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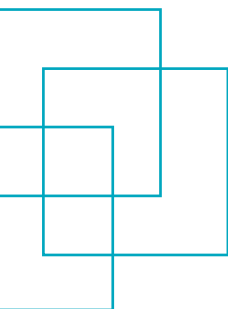
MULTINATIONAL ENTERPRISES, DEVELOPMENT AND DECENT WORK

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

13th African
Regional Meeting

Addis Ababa, Ethiopia
30 November – 3 December 2015

AFRICA



Multinational enterprises, development and decent work

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

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Foreword



The present report is part of a new strategy that the Governing Body of the International Labour Office adopted in March 2014 to enhance the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). The strategy comprises promotional activities – including awareness-raising, capacity building and country-level assistance – and an information gathering mechanism.

The information gathering mechanism consists of a brief questionnaire sent to the tripartite constituents of the member States of the International Labour Organization (ILO) in a particular region coinciding with ILO regional meetings. The responses received to the questionnaire form the basis of a report which then serves as an input for a tripartite discussion on the promotion and application of the MNE Declaration during the particular ILO regional meeting.

The present report is prepared on the basis of the responses received from tripartite constituents of the ILO member States in the Africa region and as an input for a special session on the MNE Declaration during the 13th African Regional Meeting (30 November – 3 December 2015). It is the second of its kind; the first report was prepared for the 18th American Regional Meeting (Lima, Peru, 13–16 October 2014).

The report provides important elements for consideration regarding further promotion and application of the MNE Declaration in the region. We trust that the report will encourage further dialogue among constituents, facilitate the exchange of experiences and lessons learned and contribute to the identification of opportunities and challenges in the areas covered by the MNE Declaration at national and regional levels. It will also feed into a global report to go to the Governing Body of the ILO in 2018, synthesizing the findings of the regional reports as well as tripartite discussions and recommendations formulated during ILO regional meetings.

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

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The English version of the report was edited by John Dawson; Martine Lacombe translated and edited the report in French and the Arabic version was translated by El Hassane Sefraoui and edited and formatted by the Arabic Unit of the Official Documentation Branch (OFFDOC).

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

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Abbreviations

ACT/EMP	Bureau for Employer's Activities
ACTRAV	Bureau for Workers' Activities
COMESA	Common Market for Eastern and Southern Africa
CSR	corporate social responsibility
ECOWAS	Economic Community of West African States
ENT/MULTI	Multinational Enterprises and Enterprise Engagement Unit
FDI	foreign direct investment
GDP	gross domestic product
IIA	international investment agreement
ILO	International Labour Organization
JICA	Japan International Cooperation Agency
MNE	multinational enterprise
MNE Declaration	Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
NGO	nongovernmental organization
OSH	occupational safety and health
REC	regional economic communities
SADC	Southern African Development Community
SME	small to medium-sized enterprise
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa



Executive summary

This report presents an overview of trends in foreign direct investment (FDI) in Africa and their opportunities for decent work; and of initiatives undertaken by governments and employers' and workers' organizations in the ILO member States in the region to raise awareness and promote the application of the recommendations set forth in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

FDI inflows into Africa continue to increase and intra-African FDI is on the rise. Natural resources continue to attract most of the investment, but the services and manufacturing sectors are drawing more investors from abroad. The amounts invested in projects are increasing and greater flows are going to capital investments, indicating some movement up the value chain in local production. The number of jobs created is also increasing as the investments expand in infrastructure and consumer-facing sectors. However, there is much room for further diversification of FDI projects and for policies to foster more linkages with local SMEs.

Although each country's experience with FDI and operations of MNEs is unique, respondents' views often converged on which areas of the MNE Declaration are relevant in their national context. All three groups considered the provisions regarding employment promotion to be relevant. The area of training was indicated as relevant by employers and governments. Workers and employers coincided in their appreciation of the principles on wages, benefits and conditions of work.

Respondents also often shared opinions regarding challenges and opportunities. Many respondents pointed out that although laws and policies are in place to seize the potential of MNEs for decent work, implementation was inadequate. Many respondents conveyed concerns about the rather limited opportunities for the local economy and workforce to benefit from FDI as well as employment practices in MNEs and wage levels.

Respondents described diverse mechanisms that facilitate dialogue and consultations on the operations of MNEs; however, the format, the periodicity and the actors involved vary. The responses indicate a significant level of formal outreach and engagement of governments, employers' and workers' organizations with MNEs: at least 40% of each of the responding group has established a contact point for foreign MNEs. Respondents were less often engaged in consultations with their peers in other countries, with the exception of workers' organizations, where 36% of the responding organizations have established a contact point for this purpose.

One quarter of the respondents had organized in recent years events that promote the principles of the MNE Declaration. More than half of these events or initiatives were organized with ILO technical assistance and many of them included other constituents. Workers'

organizations in particular organized events and initiatives jointly with or including employers, government or both.

Concerning potential future promotional and capacity-building activities in the region, numerous governments and workers' organizations requested the Office and the ILO constituents to increase efforts to promote the MNE Declaration in Africa. Several government and workers' organizations stressed that more discussions on the application of the MNE Declaration should take place at the national level. Several constituents emphasized the need to develop training and advocacy materials; share good practices on the implementation of the MNE Declaration to better illustrate its application; and to translate the MNE Declaration into local languages. Several respondents also underlined the importance of appropriate regulatory and policy frameworks to advance the application of the principles of the MNE Declaration.

Finally, numerous expressed the need for further capacity building or other assistance from the Office.



Introduction

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

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

The present report has been elaborated on the basis of information collected through a questionnaire sent directly to the tripartite constituents of the 54 ILO member States of the Africa region. The questionnaire was distributed in the beginning of April 2015 through various channels to all tripartite constituents of the ILO member States taking part in the 13th African Regional Meeting. Responses were received until 21 July 2015.

The high number of responses received from governments and employers' and workers' organizations is a clear indication of their interest in opportunities and challenges of FDI and operations of MNEs for decent work and inclusive growth in the region.

This is important in the context of the new 2030 Agenda for Sustainable Development, as Africa and its partners are co-ordinating efforts on the sustainable development goals. MNEs, through their investments and operations, have the potential to contribute to decent work, sustainable development and inclusive growth in Africa. However, despite strong economic growth and increased foreign direct investment (FDI) inflows over the past decade, the percentage of working poor remains high. Over the next 15 years, one in three new entrants in the global labour market will be African. The creation of more and

better jobs is therefore a key challenge and a motivation for African countries to attract FDI which has high potential for directly and indirectly creating decent work.

The present report on the promotion and application of the MNE Declaration in Africa is organized as follows:

- Chapter 2 provides an overview of the recommendations of the MNE Declaration to harness the potential of FDI and operations of MNEs for decent work and development.
- Chapter 3 describes key characteristics of FDI in the Africa region, the sectoral composition of FDI, the intersection between FDI and decent work, and policy initiatives taken to better align FDI with national development agendas.
- Chapter 4 analyses the responses of government and employers' and workers' organizations in ILO member States in Africa to the questionnaire on the way in which the principles of the MNE Declaration have been promoted and applied at the country level.
- Chapter 5 provides concluding remarks and suggestions for further direction concerning the promotion of the principles of the MNE Declaration in view of a broader application.



About the MNE Declaration

2

2.1 Recommendations of the MNE Declaration

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

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

The ILO MNE Declaration recognizes the important role of MNEs in social and economic development and seeks to encourage their positive contribution and minimize potential negative impacts. The MNE Declaration is the only tripartite-agreed global instrument with recommendations addressed to MNEs. But it also speaks to governments and the social partners and is “intended to guide the governments, the employers’ and workers’ organizations and the multinational enterprises in taking such measures and actions and adopting such social policies, including those based on the principles laid down in the Constitution and the relevant Conventions and Recommendations of the ILO, as would further social progress” (paragraph 5v). The MNE Declaration encourages MNEs¹ to obey national laws, respect international standards – including international labour standards² and United Nations human rights instruments – and support development priorities.

The MNE Declaration clarifies the roles of governments, enterprises and employers’ and workers’ organizations and draws attention to the importance of closer alignment between corporate policies and programmes with public policy and development objectives in the country of operation. It strongly encourages dialogue between home and host governments; enterprises, government and employers’ and workers’ organizations; and management and workers at the enterprise level. The MNE Declaration addresses five key areas: general policies, employment, training, conditions of work and life, and industrial relations.³

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

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

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

2.2 Link to sustainable enterprises and development

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

There is a broad and wide-ranging international debate on the promotion of sustainable enterprises and a growing recognition of the central role of the private sector in addressing key development challenges, including employment creation (ILO, 2007a, p.1).

The new 2030 Agenda for Sustainable Development includes goals on inclusive and equitable quality education and lifelong learning opportunities, and on sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The proposed sustainable development goals aim for a better coordination of development efforts and a closer alignment of private actions with public policy objectives. They provide a unique opportunity for businesses to engage on sustainable development, re-evaluate their strategies and assess their performance.

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

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

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

Foreign direct investment and multinational enterprises in Africa: Current trends

3

This chapter provides a brief overview of the main FDI⁴ trends in Africa and examples of policy initiatives to harness its potential for decent work. United Nations reports, in particular those by ILO, the United Nations Economic Commission for Africa (UNECA) and the United Nations Conference on Trade and Development (UNCTAD), are the main sources for this chapter.

3.1 African FDI trends

African economic growth accelerated from 3.7% in 2013 to 3.9% in 2014, although with substantial variation between sub-regions (UNECA, 2015, pp. 1 and 9). This growth was stimulated by FDI, which is an increasing component of overall economic growth in the region; and the growth in turn helped to attract more investment. FDI increased from 3.9 to 4.1% of GDP between 2013 and 2014 and will reach a projected 4.2% of GDP for 2015. Africa was second only to the Asia-Pacific region in attracting FDI during 2014. FDI is the second largest external source of finance for Africa. Remittances are the largest and most stable source of external financing for the region, amounting to US\$71.8 billion in 2015 (UNECA, 2015, p. 24).

FDI into Africa shifted somewhat, with fewer projects but of greater value as investors sought out more capital intensive investments in more diversified sectors. New FDI projects decreased by 8.4% in 2014; however, their capital value reached an all-time high, from an average of US\$67.8 million per new project in 2013 to US\$174.5 million in 2014 (Ernst & Young Global Ltd., 2015, p. 4). Nonetheless, FDI levels remain below their potential due to inadequate infrastructure, continuing geopolitical tension, weak economic growth in many countries, lack of transparency and lingering corruption despite reform efforts in many countries (UNECA, 2015, pp. 4, 9, 30, 82 and 123).

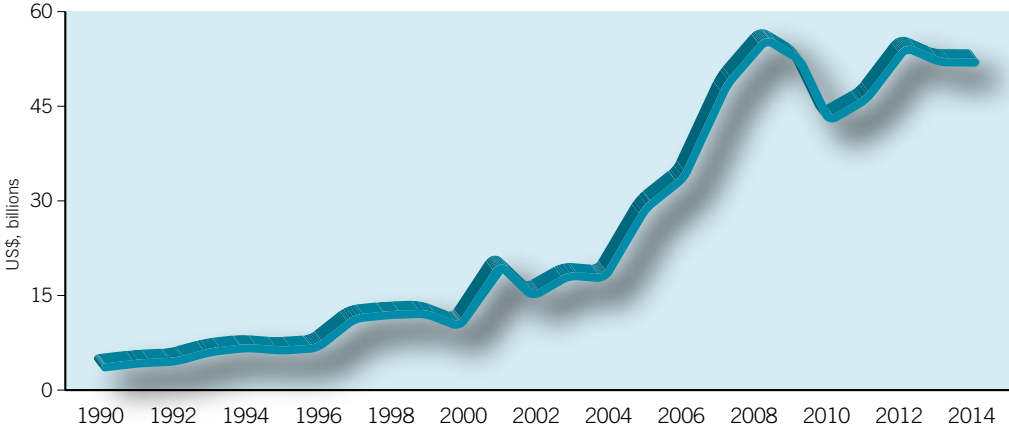
4. FDI is defined as “an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate)... Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates” (UNCTAD, 2007, p. 245).

FDI in the region has emerged as a driver of increased international trade, expanding the potential of MNEs to contribute to development. Says the Economic Commission for Africa: “Global value chains are an important feature in today’s global economy and African countries seeking to develop exports and grow their economies need to take them into account. Regional and global trade and production networks open new potential opportunities for Africa’s industrialization. Instead of industrializing bottom up, segmented value chains offer the scope to engage in international trade at a specific stage of the production process, thereby harnessing more efficiently one’s comparative advantage.” (UNECA, 2015, p. 98 and 172). FDI can help to accelerate the entry of African SMEs into global value chains.

3.1.1 FDI Inflows

Investments by non-resident MNEs into Africa have increased dramatically since 2003. Figure 3.1 shows that FDI inflows into Africa in 2014 were US\$53.9 billion, more than 3.5 times their 2002 level of US\$14.6 billion.

Figure 3.1 FDI inflows into Africa in US\$ billions, 1990–2014



Source: UNCTAD, 2015a.

Despite the fall in commodity prices since 2012, Africa is still receiving a larger portion of global FDI flows than before 2001. This is notable, as a large portion of FDI flows into Africa are mineral seeking.

The main recipients of FDI into Africa during the period 2000–2014 have been large economies or diversified, technologically mature economies. These include Nigeria, Egypt, South Africa and Morocco. Countries with substantial natural resources, such as Algeria, Mozambique, Sudan, Congo, Libya, Democratic Republic of the Congo, Equatorial Guinea, and Gabon, also attracted large amounts of FDI (table 3.1).

Table 3.1 Top 20 host economies in Africa: Total inward FDI flows, US\$ billions, 2000–2014

Country	Amount	Country	Amount
Nigeria	74.23	Libya	18.18
Egypt	68.90	Democratic Republic of the Congo	18.11
South Africa	67.43	Equatorial Guinea	16.34
Morocco	32.02	United Republic of Tanzania	15.15
Algeria	26.03	Zambia	13.32
Mozambique	24.95	Uganda	9.29
Sudan	21.96	Namibia	7.80
Ghana	21.91	Madagascar	7.16
Congo	20.28	Gabon	6.48
Tunisia	19.90	Ethiopia	6.46

Source: UNCTAD, 2015a.

