisfaction des besoins essentiels repose sur les pays en développement, nous pouvons, nous, pays industrialisés, néanmoins y contribuer en complétant les efforts dans ce domaine fournis par les pays intéressés, et nous sommes prêts, dans une certaine mesure en tous cas, à le faire. Nous avons en particulier la volonté de concentrer

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notre effort de coopération technique en faveur des pays, des régions, et des groupes de populations particulièrement défavorisés. Nous souhaitons pour ce faire appuyer en particulier les efforts de développement rural, de mise en place d'artisanat ou de petite industrie et, d'une manière plus générale, toutes les mesures visant à améliorer le niveau de l'emploi. Nos priorités en matière d'aide publique au développement correspondent donc bien à celles préconisées par le B.I.T., et je dirai même que notre apport ne peut être réellement utile que s'il est inscrit dans une politique nationale de développement allant dans la direction suggérée par le rapport que nous examinons.

Nous sommes conscients également du fait qu'une politique cohérente de l'emploi ne peut se réaliser sans une certaine réorientation des flux commerciaux. Nous avons, quant à nous, établi un système de préférences douanières en faveur des pays en développement, destiné à faciliter l'essor de certains secteurs de leur industrie. Alors que notre système de préférences douanières et d'importations en général est l'un des plus libéraux du monde, nous examinons actuellement la possibilité d'améliorer encore ce système. Nous constatons cependant avec regret que les possibilités offertes par le système des préférences généralisées ne sont pas encore pleinement exploitées.

Nous savons qu'à terme une politique de l'emploi et de croissance dans les pays en développement impliquera une certaine redistribution des capacités de production industrielle dans le monde, à laquelle contribuera la restructuration de notre économie, effectuée de manière autonome. Lors de la dernière session du Conseil de l'ONUDI, nous avons reconnu dans ce contexte le principe de consultation sur la restructuration de secteurs choisis. L'élément essentiel de notre politique structurelle consiste à laisser jouer les mécanismes du marché et à admettre que celles de nos industries qui ne seraient plus concurrentielles devraient, à terme, se réorganiser. Une telle option requiert que soient prises des mesures sociales efficaces en faveur des travailleurs touchés par cette évolution et si l'on soutient les efforts de diversification des régions qui seraient particulièrement frappées. Nous sommes, quant à nous, particulièrement conscients de cet aspect du problème. C'est ainsi que lors de la conception de la nouvelle assurance chômage, nous avons tenu compte des principes actuels de l'économie, du marché du travail et de la politique sociale. La nouvelle assurance chômage ne vise pas seulement à assurer le travailleur contre un risque financier, celui de la perte du salaire, mais tente de procurer aussi un nouveau poste de travail en cas de chômage structurel, en encourageant la mobilité géographique et professionnelle des travailleurs. Par ailleurs, une commission spéciale a été chargée d'examiner

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les problèmes des régions à économie peu diversifiée qui traversent aujourd'hui une période particulièrement critique.

Nous avons enfin le sentiment que les entreprises, et notamment celles qu'il est convenu d'appeler les entreprises multinationales, peuvent jouer un rôle non négligeable dans cette adaptation des structures industrielles mondiales. Nous continuons d'être persuadés que les investissements que font ces entreprises dans les pays en développement, à condition bien entendu qu'ils s'inscrivent dans la politique et les priorités fixées librement par les gouvernements de ces pays, peuvent grandement contribuer à l'accumulation d'un capital productif dans ces pays et peuvent faciliter le transfert des techniques et du "know how" nécessaire à la production de grand nombre de biens industriels. En pratiquant à l'égard de ces entreprises une politique qui ne doit pas nécessairement être une politique de faveur, mais qui doit, et ce sont là des points absolument essentiels, rester stable une fois qu'elle a été fixée et être non discriminatoire, chaque pays a la possibilité de bénéficier de tels investissements et à des conditions qu'il aura lui-même fixées.

J'aimerais enfin aborder un dernier aspect de notre contribution à la politique de l'emploi dans les pays en développement: celui des migrations. Nous sommes prêts à accueillir des ressortissants du tiers monde qui souhaitent acquérir ou perfectionner chez nous leur formation professionnelle, et ceci dans la mesure où nous avons réellement des connaissances ou une expérience à transmettre. Nous préférons cependant le faire dans le cadre de programmes de formation ou de stages, car l'expérience nous a montré qu'en donnant individuellement à tous ceux qui le demandent de telles possibilités de formation ou de perfectionnement, nous contribuons souvent à l'exode des cerveaux plutôt qu'à un transfert de connaissances en faveur des pays en développement. En étant pleinement conscients du grave problème que constitue le "brain drain", nous sommes également d'avis que, dans des cas déterminés, il conviendra d'accorder la préférence à la formation assurée sur place, ainsi qu'à une coopération accrue à cet égard entre pays en développement eux-mêmes, plutôt qu'aux possibilités de formation offertes dans les pays industrialisés.

Pour conclure, je voudrais remercier le B.I.T. d'avoir mis à notre disposition un rapport qui constitue une tentative équilibrée d'aborder l'emploi en tant qu'instrument essentiel du développement. Dans la mesure où la nouvelle stratégie préconisée laisse aux différents Etats la responsabilité du choix de leur propre politique de développement, nous

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pouvons souscrire aux grands principes énoncés dans le rapport, dont l'application contribuera sans aucun doute à l'amélioration des conditions d'existence de l'humanité toute entière.

Monsieur le Président,  
Mesdames et Messieurs,

Je vous remercie de votre attention.



# WORLD EMPLOYMENT CONFERENCE

Geneva, 4-17 June 1976

## SUMMARY RECORD

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### APPENDIX

#### REPORT OF THE COMMITTEE OF THE WHOLE

#### DECLARATION OF PRINCIPLES

The Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour held in Geneva from 4 to 17 June 1976 in accordance with the resolution adopted by the International Labour Conference during its 59th Session (1974):

AWARE that past development strategies in most developing countries have not led to the eradication of poverty and unemployment; that the historical features of the development processes in these countries have produced an employment structure characterised by a large proportion of the labour force in rural areas with high levels of underemployment and unemployment; that underemployment and poverty in rural and urban informal sectors and open unemployment, especially in urban areas, has reached such critical dimensions that major shifts in development strategies at both national and international levels are urgently needed in order to ensure full employment and an adequate income to every inhabitant of this One World in the shortest possible time;

AWARE that industrialised countries have not been able to maintain full employment and that economic recession has resulted in widespread unemployment;

NOTING that the Conference is a major initiative on the part of the International Labour Organisation towards the efforts that many of the member countries are making to establish a more equitable international economic order, and that it is consistent with the deliberations of the important world conferences of recent years;

RECALLING further the conclusions of the Sixth and Seventh Special Sessions of the United Nations General Assembly, in particular Resolution 3202 (S-VI) concerning the Establishment of a New International Economic Order, and Resolution 3362 (S-VII) concerning Development and International Economic Co-operation;

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NOTING that underemployment, unemployment, poverty, malnutrition and illiteracy are caused by both national and international factors; that at the national level they are caused by structural factors emanating from underdevelopment and, at the international level, they are due mainly to the deteriorating situation in developing countries, which is partly the consequence of cyclical and structural imbalances in the world economic situation;

RECOGNISING that one of the primary objectives of national development efforts and of international economic relations must be to achieve full employment and to satisfy the basic needs of all people throughout this One World;

COMMITTED to the attainment of an equitable distribution of income and wealth through appropriate strategies to eradicate poverty and promote full, productive employment to satisfy basic needs;

NOTING

- (a) that unemployment, underemployment and marginality are a universal concern and affect at least one-third of humanity at the present time, offending human dignity and preventing the exercise of the right to work;
- (b) that the experience of the past two decades has shown that rapid growth of gross national product has not automatically reduced poverty and inequality in many countries, nor has it provided sufficient productive employment within acceptable periods of time;
- (c) the current unsatisfactory international economic situation and the discussions of problems affecting unemployment and related issues in UNCTAD IV;
- (d) that the existence of an informal urban sector which has grown out of proportion during the past decades in the developing countries and the chronic lack of jobs in rural areas burden the labour markets and hinder the sectoral and regional integration of national development policies;
- (e) that it is necessary to replace the current international division of labour wherein the participation of developing countries in international trade is mainly the exportation of raw materials, semi-processed products and highly labour-intensive manufactured goods and the importation of highly capital-intensive industrial products, so as to enable all countries to engage in other types of production in accordance with their national priorities;

