

## **EU-ALC Forum- Working Table II - Responsibility and competitiveness: How could we improve the applicability of responsible management?**

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The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration) addresses both companies and states, and it is looking at how their different roles and responsibilities fit together to achieve overall economic and social development goals. It makes very clear the distinction between the functions of the two, and is a precursor to the Ruggie Framework in the sense that it talks about the state being responsible and the company having the duty to respect the national law, but also certain international norms.

ILO focuses on not only protecting workers' rights but also job creation, skills development and economic development at the macro-level. Any CSR initiatives should be balancing these, never undermining rights, but making sure that the way they are implemented at the enterprise level is consistent with having a sustainable enterprise over time. This includes certification—do the costs of obtaining certification outweigh the benefits, to both workers and the supplier concerned? Empirical evidence to date suggests that workers are not benefiting, and that certification schemes cost enterprises a lot.

This does not mean that all certification schemes are inherently bad, but rather than they need to be more thoroughly thought out, to ensure that they really do advance economic and social development. Any certification scheme should incorporate the principles set out in the ILO MNE Declaration.