An important recent trend is the increase in FDI inflows to sectors other than commodities in emerging economies in East Africa, especially Ethiopia, Rwanda, Uganda and United Republic of Tanzania. In Ethiopia, Chinese investors have been the major foreign direct investor, moving parts of their low-cost manufacturing production there, especially in apparel and footwear (Chen, Geiger and Fu, 2015). The end of civil wars and the implementation of regional and national industrial policies have played an important role in making these East African countries attractive investment locations (World Economic Forum, 2015).

The main direct investors into Africa are MNEs from developed economies (European Union and United States); however, MNEs from developing economies (China and India) are playing an increasingly prominent role as investors in the region. In 2014, the United States of America was the largest investor in Africa (13.8% of the new FDI projects), followed by South Africa and the United Kingdom (both at 7.2%), the United Arab Emirates (6.8%), France (6.7%), Germany (4.8%), China (4.4%), India (3.8%) and Portugal (3.7%) (Ernst & Young Global Ltd., 2015, p. 18).

FDI into States in fragile situations⁵ has grown rapidly and become less volatile since 2005. In both absolute and relative terms, Africa's States in fragile situations are attracting increasing amounts of FDI, partially due to the increase in commodity prices (2000-2009 and 2010-2011) that made investing in their mineral sectors relatively more profitable. Mineral-rich economies such as Democratic Republic of Congo, Libya and Sudan have, since 2000, received on average approximately 60% of annual FDI directed to African States in fragile situations (UNCTAD, 2015a).

5. This includes the following 18 African countries: Burundi, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Côte d'Ivoire, Eritrea, Guinea-Bissau, Liberia, Libya, Madagascar, Mali, Sierra Leone, Somalia, South Sudan, Sudan, Togo and Zimbabwe based on the World Bank harmonized list of fragile situations FY 2015 (World Bank Group, 2015).

3.1.2 Outward FDI

Historically, African enterprises have not been major direct investors in other countries. However, starting in 2006 they began to invest more heavily abroad. As Africa attracted more FDI, local firms benefiting from this (directly or indirectly) in turn started to use their enhanced capabilities to expand regionally and globally. And the entrance of foreign enterprises has increased competition in local markets, pushing African enterprises to expand elsewhere in order to maintain and increase revenues.

3.1.3 Intra-African FDI

Africa's recent increases in outward FDI were for a time driven by North African firms looking for opportunities to expand into other markets and seeking to take advantage of growth in nearby West Africa. Today, South Africa is overall leading Africa's outward FDI, and MNEs from South Africa were the dominant investors between 2004–2006 and 2012–2014.

A large part of the growth of FDI flows, both into and out of Africa, can be attributed to African investors becoming a more prominent source of FDI for other African countries (UNCTAD, 2014, 2015b). The number of new direct investment projects from African investors accounted for just 8% of the total number of projects into Africa in 2007 but soared to 22% in 2013, making Africa the second-largest foreign direct investor into Africa in 2013, after Western Europe (Krüger and Strauss, 2015). Taking the period 2003–2014 as a whole, 25% of new FDI projects into Africa were led by African firms. The majority of intra-African FDI is in the financial sector; of this, around 38% is in retail banking and 5% in insurance (UNCTAD, 2015b, p. 38).

Firms from South Africa are driving intra-African FDI, accounting for one third of all intra-African investment projects between 2003 and January 2014. They are followed by enterprises from Kenya (14%) and Nigeria (12%), followed by Egypt, Mauritius, Togo and Tunisia (20%) (Krüger and Strauss, 2015).

Intra-African FDI is much more diversified in its host country destinations than inflows from outside the continent. Intra-African FDI is a particularly significant source of new investment projects for less developed African countries. African investors are more familiar with the host country economic environment and hence better able to assess risk, calculate more accurately the cost of doing business (e.g., electricity and transport costs) and better anticipate market demands (UNCTAD, 2015b). With less competition from MNEs from developed economies, they are able to command a greater market share when expanding into smaller African economies which normally do not attract much FDI from outside the region.

3.2 Sectors attracting FDI to Africa

Numerous economies in Africa remain heavily dependent on commodities for GDP growth, foreign exchange and exports. In 2009, half of all African countries derived over 80% of their merchandise export income from commodities, often concentrated in just a handful of materials which are largely exported rather than processed or fed into production to capture a larger share of value added (UNCTAD, 2013). FDI into the processing of mineral products and expanding the local industry base are therefore vital to diversify African economies and connect them to global value chains (UNECA, 2015).

The majority of new FDI projects into Africa however go into the service sector. In the period 2009–2013, 49% of new FDI projects went into Africa's service sector, compared to 48% into manufacturing and 3% into the primary sector (UNCTAD, 2014, p. 10). Services FDI is concentrated in Africa's electricity, gas and water industry, followed by a range of services including business services and construction to transport, storage and communication (UNCTAD, 2014, p. 10, 2015).

Two major trends are transforming which sectors attract FDI: rising urbanization and a growing consumer class. FDI flows into Africa in recent years have gone increasingly into infrastructure development (real estate, hospitality and construction) and consumer-facing sectors (technology, media, telecoms, financial services, consumer products and retail) (Ernst & Young Global Ltd., 2015, p. 21). However, the strong growth of some services sub-sectors in Africa has not always translated into better services for local firms, such as financial services targeting mainly large investors in extractives to the exclusion of local SMEs (UNECA, 2015, p. 98).

The sectoral composition of FDI differs widely by sub-region in Africa. A much larger portion of the FDI in sub-Saharan Africa is held in the primary sector (35%) compared to North Africa (4%); while 45% of sub-Saharan Africa FDI went to the service sector in 2012, compared to 61% in North Africa (UNCTAD, 2015b).

Foreign investors are slowly showing greater interest in Africa's manufacturing sector (non-metallic mineral products, food processing, clothing and textiles, and motor vehicles and transport equipment). 38% of Africa's new FDI projects and 33% of related capital expenditure went into manufacturing in 2014 (UNCTAD, 2015b, p. 35). This is an encouraging trend, as manufacturing is traditionally considered to be an engine of growth, thanks to its ability to create linkages in the local economy, scale up production to enhance competitiveness and create a large number of employment opportunities (UNECA, 2015; UNIDO, 2013).

Nonetheless, according to the World Bank, manufacturing comprised only 13% of GDP and 25% of export earnings for the region in 2012—lower than for any region except the Middle East. This generalization masks the wide variation within the region, however, with countries such as Ethiopia, Mauritius, Kenya, South Africa, Morocco and Egypt making strides in attracting FDI into manufacturing.

In the Africa region as a whole, the two greatest challenges in attracting FDI into manufacturing remain the lack of access to effective and efficient skills and adequate infrastructure (including reliable access to electricity). Also important, many investors are put off by lack of opportunities to source locally, which drives up the price of production and increases risk of disruption (KPMG, 2014, p. 2).

3.3 FDI and decent work

Where certain favourable conditions are in place MNE investments and operations have the potential to contribute to more and better jobs, sustainable development and inclusive growth. Unemployment in sub-Saharan Africa declined from 9% in 2000 to 7.7% by 2014 (ILO, 2015). However, despite strong growth in GDP and inflows of FDI into the region in the past decade, the percentage of poverty and unemployment remains high (UNECA, 2015). In sub-Saharan Africa, 8 in 10 workers were poor (living on less than US\$2 a day) or near poor (between US\$2 and US\$4 a day) in 2014 (ILO, 2015, p. 28). The large majority of them work in the informal economy; formal employment covers as few as 20% of workers in sub-Saharan Africa (ILO, 2015, p. 13). Addressing income inequality in Africa is another major challenge. Africa has the highest inequality of any region in the world with the exception of Latin America (AfDB, 2013, p. 13).

Over the next 15 years, one in three new entrants in the global labour market will be African (ILO, 2015). This means that the creation of more and better jobs is a key priority for the region; FDI is seen by many governments as an important vehicle for job creation and socio-economic development. The number of jobs created by new investment projects increased by 68% in 2014, exceeding 180,000 new jobs for the region. This trend is expected to continue, as more FDI flows into services and consumer-facing sectors which have more job-creation potential than the extractive sector (Ernst & Young Global Ltd., 2015, pp. 5 and 10).

However, further development of manufacturing and trade in intermediary goods is considered essential for industrial development in Africa, particularly in countries which remain heavily dependent on export of commodities. Regional integration, which could further accelerate intra-regional FDI flows, is considered an essential step in accelerating

industrialization of African economies. Effective policies play an instrumental role in promoting linkages among firms in the value chain to increase SME participation and facilitate the transfer of technology (UNECA, 2015, p. 172).

Scaling up both domestic and external financial resources is central to Africa's industrialization as its financing gap remains large. MNEs are increasingly contributing to fill this gap; as well as contributing to increase productivity and competitiveness of national economies through their exports and investments.

African governments and social partners have an important role to play in shaping the policy framework to attract FDI and increase productivity and competitiveness of their national economies. Indeed, the "Conclusions on the promotion of sustainable enterprises" adopted by the International Labour Conference (ILO, 2007b) emphasize the importance of creating an enabling environment for sustainable enterprises and of designing appropriate policies to ensure that competitive outcomes are built on a strong and sustainable foundation. Ensuring the realization of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is essential to address poverty and inequalities and to build a solid foundation for inclusive growth. As of today, of the 54 African ILO member States, 46 have ratified all eight ILO core Conventions. The ratification and effective implementation of international labour standards aims to prevent a "race to the bottom" in the quest for FDI and economic growth. It is an important element for creating a level playing field in Africa, enhancing regional integration and fostering an environment conducive to sustainable development and inclusive growth.

Attracting FDI is also seen as a way to advance social protection in Africa. Countries in the region have globally the lowest level of minimum wages as well as low levels of social protection expenditure per child (ILO, 2014a), indicating that expanding and strengthening social protection floors is an important focus area. Financing such social protection floors is a challenge for many countries in the region but innovative mechanisms are being put in place. Tax revenues are an important financing mechanism for social protection (Ortiz, Cummins and Karunanethy, 2015). MNEs currently contribute approximately 14% of the total government revenues in Africa – the highest of any region (UNCTAD, 2015b, p. 187).

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

This section looks at regional and national policies to better align FDI with development priorities, as well as at the integration of labour issues in instruments affecting investment decisions.

Governments have several tools to boost the positive impact of FDI and create more and better jobs in host countries. Among them feature for instance policies that promote backward and forward linkages between MNEs and SMEs which can increase demand for local products and develop capabilities of local enterprises. South Africa for example adopted an Industrial Policy Action Plan to expand its manufacturing sector. The plan aims to leverage public and private procurement from domestic enterprises, encourage local processing of raw materials and build sound working relationships with original equipment manufacturers (ILO, 2014a). The Council of Ministers in Mozambique adopted in 2014 its Corporate Social Responsibility Policy for the Extractive Industry to encourage enterprises in the extractive industry to include corporate social responsibility (CSR) policies and programmes in their investment plans, in particular by increasing sourcing from local SMEs as a means of contributing to local economic development. The impact of such local content policies on socio-economic development can be enhanced by government-led strategies to foster an enabling environment for enterprise development, boost exports and enhance skills development (UNECA, 2015).

As most FDI in Africa traditionally went in resource-rich countries with foreign mining companies investing there in large operations, the African mineral sector is seen to play a pivotal role in creating linkages with the local communities and boost the local economy.

The African Union adopted the African Mining Vision (box 3.1) which establishes a regional policy framework to better align public and private policies with national and local development priorities.

Box 3.1 African Mining Vision and social development

The African Mining Vision, adopted by the African Union in 2009, aims to optimize linkages between the local economy and resource extraction. It promotes resource-based development strategies and suggests new contractual arrangements and legal instruments to facilitate increased participation by local communities.

The framework for action includes activities to:

- eliminate child labour; stimulate partnership with government and large-scale mining to facilitate access to technology, skills, knowledge and markets; and strengthen artisanal and small-scale mining associations;
- initiate empowerment of women through integrating gender equity in mining policies, laws, regulations, standards and codes;
- improve mining regulatory regimes adopting the highest environmental, social, occupational, safety and health standards, and strengthen enforcement capacity;
- ensure mining companies develop and adopt CSR charters;
- build platforms for consensus building on priorities and options for the development and management of mineral resources;
- build tripartite partnerships between government, the private sector and civil society organizations.

Source: African Union, 2009.

A number of African governments are establishing cooperation with investors' home countries as part of their efforts to attract FDI that benefits local development (box 3.2).

Box 3.2 Home-host cooperation on FDI for decent work: The case of JICA

Côte d'Ivoire, Ghana, Kenya, Morocco, Mozambique and Zambia have been working with the Japan International Cooperation Agency (JICA) to leverage the decent work benefits of FDI. The project stems from the Yokohama Action Plan 2013–2017, which was one of the outcome documents of the Fifth Tokyo International Conference on African Development held in June 2013. The Yokohama Action Plan recognized that “private capital flows to the continent ... are still concentrated in extractive industries and resource rich countries” and that the “challenge is to both increase the volume of private capital flows and attract investment into additional sectors, such as infrastructure, agriculture, manufacturing and tourism”.

The project supports investment promotion agencies to attract more Japanese investors and fosters greater linkages between those investors and local enterprises through upgrading skills that can improve productivity and competitiveness and provide better-quality jobs.

Source: JICA.

The integration of labour provisions in investment, trade, and regional integration agreements is another way to advance the contribution of FDI to socioeconomic development. For example, the Economic Community of West African States (ECOWAS) signed a Trade and Investment Framework Agreement with the United States in 2001 which includes the recognition of the importance of compliance with international labour standards.⁶ Of the 31 new

6. For the full text of the Agreement Between the Government of the United States of America and the Common Market For Eastern And Southern Africa Concerning the Development of Trade and Investment Relations, Office of the United States Trade Representative, 2001, see: https://ustr.gov/sites/default/files/uploads/agreements/tifa/asset_upload_file367_7725.pdf [accessed 15 Sep. 2015].

international investment agreements concluded in 2014, 20 were with African countries (UNCTAD, 2015b). At least 12 African countries were engaged in reviewing and revising their international investment agreement models in 2014 (UNCTAD, 2015b), offering opportunities to link investments more strongly to socioeconomic development and inclusive growth. A Pan-African Investment Code currently under development will provide guidelines on how to attract FDI into Africa in line with social and environmental standards.