RECALLING the Universal Declaration of Human Rights, in particular Article 23, adopted by the General Assembly of the United Nations in 1948;

CONSIDERING that only productive work and gainful employment, without discrimination, enable man to fulfil himself socially and as an individual, and reconfirming that the assured opportunity to work is a basic human right and freedom;

CONSIDERING that the growth of productive employment is one of the most effective means to ensure a just and equitable distribution of income and to raise the standard of living of the majority of the population;

CONVINCED that the establishment and modernisation of small and medium-sized enterprises in rural as well as in urban sectors will increase the volume of employment and therefore play an important part in a basic-needs strategy, and that the private sector has an important role to play in development and employment creation;

CONSIDERING that integrated development of developing countries can be achieved only in so far as equal priority is attached to the social, economic and political aspects of development;

AFFIRMING that the problems of underemployment, unemployment and poverty must be attacked by means of direct, well co-ordinated measures at both national and international levels;

RECOGNISING that in most developing countries, the government is the principal promoter of development and employment and the competent instrument to achieve a just and equitable distribution of income, with the effective participation of trade unions, rural workers' organisations and employers' associations;

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RECOGNISING that international relations should be based on co-operation, interdependence, national sovereignty, self-determination of peoples, and non-intervention in the internal affairs of countries;

RECONFIRMING the importance of regional and subregional co-operation as a major instrument to achieve the expansion of domestic markets, to facilitate the use of modern technologies, efficient industrialisation, better integration into the world economy, and to give greater weight to the positions of developing countries in international relations, with a view to accelerating the development of Third World countries;

NOTING the firm commitment of the developing countries and of some developed countries to implement the New International Economic Order, based on the principles contained in the Charter of Economic Rights and Duties of States;

NOTING that a review and appraisal of the strategy for the Second Development Decade (Resolution 3517 of the United Nations General Assembly) are taking place and that preparations for the Third Development Decade have commenced;

CONVINCED that the strategy for the Second Development Decade needs to be complemented by a programme of action to guide international and national development efforts towards fulfilling the basic needs of all the people and particularly the elementary needs of the lowest income groups;

RECALLING that the ILO, particularly through its World Employment Programme, has a direct responsibility for elaborating such a strategy with regard to the achievement of full productive employment in decent working conditions, and ensuring respect for the freedoms and rights of association and collective bargaining laid down in Conventions Nos. 87, 98 and 135;

The Conference hereby adopts and requests the Governing Body of the ILO to implement the Programme of Action where appropriate in co-operation with other international organisations.



## PROGRAMME OF ACTION

### I. BASIC NEEDS

1. Strategies and national development plans and policies should include explicitly as a priority objective the promotion of employment and the satisfaction of the basic needs of each country's population.
2. Basic needs, as understood in this Programme of Action, include two elements. First, they include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, as well as certain household equipment and furniture. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health, educational and cultural facilities.
3. A basic-needs-oriented policy implies the participation of the people in making the decisions which affect them through organisations of their own choice.
4. In all countries freely chosen employment enters into a basic-needs policy both as a means and as an end. Employment yields an output. It provides an income to the employed, and gives the individual a feeling of self-respect, dignity and of being a worthy member of society.
5. It is important to recognise that the concept of basic needs is a country-specific and dynamic concept. The concept of basic needs should be placed within a context of a nation's over-all economic and social development. In no circumstances should it be taken to mean merely the minimum necessary for subsistence; it should be placed within a context of national independence, the dignity of individuals and peoples and their freedom to chart their destiny without hindrance.

### STRATEGIES AND POLICIES TO CREATE FULL EMPLOYMENT AND TO MEET BASIC NEEDS IN DEVELOPING COUNTRIES

6. In developing countries satisfaction of basic needs cannot be achieved without both acceleration in their economic growth and measures aimed at changing the pattern of growth and access to the use of productive resources by the lowest income groups. Often these measures will require a transformation of social structures, including an initial redistribution of assets, especially land, with adequate and timely compensation. Land reform should be supplemented by rural community development. In some countries, however, public ownership and control of other assets is an essential ingredient of their strategy. Obviously, each country must democratically and independently decide its policies in accordance with its needs and objectives.
7. Any national employment-centred development strategy aiming at satisfying the basic needs of the population as a whole should, however, include the following essential elements, to the extent that countries consider them to be desirable:

#### Macro-Economic Policies

- (a) An increase in the volume and productivity of work in order to increase the incomes of the lowest income groups;
- (b) strengthening the production and distribution system of essential goods and services to correspond with the new pattern of demand;
- (c) an increase in resource mobilisation for investment; the introduction of progressive income and wealth taxation policies; the adoption of credit policies to ensure employment creation and increased production of basic goods and services;
- (d) the control of the utilisation and processing of natural resources as well as the establishment of basic industries that would generate self-reliant and harmonious economic development;
- (e) developing inter-regional trade, especially among the developing countries, in order to promote collective self-reliance and to ensure the satisfaction of basic import needs without depending permanently on external aid;
- (f) a planned increase in investments in order to achieve diversification of employment and technological progress and to overcome other regional and sectoral inequalities;

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(g) reform of the price mechanism in order to achieve greater equity and efficiency in resource allocation and to ensure sufficient income to small producers;

(h) reform of the fiscal system to provide employment-linked incentives and more socially just patterns of income distribution;

(i) safe-guarding ecological and environmental balances;

(j) provision by the government of the policy framework to guide the private and public sectors towards meeting basic needs, and making its own industrial enterprises model employers; in many cases this can only be done in a national planning framework;

(k) the development of human resources through education and vocational training.

#### Employment Policy

8. Member States should place prime emphasis on the generation of employment, in particular to meet the challenge of creating sufficient jobs in developing countries by the year 2000 and thereby achieve full employment. Specific targets should be set to reduce progressively unemployment and underemployment.

9. The following policies should be adopted to encourage employment creation:

(a) Member States should ratify ILO Convention No. 122 and should ratify, implement and safeguard fair labour standards, such as the right to organise and to engage in collective bargaining, as laid down in ILO Conventions Nos. 87, 98 and 135.

(b) In the criteria for project selection and appraisal, employment and income distribution aspects should have adequate emphasis in development planning and in the lending policies of international financial institutions.

(c) Member States should implement active labour market policies of the type set forth in the ILO Human Resources Development Convention, 1975 (No. 142), and the accompanying Human Resources Development Recommendation, 1975 (No. 150), and adjust enterprise-level policies, especially with regard to recruitment, work organisation, working conditions and work content, so as fully to absorb under-utilised labour resources.

(d) Wage policies should be such that:

(i) they ensure minimum levels of living;

(ii) the real wages of workers and the real incomes of self-employed producers are protected and progressively increased;

(iii) wage levels are equitable and reflect relative social productivity;

(iv) anti-inflationary incomes and price policies, where introduced, take these objectives into account.

(e) Equality of treatment and remuneration for women should be ensured.

#### Rural Sector Policies

10. Governments should give high priority to rural development, and increase the effectiveness of their policies, including those to reorganise the agrarian structure. Rural development involves the modernisation of agriculture, the development of agro-based industries, and the provision of both physical and social infrastructure. It should encompass educational and vocational training facilities, the construction of main and feeder roads, the provision of credit facilities and technical assistance, especially to small farmers and agricultural labourers.

11. Co-operatives should be promoted in accordance with ILO Recommendation No. 127 and extend not only to the use of land, equipment and credit, but also to the fields of transportation, storage, marketing and the distribution network, processing and services generally. More emphasis should be placed on the development of co-operatives in national policies, especially when they can be implemented so as to involve the lowest income groups, through their own organisations.

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12. In most of the developing countries, agrarian reform, land distribution and the provision of ancillary services are basic to rural development. A minimum requirement is to provide house sites for rural and plantation workers and other landless labourers so as to assist them in building their homes and making them independent, especially in case of loss of employment.

13. The main thrust of a basic-needs strategy must be to ensure that there is effective mass participation of the rural population in the political process in order to safeguard their interests. In view of the highly hierarchical social and economic structure of agrarian societies in some developing countries, measures of redistributive justice are likely to be thwarted unless backed by organisations of rural workers. A policy of active encouragement to small farmers and rural workers' organisations should be pursued to enable them to participate effectively in the implementation of:

- (a) programmes of agrarian reforms, distribution of surplus lands and land settlement;
- (b) programmes for developing ancillary services such as credit, supply of inputs and marketing; and
- (c) programmes concerning other employment generation schemes, such as public works, agro-industries and rural crafts.

As specified in ILO Convention No. 141, Governments should create conditions for the development of effective organisations of rural workers.

#### Social Policies

14. Social policies should be designed to increase the welfare of working people, especially women, the young and the aged.

##### Women

15. Since women constitute the group on the bottom of the ladder in many developing countries in respect of employment, poverty, education, training and status, the Conference recommends that special emphasis be placed in developing countries on promoting the status, education, development and employment of women and on integrating women into the economic and civic life of the country.

16. Specifically, the Conference recommends:

- (a) the abolition of every kind of discrimination as regards the right to work, pay, employment, vocational guidance and training (including in-service training), promotion in employment and access to skilled jobs;
- (b) that more favourable working conditions be ensured so that women may perform their other functions in society and married women may be able to return to either full-time or part-time productive employment;
- (c) that the work burden and drudgery of women be relieved by improving their working and living conditions and by providing more resources for investment in favour of women in rural areas.

##### The Young, the Aged and the Handicapped

17. In the implementation of basic-needs strategies, there should be no discrimination against the young, the aged or the handicapped. Every effort should be made to provide the young with productive employment, equal opportunity and equal pay for work of equal value, vocational training and working conditions suited to their age. Exploitation of child labour should be prohibited in accordance with the relevant ILO standards.

##### Participation of organised groups

18. Governments must try to involve employers' organisations, trade unions and rural workers' and producers' organisations in decision-making procedures and in the process of implementation at all levels. These are the organisations which represent the vast majority of the population and, therefore, they must be the ones to help define the basic needs and apply the necessary strategies.

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19. Employers' and producers' organisations, trade unions and other workers' organisations such as rural workers' organisations have an important role to play in the design and implementation of successful development strategies. They must be encouraged to participate effectively in the decision-making process. Workers' organisations are also of great importance in the search for a reform of the existing international economic structures and they have a major role to play in the achievement of a fairer distribution of income and wealth.

#### Education

20. Education is itself a basic need, and equality of access to educational services, particularly in rural areas, is therefore an important ingredient of a basic-needs strategy. Lack of access to education denies many people, and particularly women, the opportunity to participate fully and meaningfully in the social, economic, cultural and political life of the community.

21. Educational and vocational training systems should be adapted to national development needs and should avoid an élitist bias; priority should be given to adult and primary education, especially in the rural areas.

#### Population Policy

22. High birth rates in poverty-stricken areas are not the cause of under-development but a result of it. They may, however, jeopardise the satisfaction of basic needs. It is only through the fulfilment of these needs, with special emphasis on the development of the position and status of women, that couples will be in a better position to determine the size of their family in a manner compatible with the aims of their society. The Conference is of the view that population policies consistent with the culture and the societies involved, as recommended by the 1974 World Population Conference, should be strongly encouraged. It recommends that information on population programmes should be made available to people in a form and language that they can understand.

#### INTERNATIONAL ECONOMIC CO-OPERATION

23. The satisfaction of basic needs is a national endeavour, but its success depends crucially upon strengthening world peace and disarmament and the establishment of a New International Economic Order. The World Employment Conference fully supports the efforts being made by the United Nations General Assembly in its resolution as adopted at the Seventh Special Session and through the relevant agencies of the UN system to introduce international reforms in trade and finance in favour of developing countries and thus to contribute to the creation of a New International Economic Order. The Conference recognises that the basic-needs strategy is only the first phase of the redistributive global growth process.

24. In particular, the Conference, recognising the primary objectives of national development, urges ILO member States to continue their efforts through the appropriate UN agencies to:

- (a) stabilise developing countries' exports of primary products and improve their terms of trade through financing an integrated commodity programme;
- (b) secure expanded access for developing countries' manufactured exports to the markets of rich countries through trade liberalisation measures on a non-reciprocal basis;
- (c) increase the net transfer of resources to developing countries, including the mitigation of their debt burden;
- (d) increase mutual economic co-operation between countries with different social and economic systems.

25. The Employers' group wished it to be placed on record that they regarded the section on international economic co-operation as being outside the proper competence of the ILO and as being inappropriate for comment by employers. They agreed, however, that the ILO should co-operate with relevant UN organisations, wherever appropriate, in implementing its policies throughout the developing world.

26. A number of Western industrialised countries wished it to be placed on record that they regarded the section on international economic co-operation (paras. 23

and 24) as being outside the proper competence of the ILO. They took the view that, within its area of competence, the ILO should co-operate with other UN organisations, wherever appropriate, in implementing its policies throughout the developing world.

#### Recommendations

27. The ILO should co-operate with other UN agencies in bringing about these desired reforms in order to give meaning and reality to the expressed commitment of the world community to assist national basic-needs strategies. It should work through, in particular, the World Employment Programme, including its regional components, and its recognised instrumentalities, such as the existing standard-setting activities, technical assistance and industrial activities.
28. The ILO should, in particular, undertake promotion of short-term and quick employment-generating programmes for making an immediate impact on the prevailing levels of poverty and massive waste of human resources. The Conference recommends that a portion of the \$1,000 million International Fund for Agricultural Development should be used for the generation of employment in the rural sector.
29. The Governing Body of the ILO is urged to recommend the review of research programmes, operational activities and organisational structures of the UN family so as to focus them more sharply on the contribution they can make to meeting the basic-needs targets, particularly of the lowest income groups. The Administrative Committee on Co-ordination (ACC) should be requested to review, monitor and report on the work of the different agencies and regional commissions of the UN system.
30. The ILO should, in co-operation both with other UN bodies and with interested national governments, consider the feasibility of initiating a world-wide programme in support of household surveys to map the nature, extent and causes of poverty; to assist countries to set up the necessary statistical and monitoring services; and to measure progress toward the fulfilment of basic needs.
31. Member States should, to the extent possible, supply the ILO, before the end of the decade, with the following information:
- (a) a quantitative evaluation of basic needs for the lowest income groups within their population, preferably based on the findings of a tripartite commission established for the purpose;
  - (b) a description of policies, existing and in preparation, in order to implement the basic-needs strategy.
32. The ILO is requested to prepare a report for an annual conference before the end of the decade and to include the following information:
- (a) an elaboration of more precise concepts defining basic needs on the basis of national replies;
  - (b) a survey of the entire range of national replies received and an analysis of the national situations with respect to the levels of basic needs as well as policies to attain them.
33. The Governing Body of the ILO is urged to place the question of the revision of Convention No. 122 on the agenda of an early session of the International Labour Conference.
34. The Conference finally requests that policies required to meet basic needs become an essential part of the United Nations Second Development Decade Strategy and form the core of the Third Development Decade Strategy.

## II. INTERNATIONAL MANPOWER MOVEMENTS AND EMPLOYMENT

### General objectives of national and international policies

35. The aim of national and international policies in this field should be three-fold: (i) to provide more attractive alternatives to migration in the country of origin; (ii) to protect migrants and their families from the difficulties and distress which sometimes follow migration; (iii) to take care that neither migration nor its alternatives are prejudicial to the rest of the population or harmful to economic and social development in either the country of origin or the country of employment.

### Measures designed to avoid the need for workers to emigrate

36. The development strategy in the countries of origin should include in particular an employment policy which would give workers productive employment and satisfactory conditions of work and life.