Regional economic communities (RECs) have also undertaken a number of initiatives to coordinate policy efforts to address labour standards and decent work priorities. More recent examples include comprehensive labour cooperation agendas established by ECOWAS and the Southern African Development Community (SADC) (ILO, 2013). The free trade agreement between SADC, the East African Community and COMESA (launched in June 2015) aims to further harmonize and deepen various regional agreements. The agreement, together with the Action Plan for Accelerated Industrial Development for Africa, the African Union's 2012 Action Plan for Boosting Intra-African Trade (box 3.3), the Programme for Infrastructure Development in Africa, and the Conference of African Ministers of Industry Workplan, also aims to encourage further regional economic integration. The national tripartite constituents could play an important role in ensuring that the policy frameworks developed under these regional initiatives, and their implementation at national level, indeed contribute to advancing decent work.

Box 3.3 African Union's 2012 Action Plan for Boosting Intra-African Trade

The African Union's 2012 Action Plan for Boosting Intra-African Trade contains a number of priority activities to foster greater coherence of trade and development policies and to contribute to the establishment of an enabling framework for the realization of decent work opportunities:

- mainstreaming of intra-African trade in national trade and development strategies;
- enhancing the role of the organized private sector, informal private sector and women in trade policy formulation;
- encouraging investment, including FDI, through established frameworks for the strengthening of regional and continental complementarities, and the development of regional enterprises and value chains;
- establishing agreements on mutual recognition of qualifications.

Source: African Union, 2012.

Promotion of the principles of the MNE Declaration in Africa

4

This chapter provides an overview of responses received from the tripartite constituents in the Africa region to the questionnaire.⁷ The ILO has not verified the accuracy of the information provided, and thus mention of particular laws, policies, measures and actions, and other comments by respondents, do not entail an endorsement by the ILO. Likewise, any failure to mention any of the above is not a sign of disapproval.

The questionnaire was distributed in the beginning of April 2015 through various channels to the tripartite constituents of the 54 member States participating in the 13th African Regional Meeting. The information seminar for African Governing Body members (Addis Ababa, 28–30 April 2015) and other activities in the region were used to give further visibility to the information-gathering process. The Office accepted replies until 21 July 2015, after having twice extended the initial deadline. In total, 59 questionnaires⁸ were received from 33 of the 54 African member States. This is to say that at least one response was received from one of the constituents of 61.1% of the ILO member States in the region (table 4.1).

Table 4.1 Responses received from governments and employers' and workers' organizations

Responses received from	Number
Governments	14
Employers' organizations	20
Workers' organizations	25
Total	59

In the case of five countries, replies were received from all three constituents (Cameroon, Kenya, Lesotho, Mauritania and Sao Tome and Principe). The member States from which no replies were received were Botswana, Burundi, Cabo Verde, Central African Republic, Chad, Congo, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Guinea-Bissau, Liberia, Libya, Mali, Morocco, Rwanda, Seychelles, South Africa, South Sudan and Sudan. Replies from the government of Madagascar, the government of Mozambique and a workers'

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

8. The list of respondents can be found in Appendix II.

organization in Senegal were received after the final submission date of 21 July 2015 and could not be included in the present report. They will be incorporated in the global report submitted to the Governing Body in 2018 for discussion.

4.1 Awareness of the principles of the MNE Declaration

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

The areas covered by the MNE Declaration are shown in table 4.2.

Table 4.2 Areas covered by the MNE Declaration

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

The large majority of government respondents (93%) indicated the relevance of employment promotion, followed by security of employment (86%) and training (86%). Freedom of association and the right to organize, together with the examination of grievances, were indicated at a lesser extent but were still selected by 50% of the respondents.

All responding employers’ organizations (100%) indicated the relevance of training, followed by employment promotion (90%) and wages, benefits and conditions of work (80%). The area that received the least mentions of relevance by employers’ organizations was the examination of grievances (25%).

Responding workers’ organizations indicated that employment promotion (80%), security of employment (76%), wages, benefits and conditions of work (76%), freedom of association and the right to organize (76%) and collective bargaining (76%) as relevant; while fewer mentioned minimum age (20%).

More details about the responses of the tripartite constituents to this question can be found in table 4.3.

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

Areas		Average	Governments	Employers' organizations	Workers' organizations
Employment	Employment promotion	86	93	90	80
	Equality of opportunity and treatment	68	71	75	60
	Security of employment	75	86	65	76
Training	Training	78	86	100	56
Conditions of work and life	Wages, benefits and conditions of work	76	71	80	76
	Minimum age	42	71	50	20
	Safety and health	61	64	70	52
Industrial relations	Freedom of association and the right to organize	63	50	55	76
	Collective bargaining	69	71	60	76
	Consultation	47	64	40	44
	Examination of grievances	34	50	25	32
	Settlement of industrial disputes	63	71	60	60
Others		2	0	0	4
None		5	7	0	8

Employment promotion was the area of the MNE Declaration cited as relevant most often across all three groups (93% of government respondents, 90% of employers' organizations, 80% of workers' organizations); while examination of grievances was the least often cited by any of the groups (50%, 25% and 32%, respectively).

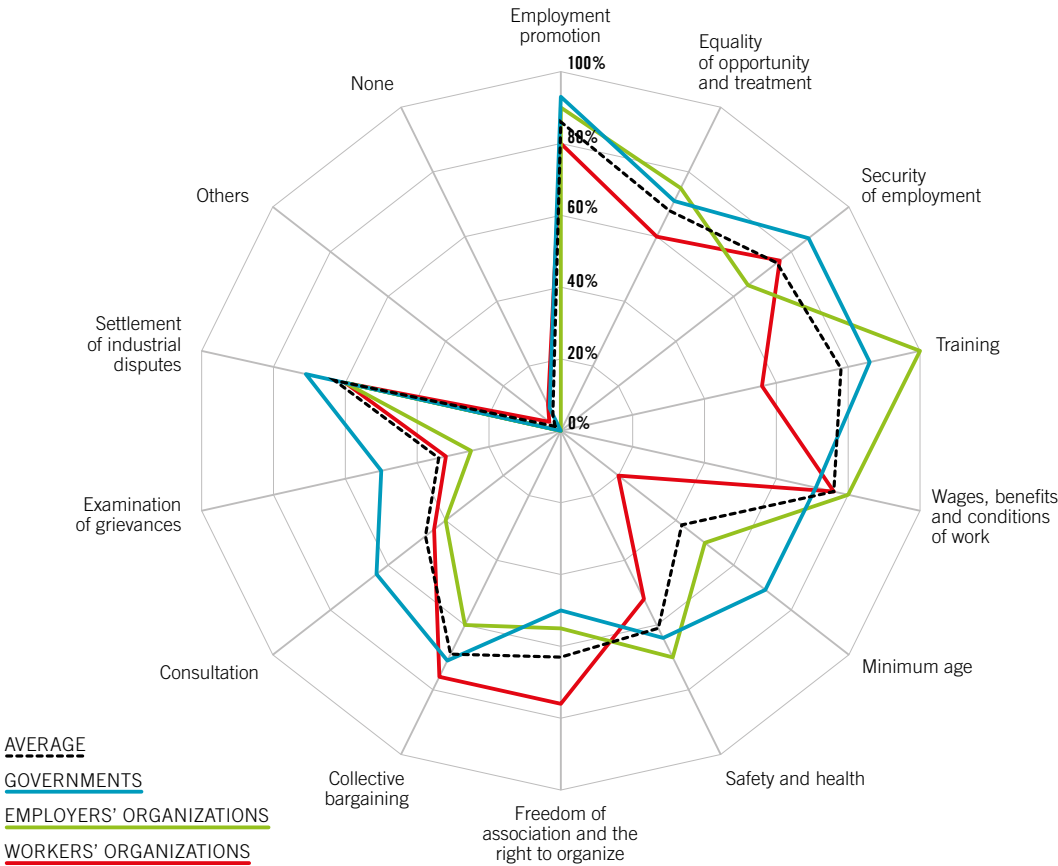
Discrepancies in assessments of relevance among the respondents from the different groups were noted concerning minimum age (71% for government, compared to 50% for employers' organizations and 20% for workers' organizations), training (86% for governments, 100% for employers' organizations and 56% for workers' organizations) and freedom of association and the right to organize (50% for governments, 55% for employers' organizations and 76% for workers' organizations).

Only three respondents⁹ replied to the question about other relevant areas, indicating that the constituents considered that the MNE Declaration area topics covered the most relevant aspects of social policy in relation to MNE operations.

9. Government of Tunisia, National Confederation of Guinean Workers, Zimbabwe Congress of Trade Unions.

Figure 4.1 in turn captures similarities and differences among the responses provided by governments, employers' organizations and workers' organizations.

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



Note: Percentages have been calculated by dividing the total marks by area per constituent by the number of responses by constituent group, being 14, 20 and 25 for governments, employers' organizations and workers' organizations respectively. The average corresponds to the total marks by area divided by the total number of responses (59). Example: 51 responses out of 59 marked "employment promotion" as one of the relevant areas of the MNE Declaration, which results in an average of 86% (51/59).

4.2 Challenges and opportunities regarding the operations of MNEs in Africa

Building on the first question, constituents were invited to provide more information about the challenges and opportunities encountered regarding the operations of MNEs in the areas they considered the most relevant.

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

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

A few examples of the challenges and opportunities mentioned, as well as initiatives taken by governments, employers' organizations and workers' organizations, are provided in the following sections.

4.2.1 Employment

The employment chapter of the MNE Declaration includes employment promotion, equality of opportunity and treatment, and security of employment.

Challenges

Employment promotion was seen by respondents from all three groups in the Africa region as an important area where MNEs could contribute to tackling unemployment and underemployment, especially of youths,¹⁰ women¹¹ and people with disabilities.¹²

Unemployment among youths and females is rising. According to Statistics Mauritius, the rate of unemployment among youths stood at 16.9% and 11.4% among females in 2014. This situation poses a serious challenge for the country. (Government of Mauritius)

The question of employment, especially youth employment, is one of the main challenges of the country. The young population (under 35 years) represents over 70% of the total population. [Non-official translation] (Interpatronal Group of Cameroon, GICAM)

Unemployment has increased especially among youths. Youth unemployment at 8.8% is double the size of the national unemployment rate. Urban youths and young women are particularly vulnerable to unemployment. (Trade Union Congress of Tanzania)

Promoting employment opportunities for youths and women is a key priority for the constituents in Africa, given the high unemployment rates for these vulnerable groups. The Government of Niger indicated for instance that the promotion of employment opportunities for youths is a top priority in the broader fight against social instability, crime or terrorism.

The high rate of employment in the informal sector¹³ is also a challenge to advancing economic and social development, with some respondents noting the high – and sometimes increasing – rates (50–90% of the economically active population in their countries).

Two respondents¹⁴ noted the negative impact on employment of mechanization introduced in specific economic sectors.

Another major issue raised by some respondents¹⁵ concerned the hiring of international staff (expatriates).

Importation of manpower to occupy positions that can be filled by nationals [is also one] of the challenges experienced. (Government of Nigeria)

Under the Government Local Content Policy (to be enacted), multinational enterprises should agree to a succession plan to replace expatriates with Sierra Leoneans. An issue is that Sierra Leoneans might not have the required skills and experience at world class level, given the impact of rapid change in technology on the operations of the company. (Sierra Leone Employers' Federation)

10. Government of Côte d'Ivoire, Government of Kenya, Government of Mauritius, Government of Niger, Government of Togo, Interpatronal Group of Cameroon, General Confederation of Enterprises of Côte d'Ivoire, Federation of Kenya Employers, Federation of Uganda Employers, Workers Confederation of Comoros, National Confederation of Guinean Workers, Malawi Congress of Trade Unions, Trade Union Congress of Tanzania.

11. Government of Mauritius, Mozambican Workers' Organization, Trade Union Congress of Tanzania.

12. Government of Togo, Federation of Kenya Employers.

13. Government of Côte d'Ivoire, Government of Kenya, Interpatronal Group of Cameroon, General Confederation of Enterprises of Côte d'Ivoire, Malawi Congress of Trade Unions.

14. Government of Kenya, United Mineworkers' Union of Zambia.

15. Government of Nigeria, Government of Kenya, Government of Zimbabwe, Federation of Kenya Employers, Association of Lesotho Employers and Business, Sierra Leone Employers' Federation, Christian Confederation of Malagasy Trade Unions.

In relation to equality of opportunity and treatment, several replies¹⁶ highlighted the discriminatory practices of MNEs in relation to local and foreign employees and male and female employees.

Even when it comes to benefits and wages there are [differences] in salaries and benefits afforded [to] expats and those afforded to the locals. (Association of Lesotho Employers and Business)

There is notable discrimination in treatment between foreign and national workers as well as men and women, particularly in multinational companies, which entails for the trade union movement enormous challenges. (Mozambican Workers' Organization, OTM-CS)

The issue of security of employment and how to apply the principle of equal pay for work of equal value in the face of the huge influx of expats raises tension and industrial disputes. (Ghana Trades Union Congress)

With regard to security of employment, many workers' organizations¹⁷ reported that common practices among MNEs, such as the systematic use of short-term contracts, casualization of employment relationships, outsourcing, absence of contracts and unfair dismissals, jeopardized security of employment.

MNEs are coming in with the much-needed FDI but as good as that may be they are bringing in new kinds of work methods that threaten the employment security of workers. Introduction of flexible employment, casualization, fixed-term contracts and labour broking have been noted. These types of employment contracts threaten the very essence of employment security, as embodied under the decent work agenda. (Zimbabwe Congress of Trade Unions)

Some responses¹⁸ specifically mentioned that security of employment was particularly low in the retail and tourism sectors.