37. This strategy should be implemented in the framework of multilateral and bilateral co-operation which would make it possible through such means as encouragement of appropriate intensified capital movements and transfers of technical knowledge to promote a reciprocally advantageous international division of labour; this calls for necessary readjustments in countries of employment.

### Measures against migrations in abusive conditions and in favour of the promotion of equality of opportunity and treatment

38. Governments, employers and workers of the countries of employment should ensure that all migrants are protected against any exploitation and effectively enjoy equality of opportunity and treatment. These principles and the means of implementing them are stated in detail in the international standards of the ILO and more specifically in the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), and in the complementary Migrant Workers Recommendation, 1975 (No. 151). A special effort should be made to ratify and apply the Convention and give effect to the provisions of the Recommendation, especially with regard to:

- (a) the fight against migrations in abusive conditions, particularly through sanctions in conformity with Article 6 of the Convention;
- (b) the promotion of equality of opportunity and treatment in respect of employment and occupation, of social security, of trade union and cultural rights and of individual and collective freedoms and especially the encouragement of the efforts of migrant workers and their families to preserve their national and ethnic identity as well as their cultural ties with their country of origin, including the possibility for children to be given some knowledge of their mother tongue;
- (c) the elaboration and implementation of a social policy which emphasises:
  - i) reunification of families;
  - ii) protection of the health of migrant workers;
  - iii) establishment of adequate social services;
- (d) minimum guarantees as regards employment and residence.

39. In order to combat discrimination and illegal trafficking in manpower, governments, employers and workers should strengthen their action to ensure the application of national legislation and collective agreements and to initiate the early introduction of appropriate penal sanctions against all who organise or knowingly take advantage of illegal movements of manpower.

### Multilateral and bilateral agreements

40. Multilateral and bilateral agreements should be drawn up to deal with the migration of workers and problems concerning migrant workers and their families. Such agreements should be in accordance with the principles established in ILO standards. As far as possible, representative organisations of employers and workers should participate in their preparation and implementation.

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41. Such agreements should be based upon the economic and social needs of the countries of origin and the countries of employment; they should take account not only of short-term manpower needs and resources, but also of the long-term social and economic consequences of migration, for migrants as well as for the communities concerned.

42. One of the principal objectives of mutually accepted policies in the framework of these agreements should be to even out fluctuations in migration movements, return migration flows and remittances and make them as far as possible predictable, continuous and assured so as to facilitate the implementation of long-term programmes of economic and social development.

43. Taking into account the economic and social circumstances in the countries and regions concerned and the characteristics of the migration movements concerned, these agreements should in appropriate cases:

(a) facilitate the co-ordination of employment policies, especially in the framework of efforts for economic and social integration on a regional basis;

(b) regulate the recruitment of migrant workers without discrimination and according to their free choice under the auspices of the employment services of the countries concerned;

(c) provide for periodic exchange of information between the countries concerned on the occupational categories and the number of workers to whom contracts could be offered and who would be ready to emigrate or return to their country of origin; for this purpose skilled manpower pools or data banks should be established to provide reliable information on the supply of and demand for skilled, professional and technical manpower;

(d) reinforce co-operation between the employment and other services dealing with migration and migrant workers in the countries concerned;

(e) give priority to the recruitment of workers who are underemployed or unemployed;

(f) provide that countries of origin should adopt appropriate measures so as to avoid the departure of skilled workers, including adaptation of education and training schemes to national needs and offering highly trained personnel conditions permitting them to remain and serve their own country;

(g) provide that countries of employment should refrain from recruiting skilled and highly skilled workers when there are recognised or potential shortages of such workers in the country of origin;

(h) provide that the countries of employment could take complementary measures to aid the developing countries to minimise their loss of qualified manpower, for example, by increasing training possibilities for their own nationals in those fields where skills are scarce and by eliminating any part of their immigration laws and regulations which have the effect of encouraging the entry of professional and other highly qualified migrants;

(i) provide ways of limiting losses in countries of origin, particularly developing countries, which may result from the departure of skilled personnel whose education and training they have provided;

(j) establish training facilities, where these do not already exist, making possible:

(i) suitable preparation, documentation and training of candidates for emigration;

(ii) vocational training and advancement of migrant workers in the country of employment;

(iii) training of workers wishing to return to the countries of origin, taking account of the aptitudes of such workers and the needs of their countries;

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(k) adopt the necessary measures to facilitate the voluntary return to their countries of origin of migrant workers and their resettlement;

(l) provide for social security benefits for families which have stayed in the country of origin and for suitable means of ensuring that migrant workers returning to their home countries enjoy continuity of social security benefits;

(m) take into consideration the need for financing the above measures by appropriate means.

#### THE ROLE OF THE ILO

44. At their request, the ILO should provide technical co-operation to the countries concerned and technical support to regional organisations in order to make it possible to prepare and implement the above measures.

45. At the request of governments concerned, the ILO should study the possibility of setting up at regional or subregional level a system designed with the collaboration of the representative employers' and workers' organisations concerned to improve information on the availability of job opportunities in certain industries and certain types of employment for the benefit of candidates for emigration or return to their country of origin.

46. The Office should:

(a) initiate studies on the economic and social effects of different kinds of migration for employment;

(b) make studies and organise meetings at regional or subregional levels on the problems of migrant workers who have not been regularly admitted or who lack official papers.

### III. TECHNOLOGIES FOR PRODUCTIVE EMPLOYMENT CREATION IN DEVELOPING COUNTRIES

#### POLICY OBJECTIVES

47. Technology has an important role to play in the process of development. Since technology is linked with the choice of products as well as with capital investment, labour and skills required to produce them, it has a bearing on the level of productive employment and the distribution of income. Technology, therefore, is an important element of the basic-needs strategy, which must be part of an over-all national, economic and social development strategy.

48. There is an urgent need for appropriate and optimal technology, that is, management and production techniques which are best suited to the resources and future development potential of developing countries. Such technology should contribute to greater productive employment opportunities, elimination of poverty and the achievement of equitable income distribution.

49. The exclusive use of labour-intensive techniques will neither solve the problems of the developing countries nor reduce their dependence on industrialised countries. Likewise, the exclusive use of capital-intensive techniques will present the developing countries with serious problems: financial difficulties, lack of managerial staff and supervisory personnel and delays in the solution to employment problems. Thus developing countries should arrive at a reasonable balance between labour-intensive and capital-intensive techniques, with a view to achieving the fundamental aim of maximising growth and employment and satisfying basic needs. This strategy of equilibrium between the various types of technologies should also take account of the desire to adopt advanced techniques, with a view to reducing the existing technological gap between countries.



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50. Choice, development and transfer of technology require that proper emphasis should be placed on the building up of national infrastructure for human resources development, particularly to promote training of workers, technicians and managers for appropriate technology selection.

51. In the selection of new technologies appropriate to their needs, the developing countries should take due account of the need to protect their ecology and natural resources. There is also a need to pay due attention to social aspects, working conditions and the safety of workers when introducing new technologies.

#### ACTION AT THE NATIONAL LEVEL

52. The choice of appropriate technologies is dependent on the conditions prevailing in each country and the characteristics of each economic sector. This choice must also be based on the full utilisation of national resources. Thus each developing country has the right and duty to choose the technologies which it decides are appropriate. To facilitate such a choice, it will be helpful to establish national subregional and regional centres for the transfer and development of technology and to promote co-operation both between developing countries and between the latter and developed countries. The ILO should help in the establishment of these centres in conjunction with other agencies of the UN system.

53. The promotion of research should be a fundamental priority in policies to increase the national technological capacity of developing countries and reduce their dependence on industrialised countries. This research should mainly be undertaken within, and under the direction of, the developing countries themselves or in corresponding regional or subregional bodies where these exist, with the technical and financial assistance of international and other agencies presently involved in such activities. Technological research should furthermore contribute towards the satisfaction of basic needs.

54. Each developing country should accelerate appropriate technological advancement in the informal urban and rural sectors, in particular, to eliminate under-employment and unemployment and raise productivity levels.

55. Foreign firms, in response to the national legislation of developing countries and in negotiation with them, and taking into account the national economic development plans, should:

- (a) introduce technologies which are both growth- and employment-generating, directly or indirectly;
- (b) adapt technologies to the needs of the host countries, and progressively substitute national for imported technology;
- (c) contribute to financing the training of national managers and technicians for the better utilisation and generation of technology;
- (d) supply resources and direct technical assistance for national and regional technology research; and
- (e) spread technological knowledge and help in its growth by subcontracting the production of parts and materials to national producers, and particularly to small producers.

56. Each developing country should accelerate the formulation and implementation of a training plan at the following levels:

- (a) middle-level technicians and skilled workers to be employed in the production technologies associated with the goods and services required to satisfy basic needs;
- (b) professionals, technicians, managers and skilled workers to replace expatriate staff who presently apply advanced technology;
- (c) professionals and technicians needed to manage research and studies undertaken by national and/or regional technological research bodies; and

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(d) technicians, professionals and skilled workers, who should be assured of a measure of social status and incentives to prevent a brain drain, in order to promote the utilisation of technologies designed to achieve material and social objectives.

ACTION AT THE INTERNATIONAL LEVEL

57. International agencies and bilateral and multi-bilateral aid programmes should devote resources and technical assistance to complement developing countries' efforts.

58. At present several organisations of the UN system are engaged in work on appropriate technologies for developing countries. Better co-ordination of this work would ensure that the full potential benefits may be realised.

59. The UN Interagency Task Force on Information Exchange and the Transfer of Technology is working towards the establishment of a network for the exchange of technological information. At its second session in May 1976 it recommended that:

"organisations of the United Nations system and other organisations having substantive responsibility in the field of technological information and the transfer of technology should develop their relevant activities as components of the over-all network, and in mutual co-operation make available their own information bases and information-handling capabilities as appropriate".

The ILO should strengthen its activities in the field of the collection and dissemination of information on appropriate technologies, especially for the rural sector, and so make an important contribution towards the establishment of the information exchange network referred to above.

60. The ILO should reorient and strengthen its existing programme in order to provide more manpower training and human resources development in the developing countries.

61. The ILO should pursue its research and technical co-operation in the field of development and transfer of technology. It should set up a Working Group in which employers and workers would be represented to examine action on appropriate technology for employment, vocational training and income distribution. The developing countries should participate directly in this Working Group, which should not encroach upon the activities of other UN agencies.

62. The Group of 77 endorsed the establishment of a Consultative Group on Appropriate Technology and an International Appropriate Technology Unit, especially directed to research on the choice of alternative use of resources allowing a greater utilisation of labour per unit of investment, provided that such mechanisms are integrated with the ongoing activities of the UN system. The Workers' Group also endorsed these proposals but emphasised that these bodies should be tripartite in character. Most Western industrialised countries did not support these two proposals. The Workers' Group and the Group of 77 supported the UNCTAD proposal for an international code of conduct for technology transfer. This should be of a legally binding, not voluntary, nature. They further supported the suggestion that the Paris Convention of 1883 on industrial property should be drastically revised.

IV. ACTIVE MANPOWER POLICIES AND  
ADJUSTMENT ASSISTANCE IN DEVELOPED COUNTRIES

GENERAL PRINCIPLES

63. Governments of developed countries should pursue a determined policy to achieve and maintain full employment, i.e. to provide employment opportunities for all those who want to work, and contribute to a fair distribution of income and wealth in these countries. Employment policy should be closely integrated with over-all economic policy and national planning. It has to be related to other social policies.

64. The success of active manpower policies pursued with this aim will facilitate adaptation to structural changes including those which result from expanding trade with developing countries, thereby supporting growth and increased employment in these countries. Employment policy should not exclusively be based on measures to influence general demand. It should also be based on a range of selective measures to create new job opportunities. Such selective measures should also make a contribution to the struggle against inflation. Governments in the industrialised countries should strengthen the co-ordination of economic policies to maintain full employment. Measures should also be taken to ensure close collaboration concerning the migratory movement of workers between countries of origin and reception.

65. This policy will contribute to a high level of economic activity and improvements in the international economic order as called for by the UN General Assembly, and will lead to increased trade with the developing countries, thus increasing growth and employment in these countries.

66. Structural changes resulting from modifications in the international economic order must not take place at the expense of workers. Such changes should contribute to job creation in both industrialised and developing countries, and assure suitable employment to all workers, involving countries of whatever social and political system. The governments concerned should provide adjustment assistance in order to facilitate the establishment of new economic relations between developing and developed nations. It is envisaged that such adjustment assistance would not diminish development aid.

POLICY MEASURES

67. The priorities of national employment policies should be:

- (i) the maintenance of as high a demand for labour as is necessary in order to achieve full employment;
- (ii) measures and policies to promote stable economic growth, which should include both general and selective measures;
- (iii) the reinforcement of measures designed to provide protection against undesirable effects of cyclical evolution or structural change, such as those mentioned in ILO Conventions and Recommendations. These measures could include:
  - provision of maximum practicable notice of change for workers whose jobs are threatened;
  - provision of appropriate income levels for a reasonable period and the safeguarding of pension rights;
  - provision of retraining;
  - provision of special measures for women, migrants, young workers, and handicapped workers whose re-employment involves special problems.

These matters should be dealt with in close co-operation between governments, employers and workers.

68. Many of these features already exist in the policies of industrialised countries.

69. In implementing employment and manpower policies, the industrialised countries should continue to pursue and expand trade liberalisation policies in order to increase imports of manufactures and semi-manufactures from developing countries in an effort to increase their employment and incomes, while continuing to maintain

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employment in industrialised countries. Adjustment assistance is considered preferable to import restrictions.

70. Consistent with national laws and systems, adjustment assistance should start well before workers lose their jobs, when this can be clearly established, and not only when unemployment is imminent.

71. Regional or national readjustment funds could be set up by the industrialised countries or existing funds (for example the EEC Social and Regional Funds) could be adapted for the purpose of assisting in the adjustment of industries and workers affected by changes in the international economic situation. This ought not to reduce development aid.

72. The competitiveness of new imports from developing countries should not be achieved to the detriment of fair labour standards.

73. The World Employment Conference expresses the hope that the discussions in the Multilateral Trade Negotiations concerning the GATT safeguard clause, i.e. GATT Article 19, will lead to improvements in the international safeguard system.

74. Governments and employers' and workers' organisations shall work together to improve industrial life. Employers and workers should consider participation by workers in matters of recognised mutual concern.

#### PROPOSALS FOR AN ILO ACTION PROGRAMME

75. The traditional role of the ILO regarding labour standards should be continued in order to ensure respect for fair labour standards in developing and industrialised countries alike.

76. The ILO could contribute to the exchange of information and experience on the functioning and problems of active manpower policies and adjustment assistance. The Workers' members felt that the ILO could, within its special competence and in the context of multi-lateral trade negotiations, contribute to the improvement of an international safeguard system covering employment and income guarantees, fair labour standards and adjustment measures.

77. ILO Industrial Committees could provide a forum for discussing the problems of employment and working conditions resulting from structural change.

78. The Turin Centre, CINTERFOR and other regional vocational training centres have an essential role to play in training, a role which could usefully be widened into areas not currently covered.

#### V. THE ROLE OF MULTINATIONAL ENTERPRISES IN EMPLOYMENT CREATION IN THE DEVELOPING COUNTRIES

The Conference was unable to reach a consensus on the role of multinational enterprises in developing countries. The following paragraphs reflect the position of the different parties.

#### DECLARATIONS OF GOVERNMENT MEMBERS

79. Some governments stressed the positive aspects of the activities of multinational enterprises in developing countries, which they saw as direct employment creation, the linkage effects on the economy, the firms' contribution to an improvement of training, the creation of social services, etc.

80. Some governments stressed that multinational corporations had a role to play in the implementation of a basic-needs strategy. However, it is necessary first to identify the different types of corporation according to their objectives in order to determine which ones could be expected to contribute to the implementation of a basic-needs strategy.

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81. Some governments on the other hand underlined the negative effects of the activities of multinational corporations in developing countries, which they saw as the creation of an international division of labour unfavourable to these countries, the control of raw materials, the lack of respect for the sovereign rights of States, the insecurity of the employment provided, the lack of respect for trade union rights and notably the expatriation of profits.