In identifying reasons for insecurity of employment, some respondents cited lack of effective labour law provisions or enforcement mechanisms.

The labour code does not favour workers, in order to attract foreign direct investments. [Non-official translation] (Trade Union Federation of Banks, Insurance and Financial Institutions of Trade and Industry (FESBACI), Burkina Faso)

Where laws and policies exist, there is often a lack of enforcement mechanisms. (Malawi Congress of Trade Unions)

The Democratic Confederation of Workers of Niger (CDTN) cited the ability of MNEs to relocate to other countries as a factor contributing to employment insecurity.

Opportunities

Some employers' organizations highlighted the potential contribution of MNEs to youth employment.

[MNEs] make up such an important part of the formal economy that it would be impossible to imagine a successful youth employment promotion policy without their participation. [Non-official translation] (Interpatronal Group of Cameroon, GICAM)

16. National Confederation of Workers of Burkina, Federation of Enterprises of Congo (Democratic Republic of), Association of Lesotho Employers and Business, Christian Confederation of Malagasy Trade Unions, Ghana Trades Union Congress, Mozambican Workers' Organization, United Mineworkers' Union of Zambia.

17. National Union of Workers Trade Unions of Benin, National Confederation of Workers of Burkina, Autonomous Trade Unions of Cameroon and National Communication Union of Cameroon, Christian Confederation of Malagasy Trade Unions, Malawi Congress of Trade Unions, Free Confederation of Mauritanian Workers, Amalgamated Trade Union of Swaziland, Trade Union Congress of Tanzania, United Mineworkers' Union of Zambia, Zimbabwe Congress of Trade Unions.

18. Gambia Chamber of Commerce and Industry, Amalgamated Trade Union of Swaziland.

MNEs which invest in developing countries prioritize employment of nationals, in particular youths. [Non-official translation] (General Confederation of Algerian Enterprises, CGEA)

The General Confederation of Enterprises of Côte d'Ivoire (CGECI) has completed a study with ILO's support to identify ways in which MNE business activities could generate more and better jobs for local youths, and a study on existing and potential linkages between MNEs and local SMEs; and is undertaking a third study on the impact of FDI in mining on local economic development.

Several government respondents described new employment policies for youths and women¹⁹ that would also influence MNE employment practices. The National Confederation of Guinean Workers (CNTG) explained that employment promotion was a priority for them and that a department in charge of employment promotion in general, and youth employment in particular, has been established within the union.

Many respondents²⁰ explained that general strategies, policies, laws and regulations were in place to seize the potential of MNEs in employment creation; however, implementation was reported to be sometimes weak or non-existent, and there was a need to strengthen institutional capacity.

Concerning security of employment, one workers' organization highlighted the role international framework agreements can play:

Opportunity exists for trade unions to campaign against such tendencies [the introduction of flexible employment, casualization, fixed-term contracts and labour broking] through international framework agreements that embody international labour standards. (Zimbabwe Congress of Trade Unions)

4.2.2 Training

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

Challenges

A number of employers' organizations²¹ stressed that existing education and training offers in host countries did not always match with business needs, particularly in relation to new technologies.

Training is vital due to the need to address skills mismatch and shortages in the country. (Federation of Uganda Employers)

Two respondents noted that although MNEs may provide training, it was not always open to all employees.

Training opportunities tend to follow gender patterns such that, male employees benefit more than the women counterparts. (Government of Kenya)

Training [is] limited to managers and supervisors. [Non-official translation] (National Union of Workers Trade Unions of Benin, UNSTB)

19. Government of Mauritius, Government of Togo, Government of Zimbabwe.

20. Government of Côte d'Ivoire, Government of Kenya, Government of Mauritania, Government of Mauritius, Government of Niger, Government of Nigeria, Government of Sao Tome and Principe, Government of United Republic of Tanzania, Government of Togo, Government of Tunisia, Interpatronal Group of Cameroon, Federation of Kenya Employers, Chamber of Commerce, Industry, Agriculture and Services, Sao Tome and Principe, National Council of Employers of Senegal, Workers Confederation of Comoros, Lesotho Labour Council, Trade Union Congress of Tanzania.

21. General Confederation of Algerian Enterprises, General Confederation of Enterprises of Côte d'Ivoire, Sierra Leone Employers' Federation, Uganda Federation of Employers.

Two respondents stressed the need for continuous training to upgrade workforce skills, keep workers in employment and help them develop their careers.²²

Opportunities

Most governments indicated that training and skills upgrading were among the priorities for the country and general policies and strategies were in place:

In a developing country like Mauritania training and employment are among the top national priorities. [Non-official translation] (Government of Mauritania)

The Foreign Recruitment Policy requires MNEs to appoint local understudies to expatriates to facilitate transfer of skills and knowledge. (Government of Zimbabwe)

Modernization of technical and professional training in partnership with the occupational sectors [involves] constructing new training facilities. [Non-official translation] (Government of Côte d'Ivoire)

Many respondents²³ underlined that MNEs can strongly contribute to capacity building, skills transfer and training of the local labour force by participating in and contributing to the development of new training programmes and funding of training infrastructure.

It is time to move ... to quality education through the rehabilitation and construction of modern training centres, the improvement and standardization of training benchmarks, the diversification of training methods, the development of training for trainers, and greater engagement of professional organizations and enterprises. MNEs have a great role to play in the latter issue. [Non-official translation] (Interpatronal Group of Cameroon, GICAM)

Public–private partnerships are being developed to align training curricula more closely with labour market demands. The Government of Mauritius for instance has launched a joint initiative whereby training courses are designed, developed and organized by both training institutions and enterprises. The Government of Kenya has transformed its vocational training system into a semi-autonomous body to better align training with labour market demands. The Interpatronal Group of Cameroon (GICAM) participated in the development of partnerships between training institutions and the private sector.

Some constituents²⁴ advocated use of fiscal mechanisms to stimulate training, such as the training levy implemented in Kenya and Mauritania.

Concerning skills development programmes to overcome gender discrimination at management level, the Federation of Kenya Employers has developed a programme called Female Future aimed at developing female leadership capacities to enable women to effectively compete for high-level management positions.

22. Federation of Kenya Employers, National Confederation of Guinean Workers.

23. Government of Kenya, Government of Lesotho, Government of Nigeria, Government of Zimbabwe, National Council of Employers of Benin, Interpatronal Group of Cameroon, Federation of Kenya Employers, National Confederation of Workers of Senegal, Trade Union Congress of Tanzania.

24. Government of Kenya, National Union of Mauritanian Employers.

4.2.3 Conditions of work and life

This section covers responses received on the areas of wages, benefits and conditions of work; minimum age; and occupational safety and health.

Challenges

Some respondents stated that at times MNEs failed to comply with labour regulations of host countries concerning conditions of work.²⁵

In many cases the MNEs actually comply with the laws of the country [more] than local companies. However, when it comes to construction work, Asian contractors appear to ignore many of the rights of workers and the relevant laws. (Namibian Employers' Federation)

Many respondents²⁶ expressed concerns about low wages and variations in the salaries being paid; and one linked low wages and social protection contributions.

In the private sector, wages are not harmonized as in the public service. [Non-official translation] (Movement of Comoros Companies, MODEC)

There is a need for ... a salary that will allow workers to live in dignity. [Non-official translation] (Workers Confederation of Comoros, CTC)

Workers are victims of low wages and very poor working conditions, social protection is not available, they have to make exorbitant extra hours, or they work 10 hours per day but are paid for 8 hours. ... Social protection contributions are not paid despite monthly wage deductions. [Non-official translation] (Christian Confederation of Malagasy Trade Unions, SEKRIMA)

Regarding wage variations, the Amalgamated Trade Union of Swaziland stated that most MNEs adhered to sectoral minimum wages but wages offered by MNEs differed within the same subregion. Likewise, the Government of Kenya explained that the majority of MNEs applied wages, benefits and conditions of employment set by regulations, but it was difficult to convince them to increase wages and benefits when there was evidence that they were paying higher wages in other countries.

Subcontracting and outsourcing practices by MNEs were identified by some as the cause of low wages and working conditions.²⁷

Some respondents²⁸ expressed concerns related to child labour in their respective countries.

[One of the challenges is] to halt child labour in cacao-producing regions. [Non-official translation] (Government of Côte d'Ivoire)

25. Government of Kenya, Federation of Enterprises of Congo (Democratic Republic of), Namibian Employers' Federation, Christian Confederation of Malagasy Trade Unions.

26. Interpatronal Group of Cameroon, Movement of Comoros Companies, General Confederation of Enterprises of Côte d'Ivoire, Trade Union Federation of Banks, Insurance and Financial Institutions of Trade and Industry, Burkina Faso, Workers Confederation of Comoros, Democratic Confederation of Workers of Niger, Amalgamated Trade Union of Swaziland, Christian Confederation of Malagasy Trade Unions, Trade Union Congress of Tanzania.

27. Government of Kenya, Government of Nigeria, Nigeria Employers' Consultative Association, National Confederation of Workers of Burkina, Autonomous Trade Unions of Cameroon and National Communication Union of Cameroon.

28. Government of Côte d'Ivoire, Government of Kenya, Federation of Kenya Employers, Malawi Congress of Trade Unions, Trade Union Congress of Tanzania.

Some respondents²⁹ reported challenges in relation to occupational safety and health.

Safety and health is a big concern, mostly among multinational enterprises of Asian origin. (Federation of Uganda Employers)

Safety and health challenges are being addressed through the Better Work Programme; however, it has not been possible to achieve 100% coverage due to the fact that some enterprises are not interested. (Government of Lesotho)

Some respondent pinpointed weak enforcement of national laws as the source of the problem.

Overall, laws regulate safety in the workplace, [though] the Occupational Safety and Health Authority (OSHA) is ineffective. Also, the inspection system operates with limited effectiveness and a small number of labour officers are available to conduct inspections. (Trade Union Congress of Tanzania)

Even companies that ordinarily respect the safe work principle end up being like the rest because there are no consequences for those who expose workers to unsafe conditions. (Amalgamated Trade Union of Swaziland)

Opportunities

In terms of opportunities, some replies³⁰ underlined the need to strengthen the capacity of the tripartite constituents to address issues related to conditions of work in MNEs.

[Engagement with MNEs provides an opportunity for] the maintenance of social peace through the promotion of social dialogue; [and for] the strengthening of the technical capacities of the social partners through councils, conciliation and training. [Non-official translation] (Government of Côte d'Ivoire)

Three respondents indicated specific action taken to address the wage-related challenges. The Government of Cameroon mentioned the increase in the guaranteed minimum wage for all professions; the Government of Côte d'Ivoire has taken steps to upgrade existing minimum wages and introduce a minimum wage for the agriculture sector; and the Movement of Comoros Companies (MODEC) has requested ILO support to undertake a study on the introduction of a minimum wage in the country.

Two respondents mentioned activities undertaken concerning minimum age.³¹ The Malawi Congress of Trade Unions noted that a Malawi national child labour survey was being conducted by the Ministry of Labour, with technical support from the ILO; and mentioned a joint project between government, social partners, the ILO, an MNE and tobacco-growing communities.

Concerning occupational safety and health, the National Council of Employers of Senegal reported that MNEs operating in the country had good policies and practices in place, and considered that the sharing of those good practices could have knock-on effects on other enterprises. The Government of Niger organized the sixth edition of the African Knowledge Fair for the Prevention of Occupational Risks (Salon Africain de la Prévention des Risques Professionnels). A number of government respondents³² specifically underlined the relevance of existing legislation requiring the establishment of safety and health committees in enterprises.

29. Government of Côte d'Ivoire, Government of Kenya, Government of Lesotho, Federation of Uganda Employers, Trade Union Congress of Tanzania, Amalgamated Trade Union of Swaziland.

30. Government of Côte d'Ivoire, Government of Kenya, General Confederation of Enterprises of Côte d'Ivoire.

31. Federation of Kenya Employers, Malawi Congress of Trade Unions.

32. Government of Cameroon, Government of Kenya, Government of Mauritius, Government of Niger.

4.2.4 Industrial relations

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

Challenges

Many workers' organizations³³ reported challenges regarding freedom of association and the right to organize.

Freedom of association is often violated in an insidious fashion. In very few MNEs are workers organized. [Non-official translation] (Confederation of Autonomous Trade Unions of Benin, CSA-Benin)

Employers of multinationals have also been difficult in allowing workers to enjoy the right to freedom of association, refusing to enter collective bargaining agreements with trade unions. (Federation of Somali Trade Unions, FESTU)

Several workers' organizations³⁴ indicated that certain economic sectors were more vulnerable to unfair practices related to freedom of association and the right to organize, such as the mining, oil, construction and agriculture (tobacco and tea) sectors.

Underlying causes identified among respondents include cultural differences, subcontracting, threats to terminate contracts to intimidate workers³⁵ and bribery.

MNEs prefer to deal with workers individually and discourage workers from unionizing. [Non-official translation] (National Union of Workers Trade Unions of Benin, UNSTB)

The MNEs in [mining and oil] sectors increasingly want to import practices from elsewhere which undermine or seek to replace long-held industrial relations practice and culture in Ghana. (Ghana Trades Union Congress)

Certain employers ask their workers outright whether they are members of a trade union. [Non-official translation] (Christian Confederation of Malagasy Trade Unions, SEKRIMA)

Tanzania Mine, Energy, Construction and Allied Workers' Union reported 200 workers fired due to union activities. The use of subcontracting and day labourers is also a common way for employers to avoid unions. ... International mining interests [are] engaged in anti-union activities such as paying officials from the Ministry of Labour Inspectorate to ignore worker complaints, or write favourable reports on working conditions. (Trade Union Congress of Tanzania)

The Trade Union Congress of Tanzania further reported that trade unions were sometimes denied access to premises by employers.

Challenges were also noted regarding collective bargaining. Workers' organizations in Burkina Faso, Madagascar, Malawi and Mozambique³⁶ criticized the low number of collective agreements with MNEs.

33. Confederation of Autonomous Trade Unions of Benin, National Union of Workers Trade Unions of Benin, National Confederation of Workers of Burkina, Ghana Trades Union Congress, Christian Confederation of Malagasy Trade Unions, Malawi Congress of Trade Unions, Mozambican Workers' Organization, Federation of Somali Trade Unions, Amalgamated Trade Union of Swaziland, Trade Union Congress of Tanzania.

34. Trade Union Confederation of Burkina Faso, National Confederation of Workers of Burkina, Ghana Trades Union Congress, Malawi Congress of Trade Unions, Trade Union Congress of Tanzania.

35. National Confederation of Workers of Burkina, Christian Confederation of Malagasy Trade Unions, Mozambican Workers' Organization, National Union of Workers Trade Unions of Benin, Ghana Trades Union Congress, Trade Union Congress of Tanzania.

36. National Confederation of Workers of Burkina, Christian Confederation of Malagasy Trade Unions, Malawi Congress of Trade Unions, Mozambican Workers' Organization.

MNEs set their working conditions (salary and benefits, working hours) and workers have to comply. An obvious recent example concerns the sectoral collective agreement for the mines, which been the subject of negotiations between employers (predominantly MNEs), workers' representatives and the government since 2011. Today, this procedure is blocked by the employers, who do not favour its adoption. [Non-official translation] (National Confederation of Workers of Burkina, CNTB)

Some government respondents also noted challenges concerning collective bargaining.

A significant number of workers do not benefit from collective bargaining, including those employed by MNEs and, especially, the workers in subcontractors of MNEs. (Government of Kenya)

In certain cases, regional offices of MNEs or parent companies issue instructions to management that make consultation less meaningful and limit the scope of collective bargaining. (Government of Malawi)

Concerning the sharing of information during negotiations, the Mozambican Workers' Organization (OTM-CS) explained that local workers did not have sufficient information on profits, which made it difficult for them to justify their demands for salary increases.

With regard to consultations, the Government of Kenya noted that consultations suffered from the absence of established workers' organizations. The Malawi Congress of Trade Unions indicated that there was often a lack of effective information sharing among social partners while highlighting at the same time instances where effective consultation took place.

Regarding the examination of grievances, challenges identified related to the degree of awareness of the legal requirements or the lack of consequences when there was no compliance with the law, as well as to capacity challenges within the company or the absence of institutional mechanisms.

The law provides for a grievance handling procedure that applies to all enterprises, including MNEs. However, there are instances where the procedures are not followed. ... Difficulties exist in making MNEs comply with legal requirements relating to dispute settlement procedures where there are collective agreements because [of] inadequate enforcement capacities among the labour inspectorate. (Government of Kenya)

[MNEs] are not capable of resolving grievances of workers because many complaints are only resolved after intervention or well after the submission of the complaint. [Non-official translation] (Christian Confederation of Malagasy Trade Unions, SEKRIMA)

No clear conciliation and arbitration mechanism [are] being instituted by government. There is a] lack of access to justice, as courts are only located in cities. The ombudsman, industrial relations courts and Malawi Human Rights Commission [are] underfunded. (Malawi Congress of Trade Unions)

Opportunities

Some respondents noted benefits and opportunities that could be derived from securing the rights to freedom of association and collective bargaining.

Where workers are organized and a collective agreement is in place, the wages, benefits and conditions of work tend to be [more] favourable than where there is no collective agreement. ... Employment and business relationships between MNEs and their suppliers can be used to create awareness to such secondary employers on the need to embrace collective bargaining in their organizations. (Government of Kenya)

The MNEs can play a major role in ensuring that this basic right is appreciated and recognized in Swaziland not only by giving space to the workers to form and or join the organization/s of their choice but by also addressing the freedom of association or lack of [it] with [the] government. (Amalgamated Trade Union of Swaziland)

Through collective bargaining one can attain the other [objectives of the MNE Declaration]. [Non-official translation] (National Organization of the Workers of Sao Tome and Principe, ONTSTP, and General Union of the Workers of Sao Tome and Principe, UGT-STP)

Others³⁷ highlighted ongoing initiatives related to proposed revisions of laws and regulations addressing freedom of association. The Federation of Kenya Employers noted that labour laws in Kenya that applied to MNEs provided for a dispute settlement mechanism, which included social dialogue between the affected parties, and arbitration by the labour and employment court.

Several employers' organizations³⁸ emphasized the role they play in providing information, advice and counselling to multinational enterprises operating in the country.

We have also been recruiting associations of multinational enterprises as members to support them with labour-related issues. For instance, the Overseas Chinese Association is a member and the Ugandan labour laws have been translated into Chinese to foster compliance and reduce industrial disputes. (Federation of Uganda Employers)

4.2.5 Others

Outside the existing areas of the MNE Declaration analysed above, the respondents mentioned development of CSR initiatives;³⁹ development of infrastructure in communities of operations;⁴⁰ standardization across borders of working conditions, wages and benefits for employees of the same MNE; and implementation of social clauses.⁴¹

Some respondents also emphasized that MNEs could contribute to the transfer of technology where they operate.⁴²

4.3 Dialogue and consultation

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

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

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

The responses received indicate a significant level of formal outreach and engagement of the constituents with MNEs.

37. Government of Kenya, Trade Union Federation of Banks, Insurance and Financial Institutions of Trade and Industry, Burkina Faso.

38. National Council of Employers of Burkina Faso, Nigeria Employers' Consultative Association, Federation of Uganda Employers.

39. Government of Tunisia.

40. National Confederation of Guinean Workers.

41. Zimbabwe Congress of Trade Unions.

42. Government of Kenya, Government of Nigeria, Sierra Leone Employers' Federation, Trade Union Congress of Tanzania.

4.3.1 Governments

43% of the responding governments confirmed that there were official representatives or a specific office serving as a contact point for representatives of foreign MNEs, typically located in the ministry of labour, of trade and investment, or of industry (figure 4.2). However, the Government of Togo located its contact point within the tripartite National Social Dialogue Council (Conseil National du Dialogue Social), while the Government of Sao Tome and Principe indicated that the Chamber of Commerce, Industry, Agriculture and Services served as the contact point.

Three governments indicated the existence of a contact point for governments of other countries regarding the conduct of MNEs operating in their country. In Nigeria, this role was fulfilled by the Investment Promotion Commission and in Niger by the Ministry of Foreign Affairs. In the case of Sao Tome and Principe, the Government indicated the existence of a focal point for the parastatal company Sonangol.

In terms of consultations on MNE activities, numerous government responses indicated that it was common to hold periodic dialogues. For instance, in Tunisia, the Ministry of Development and International Cooperation convened periodic interministerial meetings with MNEs; and various ministries organized meetings focusing on specific sectors attracting higher levels of MNE activity. The Government of Niger convened biannual meetings with MNEs together with the social partners, and organized an exchange in the context of the Extractive Industry Transparency Initiative.

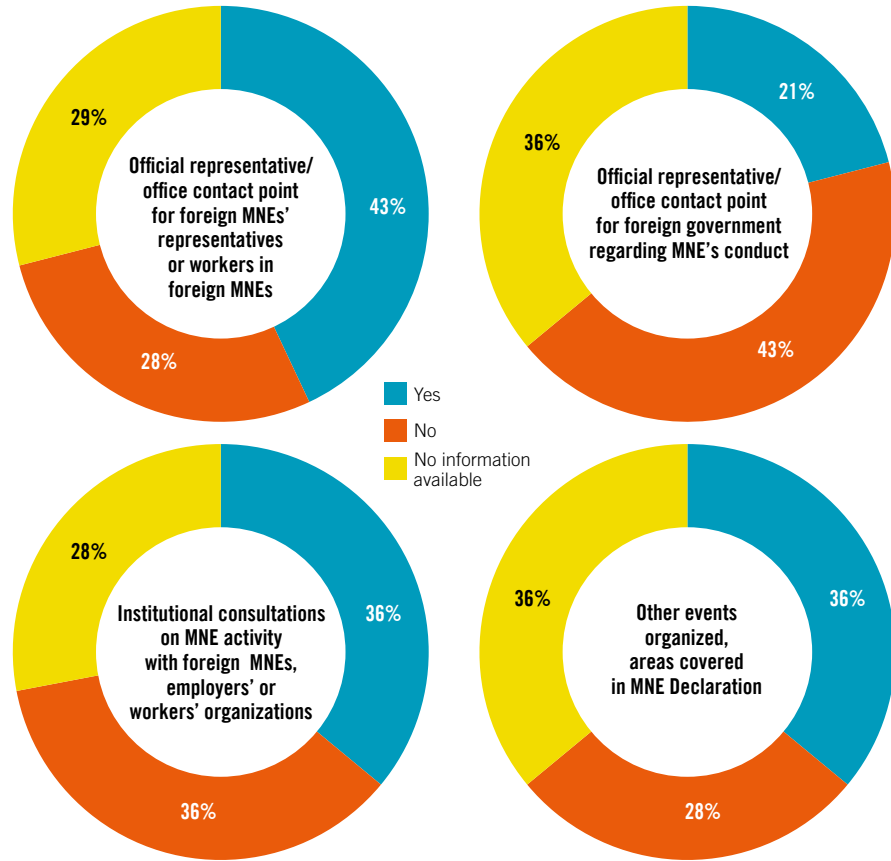
Some governments had embedded consultations with MNEs in existing tripartite dialogue structures:

Institutional consultation involving MNEs ... is envisaged under the national tripartite consultation structures, i.e. the National Labour Board and the wages councils depending on the industrial sectors which the MNEs are operating in or intend to venture into. ... Other consultative frameworks include the Export Processing Zones Authority [and] round-table breakfast meetings. (Government of Kenya)

The Government of Lesotho held consultations with MNEs through the National Advisory Council on Labour. The Government of Zimbabwe highlighted a complementary approach that involved a mechanism to facilitate ongoing dialogue; community share ownership trusts had been established to facilitate the participation of local communities as shareholders in locally operating MNEs.

Government responses concerning organizing events dealing specifically with the areas covered in the MNE Declaration indicated that 36% had done so, and the same percentage had conducted institutional consultations with foreign MNEs and employers' or workers' organizations on MNE activities (figure 4.2).

Figure 4.2 Dialogue and consultation, governments

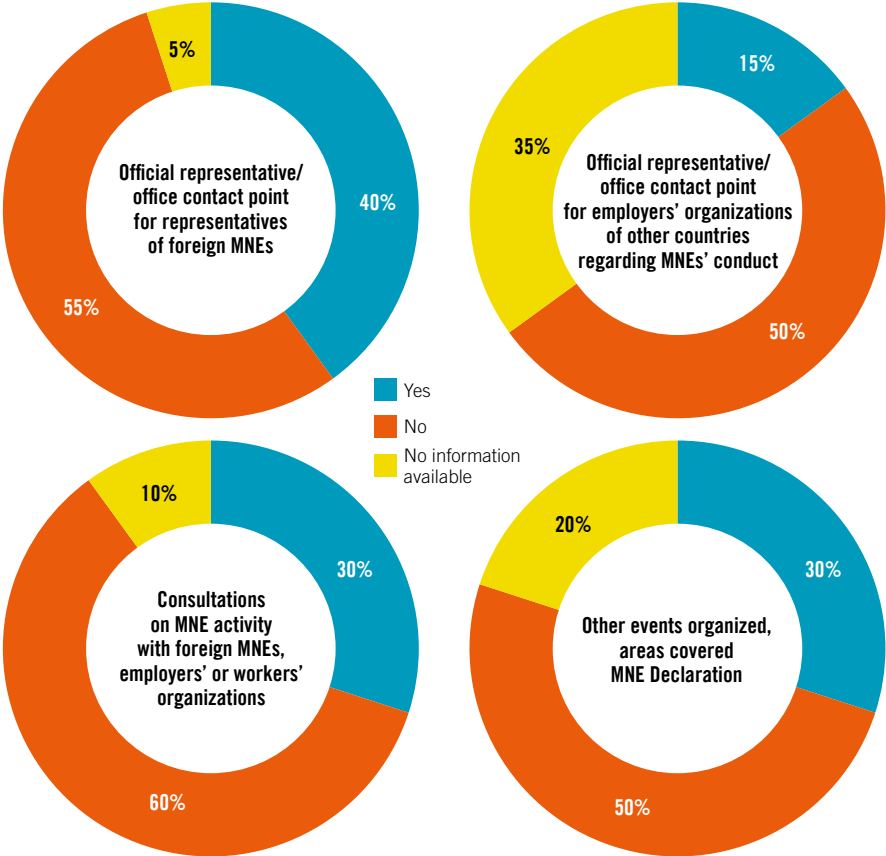


Note: Percentages have been calculated by dividing the number of government responses to each specific question ("yes", "no", "no information available") by the total number of responding governments. Example: 6 out of 14 (43%) responding governments responded "Yes" to the question "In your country, does the government provide an official representative or office that serves as a contact point for representatives of foreign MNEs, including workers' representatives in foreign MNEs?"

4.3.2 Employers' organizations

40% of the responding employers' organizations indicated that they had official representatives serving as contact points for foreign MNEs (figure 4.3). Many respondents⁴³ indicated that this focal point served both MNEs and local enterprises in the country, usually based on membership of the employers' organization. In some federations that contact point served a specific group of foreign MNEs, such as in Kenya with the Federation of Kenya Employers' China-Africa Programme. For the Federation of Uganda Employers, the coordinator for the United Nations Global Compact Network in Uganda functioned as the contact point for foreign MNEs.

Figure 4.3 Dialogue and consultation, employers' organizations



Note: Percentages have been calculated by dividing the number of employers' organizations responses to each specific question ("yes", "no", "no information available") by the total number of responding employers' organizations. Example: 8 out of 20 (40%) responding employers' organizations responded "Yes" to the question "In your country, does your organization provide an official representative or office that serves as a contact point for representatives of foreign MNEs?"

A few respondents (15%) indicated that they had a contact point for employers' organizations of other countries regarding the conduct of MNEs. The Federation of Kenya Employers indicated that it facilitated contacts with foreign employers' organizations under Business Africa and the East African Employers Organization. Sometimes the contact point for employers' organizations in other countries was linked to a specific sector.

43. National Council of Employers of Burkina Faso, General Confederation of Enterprises of Côte d'Ivoire, National Union of Mauritanian Employers, National Council of Employers of Senegal.