82. Some governments felt that efforts should be made to try to reinforce co-operation between host countries and multinational enterprises, especially through the creation of a favourable climate for private foreign investments. In addition, according to these governments, multinational corporations should not be treated less favourably than local companies.

83. Other governments expressed the opinion that the application of discriminatory measures with regard to multinational enterprises as opposed to local enterprises was one of the sovereign rights of States.

84. The Government members of countries belonging to the Group of 77 based their position on Resolution 3201 adopted by the General Assembly of the United Nations on 1 April 1974 on the establishment of a New International Economic Order based on equity, equality, sovereign rights, interdependence, common interests and co-operation between all States regardless of their economic and social systems, as well as on the conclusions and recommendations adopted by the Fourth Conference of Non-Aligned Countries in Algiers. These countries stated that transnational enterprises were responsible for the world-wide economic imbalance, that they infringed the sovereignty of States, and that they sometimes tended to constitute monopolies and to engage in market sharing and fixing prices. These governments maintained that all action vis-à-vis transnational enterprises must be taken within the framework of a global strategy conceived to bring about quantitative and qualitative changes in the present system of economic and financial relations. They recalled the sovereign rights of States and condemned all interference in the internal matters of the countries in which transnational enterprises invested.

85. The member countries of the Group of 77 recommended strengthening national enterprises to enable them to take necessary steps with a view to preventing the negative effects of the activities of transnational corporations (TNCs). They also recommended that member States and the ILO continue to provide full support to the activities of the UN Commission on Transnational Corporations to regulate the activities of such enterprises particularly in relation to the Code of Conduct which TNCs should observe, containing the following basic principles:

- (i) TNCs must be subject to the laws and regulations of the host country and in the event of a dispute accept the exclusive jurisdiction of the courts of the country in which they operate;
- (ii) TNCs should refrain from all interference in the internal affairs of the States in which they operate;
- (iii) TNCs should refrain from interference in their relations between the government of the host country and other States, and from influencing these relations;
- (iv) TNCs should not serve as an instrument of the external policy of another State nor as a means of extending to the host country juridical regulations of the country of origin;
- (v) TNCs should be subject to the permanent sovereignty which the host country exercises over all its wealth, natural resources and economic activities;
- (vi) TNCs should comply with national development policies, objectives and priorities and make a contribution to their implementation;
- (vii) TNCs should supply the government of the host country with relevant information on their activities in order to ensure that those activities are in accordance with the national development policies, objectives and priorities of the host country;
- (viii) TNCs should conduct their operations in such a way that they result in a net inflow of financial resources for the host country;
- (ix) TNCs should contribute to the development of the domestic, scientific and technological capacity of the host countries;

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(x) TNCs should refrain from restrictive trade practices;

(xi) TNCs should respect the socio-cultural identity of the host country.

86. The Group of 77 also recommended that developing countries adopt measures at the national, regional and international levels in order to ensure that transnational enterprises should reorient their activities so as to undertake further manufacturing processes in developing countries and processing in those countries of raw materials for national or foreign markets. They also recommended that the ILO and member States co-operate with a view to bringing the UN Commission on Transnational Corporations to consider among the points to be included in the compulsory Code of Conduct of TNCs those concerning the obligation of these enterprises to hire local labour, not to discriminate against local workers in respect of salaries, conditions of work, training, promotion and access to different levels of seniority. And lastly they recommended that developing countries take steps in order to regulate and control the activities of transnational enterprises so as to ensure that they would act as a positive factor supporting the efforts of developing countries to expand their exports, through the direct impact which the diversification and expansion of such exports can have on the generation of productive employment.

87. The Group of 77 considered that, in conformity with the policies laid down in national development plans, and adhering to the national laws and priorities, and fully respecting the sovereignty of the host countries, the transnational corporations should:

- (i) introduce technologies which are both growth- and employment-generating, directly or indirectly;
- (ii) adapt technologies to the needs of the host countries;
- (iii) contribute to financing the training of national managers and technicians for the better utilisation of technology;
- (iv) supply resources and direct technical assistance for national and regional technology research;
- (v) spread technological knowledge and help in its growth by subcontracting the production of parts and materials to national producers and particularly to small producers;
- (vi) disclose and fully make available to the host countries all the technical know-how and information involved in production maintenance, design, construction, research and development, etc.

88. The Group of 77 supported the proposals of the Workers' Group set out in paragraph 113(i) - (vi) below, in particular the suggestion that the ILO Governing Body should place the issue of transnational enterprises and social policy on the agenda of the 1978 Session of the International Labour Conference in order that Conventions on TNCs should be adopted in the following areas: industrial relations, employment and training, conditions of life and work.

89. Government members of the European socialist countries supported in principle the position of the Group of 77 as well as that of the Workers' members, and endorsed the proposal to place the issue of multinational enterprises and social policy on the agenda of the International Labour Conference in 1978. They felt that in the countries where multinational enterprises operated, they should contribute to employment creation without hindering either a just distribution of incomes or social progress. They underlined that States had an unconditional right to control the activities of multinational enterprises, and that these enterprises must respect the sovereign rights of States and must not interfere in their internal affairs.

90. Most Government members of industrialised market economy countries underlined the positive effects of the activities of multinational enterprises on the economic development of developing countries. These governments underlined the importance of the task of all countries concerned in assisting the economic development of the Third World. They were of the opinion that the multinational enterprises could contribute to the economic development of the host country, especially through the creation of employment. The governments of home countries of multinational enterprises, while considering their own national requirements, should continue to

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apply selective incentives for foreign investments in such a way as to encourage investments which met the basic needs of the host country. Countries which welcomed foreign investment should create a favourable and stable investment climate which encouraged multinational enterprises to adapt their activities to the economic needs of the country. For this purpose the governments of the host countries should avoid introducing or maintaining inequalities of treatment between multinational enterprises and domestic enterprises in social matters affecting their respective workers.

91. Most Government members of industrialised market economy countries expressed the hope that such policies would help in taking full advantage of the positive aspects of the activities of multinational enterprises. In this spirit these Government members noted the recommendations of the ILO Tripartite Advisory Meeting on the Relationship of Multinational Enterprises and Social Policy, held in Geneva from 4 to 13 May 1976, that appropriate arrangements be made with a view to preparing an ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, which would provide the ILO's input into the much broader Code of Conduct which is currently considered by the United Nations Commission on Transnational Corporations. The interests of both the host countries and multinational enterprises were best served, in the long run, by an atmosphere of mutual trust, in which the rules for inter-relationship were known in advance and strictly observed, relevant information was available to all parties concerned, and negotiations were conducted in a flexible manner.

92. In the light of the above, the Government members of industrialised market economy countries were of the opinion that the present contributions of multinational enterprises to the creation of employment in the developing countries could be further increased through various measures such as:

- (i) local subcontracting when this was technically possible;
- (ii) a progressive increase in the local processing of raw materials;
- (iii) local reinvestment of profits to the greatest extent possible;
- (iv) replacement of expatriates and maximum utilisation of local personnel;
- (v) training and promotion of local production workers and of local management personnel;
- (vi) co-operation on matters of training between the multinational enterprises and the various local institutions providing training.

It should be understood, however, that the role the multinational enterprise could play in employment creation varied from one host country to another, from one time-period to another, and from one firm to another. On the other hand, the contribution of multinational corporations could only be partial since the reduction of unemployment in developing countries was a global task, the responsibility for which lay primarily with governments. It was therefore up to them to ensure that the contribution of multinational corporations to employment creation was maximised. The multinational enterprises should respect the sovereign rights of States as well as the relevant laws, rules and national practices and recognised international obligations, it being understood that it would be desirable to refer to Conventions and Recommendations of the ILO when legal, political and economic considerations so permitted. Multinational enterprises should adapt the activities of their subsidiaries to the development programmes and economic objectives of the countries where they were established. This adaptation should take into account all the economic and social factors of these countries.

93. Government Members of the industrialised market economy countries considered that it was necessary to reinforce the technical negotiating capacity of developing countries vis-à-vis the multinational corporations. For this purpose:

- (i) it recommended that the ILO should study regulations in the employment and training fields, adopted by developing countries, regarding foreign investment and multinational corporations.
- (ii) it would be desirable to clarify the need for training in developing countries for the purpose of dealing with foreign investment and to establish corresponding training programmes which would assist

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governments in negotiating with multinationals on matters relating directly or indirectly to employment creation and the improvement of training;

- (iii) it was desirable that the ILO, to the extent of its competence, should be ready to provide technical assistance as required in those fields to governments which requested it.

Also it would be desirable to ask the ILO to carry out studies on employment, training and wages policies adopted by developing countries regarding multinational enterprises. Research should equally be strengthened in the field of appropriate technology and labour-intensive goods, the production of which should be promoted in developing countries.

94. Certain Government members of developing countries associated themselves with most of the proposals in paragraphs 92 and 93 above.

95. Government members of industrialised market economy countries felt that multinational enterprises should so far as possible devote themselves to stepping up research and development in the field of appropriate technology and to the development of products to further employment creation. And that, lastly, for their part, governments should be able, before accepting the investment of multinationals on their territory, to be sure that the techniques proposed were those most suited to employment creation, taking account also of other factors affecting production and marketing.

96. Certain representatives of industrialised market economies, whilst in agreement with certain general points made in paragraphs 90 to 93 above, nevertheless expressed their sympathy vis-à-vis the declaration of the Group of 77. They also expressed their agreement with the procedures proposed in the Tripartite Advisory Meeting of May 1976, as well as with the proposal for research which the ILO could undertake in collaboration with the United Nations Commission on Transnational Corporations, without this implying, however, an acceptance of all the conclusions of that meeting. In addition they stated that it was necessary to co-ordinate the ILO's activities on multinational enterprises with those of the UN Commission on Transnational Corporations.

97. Certain governments, while recognising the importance of a Code of Conduct regulating the activities of multinational enterprises, put the stress on relations of a bilateral character which can exist between host countries and multinational enterprises and on the importance of national regulations for controlling the activities of these enterprises.

#### DECLARATIONS OF THE EMPLOYERS' MEMBERS

98. The Employers' members stated clearly that the relevant agenda item as determined by the Governing Body at its 196th (May 1975) Session, called for a discussion of "the role of multinational enterprises in employment creation in the developing countries" and that they were prepared to discuss this specific question. They considered that companies in general, including multinational enterprises, as well as governments and trade unions, had a responsibility to bring about a better balance in the distribution of the world's products and knowledge. Multinational enterprises in conjunction with home and host governments and trade unions had an important role to play in advancing social progress. It was not possible for multinational enterprises to solve the problem of employment and to meet the basic needs of the world, but they had a contribution to make in this field; nevertheless, the responsibility of this task lay primarily with governments.

99. The Employers' members stressed that the discussion of the problem should concentrate on which kind of employment opportunities multinational enterprises could create. These enterprises did concern themselves with developing new activities important for employment, for example in agriculture. Although direct creation of employment by multinational enterprises was limited, the indirect effects were significant and could stimulate national economic development and know-how.



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100. They believed that it was up to each government to decide what kinds of industrial activities and technologies were best suited to meet the development needs of its country. New activities of multinational enterprises in developing countries should fit into national plans. Agriculture should be given priority attention in developing countries, and multinational enterprises could provide assistance in developing the production of industrial inputs to agriculture and in building up industries processing agricultural outputs.

101. The Employers' members stressed that multinational enterprises were a significant vehicle for the transfer of advanced technology, that choice of technology was often dictated by governments and that governments of developing countries generally insisted upon the most sophisticated kinds of technology.

102. They further expressed the view that multinational enterprises had beneficial effects on wages and working conditions. It was for host governments to define the social obligations under which multinational enterprises should function. It was the general practice of multinational enterprises to recognise workers' rights as well as the maintenance of labour standards and working conditions. In general, multinationals were responsible, did train local staff, had good industrial relations, had pay scales as good as, or better than, those of national companies, and worked within national regulations. Multinational enterprises were entitled to a fair remuneration for their efforts.

103. The Employers' members pointed out that multinational enterprises were free not to invest and that foreign investors needed a stable investment climate. Tough rules were acceptable as long as they were not arbitrarily changed. Moreover, multinational enterprises objected to regulations which were not applicable also to national companies. The Employers' members insisted on equal treatment on social matters.

104. Taking cognisance of the five reports prepared by the ILO at the request of the Tripartite Meeting on the Relationship between the Multinational Corporations and Social Policy which met in Geneva from 26 October to 4 November 1972 and of the agreed conclusions reached at the Tripartite Advisory Meeting on the Relationships of Multinational Enterprises and Social Policy of 4-12 May 1976, the Employers' members believed that it was not the mission of the World Employment Conference to discuss the content of principles to govern multinational enterprises. A voluntary code of conduct could be helpful.

105. The Employers' members considered that the ILO study on international principles and guidelines was a clear and comprehensive survey of possibilities in the ILO context. The ILO studies had shown that the multinational in general behaved responsibly. They had failed to reveal the existence of problems of the kind referred to by the Workers' members. The multinationals had been shown in the ILO studies to be a force for economic development. Indeed, they were the most effective means yet found for reducing the time-span for producing the management skills needed to organise resources and muster finance. It was necessary to be careful that any action taken would not have adverse implications for the future. The Employers' members were therefore unconvinced of the need for international action in regard to multinationals in the social field. In particular, they considered that any move towards the adoption of an international labour Convention in this area risked creating an impossible situation through the variations in the extent of ratification or acceptance in different countries - a risk mentioned in the ILO study. There was also a question of discriminatory treatment. The bulk of the existing Conventions were of general application, the exceptions to this being so narrow in scope that there was no analogy between them and the wide range of enterprises and industries covered by the term "multinational", with their varying degrees of foreign and national ownership. A Convention applying to all employees of any enterprise under any degree of foreign ownership would place these employees under special regulations that might well be more favourable than those in the prevailing industrial economy of the country, with adverse effects on the orderly conduct of industrial relations. Having regard to the variety of industrial relations patterns and behaviour in different countries, the Employers' members believed that such matters must primarily be determined by the governments of the country concerned and the ordinary law and practice of the country.

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106. Another approach that had been suggested was the preparation of a tripartite declaration of principles which could eventually be embodied in more comprehensive United Nations guidelines. The Office study had pointed to the guidance given in Conference resolutions and conclusions of Industrial Committees and other advisory meetings as indicating the feasibility of such a procedure. The Employers' members were not against guidelines in principle, as shown by those published by the International Chamber of Commerce as long ago as 1972 and the active participation of their organisation in OECD's work on a code. The Employers' members were however convinced that such a declaration would not be useful and might well be harmful unless the guidelines met the following points:

- (a) that they ensure that the operations of multinational enterprises can continue effectively to the benefit of society as a whole;
- (b) that they are non-mandatory but mutually agreed through a tripartite declaration of principles on responsible behaviour for multinational enterprises, governments and trade unions;
- (c) that they ensure in social matters that all parties respect the laws and regulations of the host country;
- (d) that they recognise the principle of equal treatment for foreign-owned and for national enterprises in matters of industrial relations and social policy;
- (e) that they do not bind multinationals to observance of ILO standards not ratified or accepted by the host country, or introduce a system of standards making existing ILO Conventions and Recommendations applicable only to multinational enterprises;
- (f) that they are flexible enough to permit application to very different national situations and national objectives and in regard to widely different types of companies and industries;
- (g) that they apply effectively to enterprises with public or mixed ownership as well as to privately-owned companies.

Restrictive legislation would only slow down employment creation in developing countries by multinational enterprises. Multinational enterprises were already subject to many regulations and governments had adequate powers of their own, any of which could frustrate a company's expectations of a reasonable return.

107. The Employers' members stated that, following the proposal in paragraph 106 above, the Tripartite Advisory Meeting had recommended that a small tripartite group should be established to draft a voluntary declaration of principles applying to multinational enterprises, governments and trade unions. In view of this, the Employers' members did not consider it appropriate to place the question of multinational enterprises and social policy on the agenda of the International Labour Conference in 1978.