The Chamber of Mines of Burkina Faso, which is a member of the Employers' Organization of Burkina Faso, serves as an interlocutor to employers' organizations from other countries in regard to MNE activities in the mining sector. [Non-official translation] (National Council of Employers of Burkina Faso, CNPB)

According to responses from employers' organizations, their consultations with foreign MNEs, governments or workers' organizations tended to happen more on an ad hoc basis. The National Council of Employers of Burkina Faso (CNPB) explained that consultations took place only if there were issues with a specific enterprise. The National Council of Employers of Benin (CNP-Benin) considered that introducing regular consultations could be beneficial.

The issues being addressed in those consultations varied from a general exchange of views to addressing specific issues. The General Confederation of Algerian Enterprises (CGEA) indicated that they organized information sessions with MNEs solely to exchange information of an economic and commercial nature. The Federation of Kenya Employers organized consultations on work permit issues, on the treatment of local workers by MNEs and on supporting the integration of foreign employers in the Kenyan labour market.

In addition to consultations, a number of employers indicated that they organized events on topics of the MNE Declaration, such as on employment promotion, outsourcing and equality of opportunity,⁴⁴ wages⁴⁵ and other working conditions, safety and health, industrial disputes,⁴⁶ the judicial system,⁴⁷ and business linkages between MNEs and SMEs⁴⁸ as well as broader development issues such as the democratic transition and economic recovery.⁴⁹ In the context of the ILO Enabling Environment for Sustainable Enterprises assessment conducted in 2014, the Association of Lesotho Employers and Business hosted an awareness-raising seminar on the MNE Declaration.

44. National Confederation of Employers of Djibouti.

45. National Confederation of Employers of Djibouti.

46. Federation of Uganda Employers.

47. National Council of Employers of Burkina Faso.

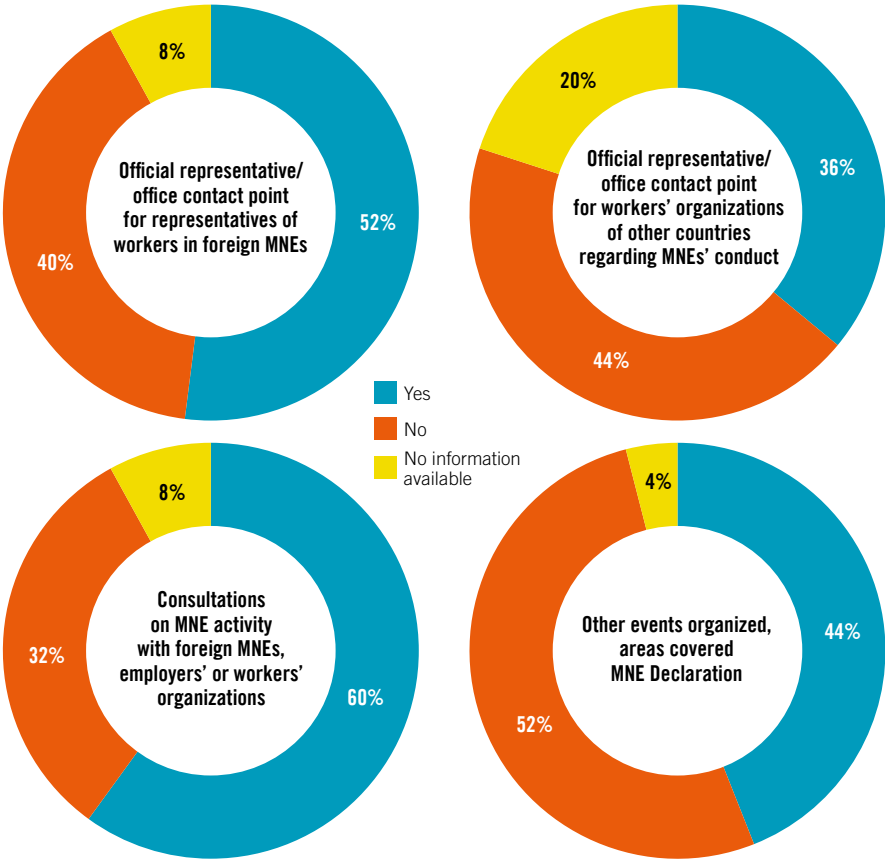
48. General Confederation of Enterprises of Côte d'Ivoire.

49. National Council of Employers of Burkina Faso.

4.3.3 Workers' organizations

More than half of responding workers' organizations (52%) confirmed that they had contact points for representatives of workers of foreign MNEs (figure 4.4). These contact points were either MNE staff representatives or staff of trade unions branches,⁵⁰ and were based either in the main trade union body⁵¹ or in different geographical areas.⁵²

Figure 4.4 Dialogue and consultation, workers' organizations



Note: Percentages have been calculated by dividing the number of workers' organizations responses to each specific question ("yes", "no", "no information available") by the total number of responding workers' organizations. Example: 13 out of 25 (52%) responding workers' organizations responded "Yes" to the question "In your country, does your organization provide an official representative or office that serves as a contact point for representatives of workers of foreign MNEs?"

36% of responding workers' organizations⁵³ indicated that they had contact points for workers' organizations of other countries in regard to the behaviour of MNEs. One respondent stressed the importance of cross-border communication:

50. Autonomous Trade Unions of Cameroon and National Communication Union of Cameroon, Ghana Trades Union Congress, National Confederation of Guinean Workers, Central Organization of Trade Unions (Kenya), Free Confederation of Mauritanian Workers, Democratic Confederation of Workers of Niger, United Mineworkers' Union of Zambia.

51. Trade Union Confederation of Burkina Faso.

52. Malawi Congress of Trade Unions.

53. Autonomous Trade Unions of Cameroon and National Communication Union of Cameroon, General Union of Workers of Cameroon, Workers Confederation of Comoros, Central Organization of Trade Unions (Kenya), Christian Confederation of Malagasy Trade Unions, Malawi Congress of Trade Unions, Free Confederation of Mauritanian Workers, National Confederation of Workers of Senegal, Amalgamated Trade Union of Swaziland.

We believe that there is need for a dedicated organization for MNEs because decisions are taken at the [MNEs'] headquarters and the branches just apply them. It is especially important to establish workers' networks to work towards achieving global agreements that would apply to all the workers in the same MNE. [Non-official translation] (Trade Union Federation of Banks, Insurance and Financial Institutions of Trade and Industry (FESBACI), Burkina Faso)

The contact may be the secretary-general⁵⁴ or another staff person of the workers' organization; or the function may be shared by relevant sectoral unions.⁵⁵ Several respondents highlighted the role played by the global union federations in facilitating cross-border consultation between unions in the same sector.⁵⁶

Responses indicated that trade unions in Africa were consulting directly with MNEs;⁵⁷ were participating in consultations that involved the government⁵⁸ and the employers' organization;⁵⁹ and were consulting with other workers' organizations in the country and the region.⁶⁰ One⁶¹ mentioned consultations with a local nongovernmental organization (NGO) that promoted human rights, peace and good governance in the country. The National Confederation of Workers of Senegal (CNTS) noted a particularly important consultation on "corporate social responsibility of French MNEs established in Senegal", organized jointly with two French trade unions. The Zimbabwe Congress of Trade Unions has been conducting research, training and awareness-raising campaigns to ensure that workers participated in consultations with government on labour-related issues.

Several respondents noted the existence of tripartite dialogues or consultations on MNE activities either on a regular or on an ad hoc basis.⁶²

In addition to consultations, several workers' organizations (44%) indicated that they had undertaken trainings,⁶³ campaigns on specific issues (in particular safety and health)⁶⁴ and dissemination workshops of study findings on working conditions (figure 4.4).⁶⁵

Two workers' organizations⁶⁶ indicated that freedom of association and the right to organize were the pre-eminent issues for consultation:

There have been many consultations in the area of freedom of association and right to organize since most of these [multinational] enterprises enjoy various exemptions from the government including on tax and workers' rights, and this has often led to resistance to organize workers. The move has often resulted in industrial strikes by workers in these companies, forcing the government to intervene and allow trade unions to organize. (Central Organization of Trade Unions, Kenya)

54. Christian Confederation of Malagasy Trade Unions.

55. General Union of Workers of Cameroon, Central Organization of Trade Unions (Kenya).

56. Malawi Congress of Trade Unions, Autonomous Trade Unions of Cameroon and National Communication Union of Cameroon, General Union of Workers of Cameroon.

57. Christian Confederation of Malagasy Trade Unions, Free Confederation of Mauritanian Workers, National Organization of the Workers of Sao Tome and Principe and General Union of the Workers of Sao Tome and Principe.

58. National Confederation of Workers of Burkina, Democratic Confederation of Workers of Niger, Federation of Somali Trade Unions.

59. National Confederation of Guinean Workers, Malawi Congress of Trade Unions.

60. Amalgamated Trade Union of Swaziland, National Confederation of Workers of Senegal.

61. United Mineworkers' Union of Zambia.

62. National Confederation of Guinean Workers, Central Organization of Trade Unions (Kenya), Malawi Congress of Trade Unions, Trade Union Congress of Tanzania, Ghana Trades Union Congress, Christian Confederation of Malagasy Trade Unions.

63. Workers Confederation of Comoros, Democratic Confederation of Workers of Niger, National Confederation of Workers of Senegal.

64. Confederation of Autonomous Trade Unions of Benin, National Confederation of Workers of Burkina, Central Organization of Trade Unions (Kenya).

65. Mozambican Workers' Organization.

66. National Confederation of Workers of Burkina, Central Organization of Trade Unions (Kenya).

Other matters relevant to the issue of workers’ organizations highlighted by respondents included trainings, especially for workers who were illiterate;⁶⁷ compliance with national collective agreements;⁶⁸ safety and health;⁶⁹ and the impact of economic partnership agreements on African workers.⁷⁰ Two respondents⁷¹ mentioned events organized by the ILO as the most relevant:

The ILO had conducted the Bipartite Social Partners (Mutual Gains) meeting and further offered a negotiation skills development meeting bringing together the employers’ and workers’ representatives from the same selected sectors. (Malawi Congress of Trade Unions)

ILO organized a three-day training workshop [on the guide “The ILO MNE Declaration: What’s in it for workers?”] ... [which] was an eye-opener. (United Mineworkers’ Union of Zambia)

4.4 Promotion of the principles of the MNE Declaration

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

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

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

One quarter of respondents indicated that they had undertaken some sort of promotional activity, with 32% of workers’ organizations, 21% of governments and 20% of employers’ organizations reporting they had done so (table 4.4). Responses indicated that more than half of these events or initiatives were organized with ILO technical assistance.

Table 4.4 Events or initiatives to promote the principles of the MNE Declaration by governments, employers’ organizations and workers’ organizations

Entity	Yes	No	No information available
Governments	21%	36%	43%
Employers’ organizations	21%	63%	16%
Workers’ organizations	32%	56%	12%

4.4.1 Governments

Few governments (21%) noted having organized events or implemented initiatives promoting the principles of the MNE Declaration. Of these events, 67% were organized jointly with or including employers’ or workers’ organizations, 33% were co-hosted events with governments of other countries, and 67% were undertaken with ILO assistance.

Among the responding governments only Cameroon indicated having developed or commissioned promotional materials on the principles of the MNE Declaration, and mentioned materials developed for conferences and round tables organized on the occasion of Labour Day.

67. National Confederation of Workers of Burkina.

68. Autonomous Trade Unions of Cameroon and National Communication Union of Cameroon.

69. Workers Confederation of Comoros.

70. Democratic Confederation of Workers of Niger.

71. Malawi Congress of Trade Unions, United Mineworkers’ Union of Zambia.

4.4.2 Employers' organizations

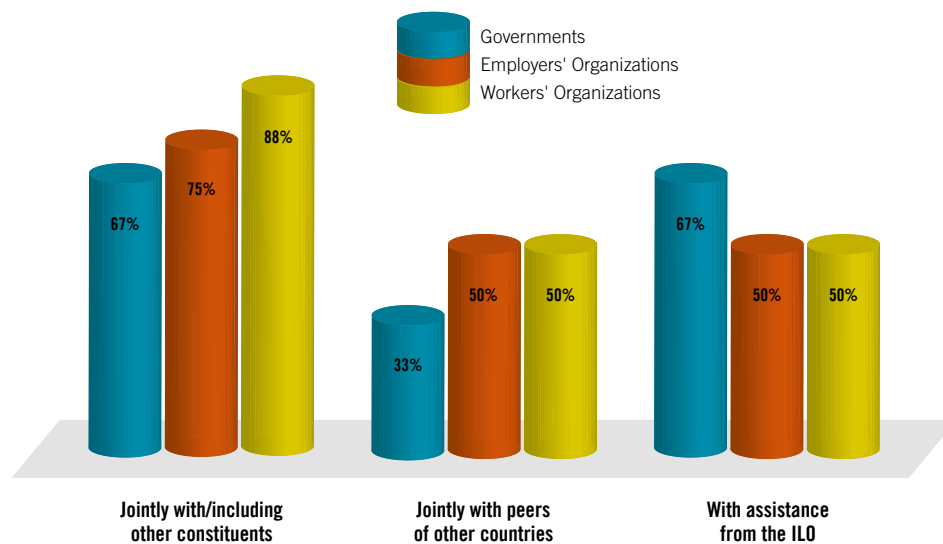
Responding employers' organizations indicated that 21% organized events such as workshops and consultative meetings⁷² to promote the areas of the MNE Declaration, with 75% of these being organized jointly with or including other constituents. Half of these events or initiatives were carried out jointly with employers' organizations from other countries; and half were conducted with assistance from the ILO.

The Federation of Uganda Employers involved employers' organizations of three countries⁷³ in an event on national labour laws and understanding the national culture to minimize industrial disputes. The General Confederation of Enterprises of Côte d'Ivoire (CGECI) shared its experience in translating the principles of the MNE Declaration into action with 16 other employers' organizations at the occasion of the annual meeting of the Fédération des Organisations Patronales de l'Afrique de l'Ouest (FOPAO), the sub-regional employers' organization for West Africa. The Federation of Kenya Employers organized a round-table meeting on women's economic empowerment and developed guides for employers on safety and health and child labour. The General Confederation of Enterprises of Côte d'Ivoire (CGECI) distributed ILO promotional materials on the MNE Declaration.