108. The Employers' members, after two weeks of discussion, were reluctantly forced to accept that no consensus existed in the group because the differing views of Government, Workers' and Employers' members were irreconcilable.

109. The representatives of employers of European socialist countries fully supported the point of view of the Government members of the European socialist countries with regard to the role of multinational enterprises in employment creation in developing countries.

#### DECLARATIONS OF THE WORKERS' MEMBERS

110. The Workers' members expressed the concerns and preoccupations of trade unions and workers with regard to the effects of the activities of multinational enterprises on employment and more generally on development. They declared that the questions raised under item 4 in Chapter 11 of the Director-General's Report were not exhaustive and therefore should not limit the discussion. Consequently, the discussion ought to include other questions which were just as important. The Workers also underlined the fact that consideration of the problem should not be restricted by the conclusions of the Tripartite Advisory Meeting held in May 1976. Under these circumstances, the three international trade union federations asked

that, on the international and national levels, steps should be taken to strengthen control of multinational enterprises. This control should be exerted by the countries in which they operated. The areas in which international and national action should take place were, in particular, as follows:

- (i) in all the countries where multinational enterprises operated, the existing Conventions of the ILO ought to be applied, in particular Conventions Nos. 87 on trade union liberties, 98 on collective bargaining, 100 on equal remuneration, 122 on employment, 135 on representation of workers, 140 on paid education leave and 143 on migrant workers. In addition, reference to ILO Conventions must include working conditions for multinational enterprises in countries which had not yet ratified these ILO standards and in those countries where they were persistently violated;
- (ii) employment of local workers and non-discrimination should be guaranteed. Non-discriminatory working conditions should be established on a democratic basis and should correspond to the highest wages, salaries, working conditions and standards of hygiene and safety in all the branches and units of multinational enterprises;
- (iii) multinational enterprises ought to guarantee that the enterprises supply the representatives of the workers with essential information, especially on the composition of capital, the general organisation of the company at the level of the parent company and the branches, the evolution of the company with respect to workers' participation, detailed investment plans, current and former agreements, conditions of work, wages and recruitment of personnel in each factory, data on financial management and results, etc.;
- (iv) in addition, the right of trade unions to take solidarity action at the level of each factory and of the multinational organisation as a whole, and the right of trade unions to decide freely on any action designed to enforce economic sanctions;
- (v) the transfer of activities following labour conflicts should be prohibited. In the case of a transfer of production, workers should be provided with new jobs with equivalent working conditions, and a compensation fund should be created to support workers losing their jobs;
- (vi) furthermore, in a more general economic context, the profits of multinational enterprises should remain in the countries in which these enterprises operated in order to contribute to the creation of productive employment and to a healthier balance of payments situation.

111. The Workers' members felt that in order to achieve this, several convergent paths should be followed at both national and international levels. On the one hand, it would be desirable to strengthen legislative and executive powers to provide the possibility of prohibiting certain economic concentrations, to integrate the activities of the companies in national planning and to provide for real public control over exchange, prices, monetary movements, investments, taxation and credit. On the other hand, the sovereign rights of States to nationalise in order to control their development and their sovereignty over natural resources should be respected. The right to nationalise should apply particularly when the interests of the workers or the country were threatened. Finally, it was necessary that a code of conduct should be elaborated at the international level defining the obligations of multinational enterprises. This code should take into account notably the principles and measures presented by the Workers' members. It should have a legal and binding form.

112. The Workers' members recognised the importance of the principle of non-discrimination between multinational enterprises and national companies in industrialised countries, but stressed that the very nature of multinational companies and the problems relating to them necessitated the possibility of making exceptions to this principle. In developing countries it was permissible and in some cases even necessary, in the interest of the development of these countries, to take measures which were discriminatory.

113. All foreign investments should be undertaken under the general conditions set out in paragraphs 110-112 and 118. In this context the multinational corporations should abide by the following principles:

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- (i) local subcontracting when this is technically possible;
- (ii) a progressive increase in the local processing of raw materials;
- (iii) local reinvestment of profits to the greatest extent possible;
- (iv) replacement of expatriates and maximum utilisation of local personnel;
- (v) training and promotion of local production workers and of local management personnel;
- (vi) co-operation on matters of training with the various local institutions providing training.

114. Multinational enterprises should be required to study the manner in which they could adapt the activities of their subsidiaries to the development programmes and economic objectives of the countries where they were established. The multinational enterprises must respect the sovereign rights of States and take into consideration the legislation, regulations and relevant national practices as well as internationally recognised obligations. They must also recognise the rights of workers and should not undermine but contribute to progress in the field of standards and conditions of work in the host country.

115. As to future action of the ILO, a majority of the Workers' members insisted on the need to strengthen the technical capacity of developing countries to negotiate with multinational enterprises. In this field it was desirable that the ILO, to the extent of its competence, should be ready to provide the required technical assistance to governments desiring to strengthen their bargaining power vis-à-vis multinational enterprises.

116. A large number of the Workers' members thought that it would also be desirable to request the ILO to carry out studies on policies concerning employment, training and wages followed by developing countries in relation to multinational enterprises. It would also be desirable to step up research in the field of appropriate technology and on products with a high employment content, the production of which it would be desirable to promote in the developing countries. For their part the multinational enterprises, so far as possible, should devote themselves to stepping up research and development in the field of appropriate technology and the development of products for furthering employment creation.

117. The Workers' members stressed that the ILO should deal with all the areas relating to the social aspects of the activities of multinational enterprises. The work of the ILO in these fields should be closely co-ordinated with the activities of the UN Commission on Transnational Corporations.

118. The Workers' members finally considered that:

- (i) the ILO should continue its current work concerning multinationals and social policy on the basis of the conclusions of the Tripartite Advisory Meeting of 4-12 May 1976, but without confining itself to those conclusions;
- (ii) the ILO should contribute in the field of its competence and within the United Nations to the elaboration of an international instrument (Code of Conduct) with a binding character permitting the control of multinational companies;
- (iii) the ILO, within the framework of a reform of the mechanisms for examining questions concerning the violation of trade union freedom, should provide for a procedure to be applied to multinational corporations;
- (iv) the ILO Governing Body should at its next meeting give consideration to the respective positions of the governments, the Employers' Group and the Workers' Group at the World Employment Conference;

- (v) the ILO Governing Body should place the issue of multinational enterprises and social policy on the agenda of the 1978 Session of the International Labour Conference, in order that Conventions on multinational enterprises should be adopted in the following areas: industrial relations, training for employment, conditions of life and work.

119. The Workers' members expressed their profound dissatisfaction that it was not possible to reach any common points of agreement on this crucially important subject. They moreover wished to point out in this context that a number of individual points of agreement were recorded between the Workers' members and several governments. The Workers' members expressed their support for the proposals of the Group of 77, in particular the basic principles covered by paragraph 85. They also supported points (i) - (vi) in paragraph 92 as proposed by the Government members of industrialised market economy countries.

Beilage 3

Explication de vote de la Délégation gouvernementale suisse  
à la Conférence mondiale de l'emploi

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Monsieur le Président,

Par sa participation au consensus qui vient de présider à l'adoption de la Déclaration et du Programme d'action, la délégation gouvernementale de la Suisse a voulu faire montre de sa compréhension et de son appui à l'égard des préoccupations éprouvées par les pays en développement au sujet des problèmes de l'emploi, et plus particulièrement du sous-emploi.

Elle souhaite toutefois, au sujet des mentions relatives à la ratification de certaines conventions de l'OIT, rappeler que l'autonomie des autorités compétentes des Etats doit être respectée, cela conformément à la Constitution même de l'Organisation.

Pour ce qui est des points contenus dans le texte qui entrent dans le domaine de responsabilité d'autres organismes internationaux, notamment la CNUCED et le GATT, la participation de la Suisse au consensus n'implique pas de changement de sa part par rapport aux positions prises par elle au sein de ces organismes sur les sujets en question, et tout récemment à la IV<sup>ème</sup> Session de la CNUCED.

Merci, Monsieur le Président.

17 juin 1976