4.4.3 Workers' organizations

In 88% of the responses from workers' organizations, events and initiatives were organized jointly with or included other constituents; half of the events and initiatives involved workers' organizations from other countries; and the majority were organized with ILO technical assistance, in particular the Bureau for Workers' Activities (ACTRAV) and the ILO Regional Office for Africa, as indicated by the workers' organizations in Guinea, Madagascar, Malawi and the United Republic of Tanzania (figure 4.5).

Figure 4.5 Overview of co-organized events and initiatives by governments, employers' organizations and workers' organizations



Note: This graph represents the extent to which events were organized or initiatives were taken by each constituent group jointly with/including other constituents, and/or jointly with peers of other countries, and/or with assistance from the ILO. Percentages have been calculated on the number of positive responses ("Yes") per constituent.

72. Association of Lesotho Employers and Business.

73. Federation of Uganda Employers, Confederation of Norwegian Enterprises, China Enterprise Confederation.

One third of responding workers' organizations had organized events or taken initiatives to promote the principles of the MNE Declaration. Three responses⁷⁴ indicate that at least some of the events or initiatives were organized jointly with the government or employers' organizations. Other responses⁷⁵ listed initiatives or events organized jointly with foreign workers' organizations.

A range of activities were mentioned, including the promotion of the MNE Declaration and its principles in meetings and events,⁷⁶ a campaign on minimum wage,⁷⁷ the promotion of labour and trade union rights,⁷⁸ an assessment of freedom of association and collective bargaining in the tobacco industry,⁷⁹ and capacity building in the area of collective bargaining leading to the conclusion of a number of collective agreements.⁸⁰

Concerning promotional materials, the National Confederation of Guinean Workers (CNTG) organized several workshops in different regions and using different local languages. In Mauritania, the Free Confederation of Mauritanian Workers (CLTM) produced flyers and posters for meetings and awareness-raising campaigns. The Workers Confederation of Comoros (CTC) used ILO publications as a support in training activities. The Christian Confederation of Malagasy Trade Unions (SEKRIMA) developed a sample collective agreement, and the Central Organization of Trade Unions (Kenya) produced promotional materials on the areas of equality of opportunity and treatment and safety and health.

4.5 Other information

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

The questionnaire gave tripartite constituents the opportunity to provide additional information related to the promotion of the MNE Declaration at the national, regional and international levels.

Many respondents⁸¹ from governments and workers' organizations requested ILO and its constituents to increase efforts to promote the MNE Declaration in Africa. The National Confederation of Workers of Senegal (CNTS) suggested the nomination of MNE Declaration focal points in each country for each constituent and the establishment of an African network.

Several respondents⁸² from government and workers' organizations stressed that discussions on the application of the Declaration should take place at the national level:

74. National Confederation of Guinean Workers, Christian Confederation of Malagasy Trade Unions, Free Confederation of Mauritanian Workers.

75. Christian Confederation of Malagasy Trade Unions, Malawi Congress of Trade Unions, Free Confederation of Mauritanian Workers.

76. National Confederation of Guinean Workers.

77. Central Organization of Trade Unions (Kenya).

78. Central Organization of Trade Unions (Kenya).

79. Malawi Congress of Trade Unions.

80. Workers Confederation of Comoros.

81. Governments of Kenya, Malawi, Mauritania, Nigeria and Zimbabwe, General Confederation of Algerian Enterprises, Interpatronal Group of Cameroon, Federation of Enterprises of Congo (Democratic Republic of), National Confederation of Employers of Djibouti, National Confederation of Workers of Burkina, Federation of Kenya Employers, General Union of Workers of Cameroon, National Confederation of Guinean Workers, Central Organization of Trade Unions (Kenya), Christian Confederation of Malagasy Trade Unions, Free Confederation of Mauritanian Workers, National Confederation of Workers of Senegal, Sierra Leone Employers' Federation, Zimbabwe Congress of Trade Unions.

82. Government of Mauritania, Government of Nigeria, Government of United Republic of Tanzania, Government of Togo, National Confederation of Workers of Burkina, National Confederation of Guinean Workers, Christian Confederation of Malagasy Trade Unions.

Governments on their part should convene forums where the MNE Declaration would be brought to the attention of the MNEs and develop a framework where the MNEs would carry out their responsibilities in line with the Declaration and national priorities. (Government of Nigeria)

Some suggested targeting specific economic sectors, such as the construction, oil⁸³ and mining, telecommunications and banking sectors, where many MNEs can be found.⁸⁴

Several respondents⁸⁵ emphasized the need to develop training and communications materials and to translate the MNE Declaration into local languages. The Government of the United Republic of Tanzania and the Federation of Uganda Employers highlighted the importance of sharing good practices on the implementation of the MNE Declaration to better illustrate the application of its principles.

The National Confederation of Guinean Workers (CNTG) stressed the importance of establishing cooperation among the workers' organizations at the national, regional and international levels to access information on MNE practices in home and host countries.

Two respondents⁸⁶ highlighted the leading role employers' organizations could play in promoting the MNE Declaration in their countries. Other employers' organizations⁸⁷ were still reflecting on their role. The Sierra Leone Employers' Federation highlighted that the questionnaire exercise stimulated thinking on what could be done to promote and apply the MNE Declaration and would trigger further actions to that effect.

Some workers' organizations⁸⁸ called for strengthening the follow-up mechanism to the MNE Declaration. Several respondents⁸⁹ indicated that policies and regulatory frameworks were essential to advance the application of the principles of the MNE Declaration. In Burkina Faso, the Trade Union Federation of Banks, Insurance and Financial Institutions of Trade and Industry (FESBACI) called for gender and youth mainstreaming in activities that might be organized in relation to the promotion of the MNE Declaration.

Finally, many expressed the need to further build the capacity of the ILO constituents in order to achieve appropriate and effective promotion and application of the principles of the MNE Declaration, or a strong interest in receiving ILO assistance.⁹⁰ One called for the allocation of funds for that purpose.⁹¹

83. Ghana Trades Union Congress.

84. National Confederation of Guinean Workers.

85. Government of Mauritania, Association of Lesotho Employers and Business, National Confederation of Workers of Burkina, United Mineworkers' Union of Zambia.

86. Federation of Kenya Employers, Zambia Federation of Employers.

87. Movement of Comoros Companies, Sierra Leone Employers' Federation.

88. National Confederation of Workers of Burkina, Christian Confederation of Malagasy Trade Unions, National Confederation of Workers of Senegal.

89. Government of Kenya, Government of United Republic of Tanzania, United Mineworkers' Union of Zambia.

90. Government of Kenya, Government of Malawi, Government of United Republic of Tanzania, Government of Nigeria, Federation of Enterprises of Congo (Democratic Republic of), Sierra Leone Employers' Federation, United Mineworkers' Union of Zambia, General Union of Workers of Cameroon, Free Confederation of Mauritanian Workers, Zimbabwe Congress of Trade Unions.

91. Federation of Kenya Employers.



Final remarks

5

The high number of responses received from governments, employers' organizations and workers' organizations in the Africa region are an indication of their interest in opportunities and challenges of FDI and operations of MNEs for decent work and inclusive growth in the region.

Employment promotion was the area of the MNE Declaration cited as relevant most often across all three groups of constituents. Considering that over the next 15 years, one in three new entrants into the global labour market will be African, the creation of more and better jobs is a key priority and a motivation for African countries to attract FDI. MNEs through their investments and operations have the potential to contribute to decent work, sustainable development and inclusive growth in Africa. Responding to this priority is also particularly timely in the context of the new 2030 Agenda for Sustainable Development, and as Africa and its partners are coordinating their efforts towards the sustainable development goals.

Many governments, employers' organizations and workers' organizations already have diverse mechanisms in place for dialogue and consultation regarding MNE operations. For each of the constituent groups, at least 40% indicated that they had official representatives serving as contact points for foreign MNEs. Concerning consultations with other governments and employers' and workers' organizations of other countries, the workers' organizations were more likely than the other constituents to have a contact point for this purpose, with 36% having a contact point for workers' organizations from other countries. However, the format, periodicity and actors involved in consultations on MNE activities varied. More than half of the workers' organizations indicated taking part in such consultations, compared to 36% of governments and 30% of employers' organizations. Strengthening of existing tripartite structures on policy discussions related to FDI and MNE operations, as well as the exchange of practices and lessons learned, could improve dialogue and information sharing among tripartite constituents and in turn lead to more effective policies.

One quarter of the respondents had organized events in recent years that promote the principles of the MNE Declaration, more than half of which had been organized with ILO technical assistance. Many of them included other constituents.

The information gathered directly from the tripartite constituents provides elements for consideration for further ILO support in the region. Many respondents from governments and workers' organizations requested ILO and its constituents to increase efforts to promote

the MNE Declaration in Africa. One workers' organization suggested the nomination of MNE Declaration focal points in each country for each constituent and the establishment of an African network.

Several respondents from governments and workers' organizations stressed that more discussions on the application of the Declaration should take place at the national level. One government suggested convening forums where the MNE Declaration could be brought to the attention of MNEs and developing a framework whereby MNEs would carry out their operations in line with the MNE Declaration principles and national development priorities. Some suggested focused interventions in economic sectors with a large presence of MNEs, such as the construction, extractive, telecommunications and banking sectors.

Several respondents emphasized the need for more advocacy and training materials and for translations of the MNE Declaration into local languages. Respondents also highlighted that sharing good practices on the implementation of the MNE Declaration would contribute to a better understanding of the impacts its application can have on decent work.

Workers' organizations emphasized the need for more international cooperation to access information on MNE practices in home and host countries. The central role of national employers' organizations in promoting the MNE Declaration was also mentioned. This information gathering exercise clearly stimulated thinking among the ILO constituents in the region on what could be done to better promote and apply the MNE Declaration.

Several respondents also indicated that regulatory and policy frameworks were essential to advance the application of the principles of the MNE Declaration. A number of workers' organizations called for a stronger follow-up mechanism to the MNE Declaration.

Finally, numerous expressed the need for further capacity building or other assistance from the Office.



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Appendices

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

Governments

1. Awareness of the principles of the MNE Declaration

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

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

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

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

2. Dialogue and consultation

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

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

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

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

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

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

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

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

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

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

3. Promotion of the principles of the MNE Declaration

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

- yes
- no
- no information available

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

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

- yes
- no
- no information available

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

- yes
- no
- no information available

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

- yes
- no
- no information available

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

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

4. Any other information

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

Employers' organizations

1. Awareness of the principles of the MNE Declaration

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

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

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

2. Dialogue and consultation

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

3. Promotion of the principles of the MNE Declaration

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

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

4. Any other information

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

Workers' organizations

1. Awareness of the principles of the MNE Declaration

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

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

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

- 1.3 Please describe initiatives taken by your organization to address the areas indicated above.

2. Dialogue and consultation

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

2.1.a ... representatives of workers of foreign MNEs?

yes. If so, please specify

- no
- no information available

2.1.b ... workers' organizations of other countries regarding the conduct of MNEs?

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

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

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

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

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

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

3. Promotion of the principles of the MNE Declaration

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

- yes
- no
- no information available

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

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

- yes
- no
- no information available

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

- yes
- no
- no information available

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

- yes
- no
- no information available

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

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

4. Any other information

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

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

Country	Government	Employers	Workers
Algeria		Confédération Générale des Entreprises Algériennes (CGEA)	
Angola		Câmara de Comércio e Indústria de Angola	
Benin		Conseil National du Patronat du Bénin (CNP-Bénin)	Union Nationale des Syndicats des Travailleurs du Bénin (UNSTB) Confédération des Syndicats Autonomes du Bénin (CSA-Bénin)
Botswana			
Burkina Faso		Conseil National du Patronat Burkinabé (CNPB)	Confédération Nationale des Travailleurs du Burkina (CNTB) Confédération Syndicale Burkinabé (CSB) Fédération Syndicale des Banques Assurances et Etablissements Financiers du Commerce et de l'Industrie (FESBACI)
Burundi			
Cabo Verde			
Cameroon	Ministère du Travail et de la Sécurité Sociale	Groupement Interpatronal du Cameroun (GICAM)	Confédération des Syndicats Autonomes du Cameroun (CSAC) and SYNACOM Union Générale des Travailleurs du Cameroun (UGTC)
Central African Republic			
Chad			
Comoros		Mouvement des Entreprises Comoriennes (MODEC)	Confédération des Travailleurs des Comores (CTC)
Congo			
Côte d'Ivoire	Ministère de l'Emploi, des Affaires Sociales et de la Formation Professionnelle (MEMEASFP)	Confédération Générale des Entreprises de Côte d'Ivoire (CGECI)	
Democratic Republic of the Congo		Fédération des Entreprises du Congo (FEC)	Intersyndicale Nationale du Congo
Djibouti		Confédération Nationale des Employeurs de Djibouti (CNED)	
Egypt			
Equatorial Guinea			
Eritrea			
Ethiopia			
Gabon			
Gambia		Gambia Chamber of Commerce and Industry	
Ghana			Trades Union Congress (Ghana)
Guinea			Confédération Nationale des Travailleurs de Guinée (CNTG)
Guinea-Bissau			
Kenya	Ministry of Labour, Social Security and Services	Federation of Kenya Employers (FKE)	Central Organization of Trade Unions (COTU)
Lesotho	Ministry of Labour and Employment	Association of Lesotho Employers and Business	Lesotho Labour Council (LLC)

Country	Government	Employers	Workers
Liberia			
Libya			
Madagascar			Sendika Kristianina Malagasy
Malawi	Ministry of Labour and Manpower Development		Malawi Congress of Trade Unions
Mali			
Mauritania	Ministère de la Fonction Publique, du Travail et de la Modernisation de l'Administration	Union Nationale du Patronat Mauritanien (UNPM)	Confédération Libre des Travailleurs de Mauritanie (CLTM)
Mauritius	Ministry of Labour, Industrial Relations, Employment and Training		
Morocco			
Mozambique			Organização dos Trabalhadores de Moçambique
Namibia		Namibian Employers' Federation	
Niger	Ministère de L'Emploi, du Travail et de la Sécurité Sociale		Confédération Démocratique des Travailleurs du Niger (CDTN)
Nigeria	Federal Ministry of Labour and Productivity	Nigeria Employers' Consultative Association (NECA)	
Rwanda			
Sao Tome and Principe	Ministère de l'Emploi et des Affaires Sociales	Câmara do Comércio Indústria, Agricultura e Serviços (CCIAS)	Organização Nacional dos Trabalhadores de São Tomé and Príncipe (ONTSTP) and União Geral dos Trabalhadores de São Tomé and Príncipe (UGT-STP)
Senegal		Conseil National du Patronat du Sénégal (CNP)	Confédération Nationale des Travailleurs du Sénégal (CNTS)
Seychelles			
Sierra Leone		Sierra Leone Employers' Federation	
Somalia			Federation of Somali Trade Unions (FESTU)
South Africa			
South Sudan			
Sudan			
Swaziland			Amalgamated Trade Union of Swaziland (ATUSWA)
Tanzania, United Republic of	Ministry of Labour and Employment		Trade Union Congress of Tanzania
Togo	Ministère du Travail, de l'Emploi et de la Sécurité Sociale		
Tunisia	Ministère des Affaires Sociales		
Uganda		Federation of Uganda Employers	
Zambia		Zambia Federation of Employers	United Mineworkers' Union of Zambia
Zimbabwe	Ministry of Public Service, Labour and Social Welfare		Zimbabwe Congress of Trade Unions

Appendix III. Principles of the MNE Declaration

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

Appendix IV. List of ratifications of core ILO Conventions by member States of Africa

Country	Freedom of association		Forced labour		Discrimination		Child labour	
	Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	Forced Labour Convention, 1930 (No. 29)	Abolition of Forced Labour Convention, 1957 (No. 105)	Equal Remuneration Convention, 1951 (No. 100)	Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	Minimum Age Convention, 1973 (No. 138)	Worst Forms of Child Labour Convention, 1999 (No. 182)
Algeria	1962	1962	1962	1969	1962	1969	1984	2001
Angola	2001	1976	1976	1976	1976	1976	2001	2001
Benin	1960	1968	1960	1961	1968	1961	2001	2001
Botswana	1997	1997	1997	1997	1997	1997	1997	2000
Burkina Faso	1960	1962	1960	1997	1969	1962	1999	2001
Burundi	1993	1997	1963	1963	1993	1993	2000	2002
Cabo Verde	1999	1979	1979	1979	1979	1979	2011	2001
Cameroon	1960	1962	1960	1962	1970	1988	2001	2002
Central African Republic	1960	1964	1960	1964	1964	1964	2000	2000
Chad	1960	1961	1960	1961	1966	1966	2005	2000
Comoros	1978	1978	1978	1978	1978	2004	2004	2004
Congo	1960	1999	1960	1999	1999	1999	1999	2002
Côte d'Ivoire	1960	1961	1960	1961	1961	1961	2003	2003
Democratic Republic of Congo	2001	1969	1960	2001	1969	2001	2001	2001
Djibouti	1978	1978	1978	1978	1978	2005	2005	2005
Egypt	1957	1954	1955	1958	1960	1960	1999	2002
Equatorial Guinea	2001	2001	2001	2001	1985	2001	1985	2001
Eritrea	2000	2000	2000	2000	2000	2000	2000	
Ethiopia	1963	1963	2003	1999	1999	1966	1999	2003
Gabon	1960	1961	1960	1961	1961	1961	2010	2001
Gambia	2000	2000	2000	2000	2000	2000	2000	2001
Ghana	1965	1959	1957	1958	1968	1961	2011	2000
Guinea	1959	1959	1959	1961	1967	1960	2003	2003
Guinea-Bissau		1977	1977	1977	1977	1977	2009	2008
Kenya		1964	1964	1964	2001	2001	1979	2001
Lesotho	1966	1966	1966	2001	1998	1998	2001	2001
Liberia	1962	1962	1931	1962		1959		2003

Country	Freedom of association		Forced labour		Discrimination		Child labour	
	Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	Forced Labour Convention, 1930 (No. 29)	Abolition of Forced Labour Convention, 1957 (No. 105)	Equal Remuneration Convention, 1951 (No. 100)	Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	Minimum Age Convention, 1973 (No. 138)	Worst Forms of Child Labour Convention, 1999 (No. 182)
Libya	2000	1962	1961	1961	1962	1961	1975	2000
Madagascar	1960	1998	1960	2007	1962	1961	2000	2001
Malawi	1999	1965	1999	1999	1965	1965	1999	1999
Mali	1960	1964	1960	1962	1968	1964	2002	2000
Mauritania	1961	2001	1961	1997	2001	1963	2001	2001
Mauritius	2005	1969	1969	1969	2002	2002	1990	2000
Morocco		1957	1957	1966	1979	1963	2000	2001
Mozambique	1996	1996	2003	1977	1977	1977	2003	2003
Namibia	1995	1995	2000	2000	2010	2001	2000	2000
Niger	1961	1962	1961	1962	1966	1962	1978	2000
Nigeria	1960	1960	1960	1960	1974	2002	2002	2002
Rwanda	1988	1988	2001	1962	1980	1981	1981	2000
Sao Tome and Principe	1992	1992	2005	2005	1982	1982	2005	2005
Senegal	1960	1961	1960	1961	1962	1967	1999	2000
Seychelles	1978	1999	1978	1978	1999	1999	2000	1999
Sierra Leone	1961	1961	1961	1961	1968	1966	2011	2011
Somalia	2014	2014	1960	1961		1961		2014
South Africa	1996	1996	1997	1997	2000	1997	2000	2000
South Sudan		2012	2012	2012	2012	2012	2012	2012
Sudan		1957	1957	1970	1970	1970	2003	2003
Swaziland	1978	1978	1978	1979	1981	1981	2002	2002
Tanzania, United Republic of	2000	1962	1962	1962	2002	2002	1998	2001
Togo	1960	1983	1960	1999	1983	1983	1984	2000
Tunisia	1957	1957	1962	1959	1968	1959	1995	2000
Uganda	2005	1963	1963	1963	2005	2005	2003	2001
Zambia	1996	1996	1964	1965	1972	1979	1976	2001
Zimbabwe	2003	1998	1998	1998	1989	1999	2000	2000

Source: ILO, 2015b

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

Country	Conditions of Employment of Plantation Workers, 1958 (No. 110)	Protection of Workers against Ionising Radiations, 1960 (No. 115)	Guarding of Machinery, 1963 (No. 119)	Employment Policy Convention, 1964 (No. 122)	Medical Care and Sickness Benefits, 1969 (No. 130)	Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking, 1971 (No. 135)	Protection against Hazards of Poisoning arising from Benzene, 1971 (No. 136)	Prevention and Control of Occupational Hazards caused by Carcinogenic Substances and Agents, 1974 (No. 139)	Vocational Guidance and Vocational Training in the Development of Human Resources, 1975 (No. 142)
Algeria			1969	1969		2006			1984
Angola									
Benin						2001			
Botswana									
Burkina Faso				2009		1974			2009
Burundi						1997			
Cabo Verde									
Cameroon				1970		1976			
Central African Republic			1964	2006					2006
Chad				Not in force		1998			
Comoros				1978					
Congo			1964						
Côte d'Ivoire	1961					1973	1973		
Democratic Republic of Congo			1967			2001			
Djibouti		1978		1978					
Egypt		1964				1982		1982	1982
Equatorial Guinea									
Eritrea									
Ethiopia									
Gabon				2009		1975			
Gambia									
Ghana		1961	1965						
Guinea		1966	1966	1966		1977	1977	1976	1978
Guinea-Bissau									
Kenya									1979
Lesotho						1998			
Liberia	Not in force								

Country	Conditions of Employment of Plantation Workers, 1958 (No. 110)	Protection of Workers against Ionising Radiations, 1960 (No. 115)	Guarding of Machinery, 1963 (No. 119)	Employment Policy Convention, 1964 (No. 122)	Medical Care and Sickness Benefits, 1969 (No. 130)	Protection and Facilities to be Afforded to Workers' Representatives in the Undertaking, 1971 (No. 135)	Protection against Hazards of Poisoning arising from Benzene, 1971 (No. 136)	Prevention and Control of Occupational Hazards caused by Carcinogenic Substances and Agents, 1974 (No. 139)	Vocational Guidance and Vocational Training in the Development of Human Resources, 1975 (No. 142)
Libya				1971	1975				
Madagascar			1964	1966					
Malawi									
Mali						1995			
Mauritania				1971					
Mauritius									
Morocco			1974	1979		2002	1974		
Mozambique				1996					
Namibia									
Niger			1964			1972			1993
Nigeria									
Rwanda				2010		1988			
Sao Tome and Principe						2005			
Senegal				1966		1976			
Seychelles									
Sierra Leone			1964						
Somalia									
South Africa									
South Sudan									
Sudan				1970					
Swaziland									
Tanzania, United Republic of						1983			1983
Togo				2012					
Tunisia			1970	1966		2007			1989
Uganda				1967					
Zambia				1979		1973	1973		
Zimbabwe						1998			

Source: ILO, 2015b

Appendix VI. Unemployment rate (%), selected countries of Africa, 2010–14

Country	2010	2011	2012	2013	2014	Average un-employment rate 2010–14 (%)	Variation of unemployment rate 2010–14
Algeria	10.0	10.0	9.9	9.8	9.7	9.9	–0.3
Angola	8.5	8.5	8.5	8.4	8.3	8.4	–0.2
Benin	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Botswana	17.9	17.8	17.7	18.4	18.9	18.1	1.0
Burkina Faso	3.3	3.3	3.3	3.1	3.0	3.2	–0.3
Burundi	8.7	8.7	8.6	8.5	8.4	8.6	–0.3
Cabo Verde	8.7	8.6	8.5	8.6	8.6	8.6	–0.1
Cameroon	3.8	3.8	3.8	4.0	4.2	3.9	0.4
Central African Republic	8.5	8.5	8.4	8.8	9.1	8.7	0.6
Chad	8.5	8.8	8.6	8.6	8.5	8.6	0.0
Comoros	7.9	7.9	7.9	7.9	8.0	7.9	0.1
Congo	7.9	7.9	7.9	7.9	7.8	7.9	–0.1
Côte d'Ivoire	4.1	4.1	4.0	3.9	3.9	4.0	–0.2
Democratic Republic of Congo	8.0	8.0	8.0	7.9	7.7	7.9	–0.3
Djibouti							
Egypt	9.0	12.0	12.7	12.7	12.7	11.8	3.7
Equatorial Guinea	8.6	8.5	8.5	9.1	9.8	8.9	1.2
Eritrea	9.0	8.8	8.8	8.9	9.0	8.9	0.0
Ethiopia	5.4	5.4	5.4	5.7	5.9	5.6	0.5
Gabon	20.4	20.4	20.4	19.2	18.3	19.7	–2.1
Gambia	8.6	8.8	8.6	8.6	8.5	8.6	–0.1
Ghana	4.2	4.2	4.2	4.5	4.8	4.4	0.6
Guinea	3.1	3.1	3.1	3.1	3.1	3.1	0.0
Guinea-Bissau	8.3	8.3	8.4	8.5	8.3	8.4	0.0
Kenya	9.3	9.3	9.2	9.2	9.1	9.2	–0.2
Lesotho	24.0	24.6	25.8	27.1	27.9	25.9	3.9
Liberia	3.7	3.7	3.7	3.8	3.9	3.8	0.2
Libya	8.6	8.8	9.0	9.0	9.0	8.9	0.4

Country	2010	2011	2012	2013	2014	Average un-employment rate 2010–14 (%)	Variation of unemployment rate 2010–14
Madagascar	3.6	3.6	3.6	3.8	3.6	3.6	0.0
Malawi	7.6	7.6	7.6	7.6	7.6	7.6	0.0
Mali	8.1	8.1	8.1	8.5	8.4	8.2	0.3
Mauritania	31.1	31.1	31.0	30.9	30.8	31.0	–0.3
Mauritius	7.7	7.9	8.7	8.1	8.1	8.1	0.4
Morocco	9.1	8.9	9.0	9.2	9.3	9.1	0.2
Mozambique	8.4	8.4	8.4	8.5	8.5	8.4	0.1
Namibia	22.1	19.8	16.7	17.7	18.5	19.0	–3.6
Niger	5.0	5.0	5.0	5.0	5.0	5.0	0.0
Nigeria	7.6	7.6	7.5	7.5	7.5	7.5	–0.1
Rwanda	0.6	0.6	0.6	0.6	0.6	0.6	0.0
Sao Tome and Principe							
Senegal	9.9	9.9	9.9	9.9	9.9	9.9	0.0
Seychelles							
Sierra Leone	3.4	3.4	3.4	3.2	3.0	3.3	–0.4
Somalia	8.5	8.5	8.5	8.5	8.5	8.5	0.0
South Africa	24.7	24.7	25.0	25.3	25.3	25.0	0.6
South Sudan							
Sudan	14.8	14.8	14.8	15.3	15.4	15.0	0.6
Swaziland	22.9	22.8	22.6	22.9	23.3	22.9	0.4
Tanzania, United Republic of	3.0	3.5	3.5	3.5	3.5	3.4	0.5
Togo	8.6	8.6	8.5	8.5	8.4	8.5	–0.2
Tunisia	13.0	18.3	18.1	17.5	17.0	16.8	4.0
Uganda	4.2	4.2	4.2	3.9	3.6	4.0	–0.6
Zambia	13.2	13.2	13.1	13.3	13.3	13.2	0.1
Zimbabwe	6.1	5.4	5.4	5.5	5.6	5.6	–0.5
Average unemployment rate	9.4	9.6	9.5	9.6	9.6		0.2

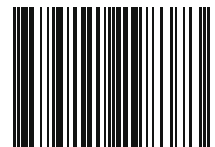
Source: ILO, 2014b.



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