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COMMISSION ON TRANSNATIONAL CORPORATIONS
Intergovernmental Working Group of the
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TRANSNATIONAL CORPORATIONS: VIEWS AND PROPOSALS OF
NON-GOVERNMENTAL INTERESTS ON A CODE OF CONDUCT

Report of the Secretariat

Addendum

1. Since the report E/C.10/20 was issued, the Executive Director of the Centre on Transnational Corporations has received the views and proposals on the Code of Conduct on Transnational Corporations of four non-governmental organizations. Their views and proposals are reflected below:

Business: Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA)

Labour: The Council of Nordic Trade Unions (NFS)
International Federation of Commercial, Clerical
and Technical Employees (FIET)
World Confederation of Labour (WCL)

I. Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA)

2. The BDA stresses that in order to avoid double work, the Commission on TNCs should exclude from the elaboration of a code of conduct those parts for which a formulation from the ILO is to be expected. The ILO Tripartite Declaration on Multinational Enterprises and Social Policy should therefore be incorporated in the United Nations code as the part dealing with employment and labour matters. If, however, the Commission deals with social questions, the following points should be taken into account:

The code should be non-mandatory; it should be valid for all TNCs whether of public, mixed or private ownership; its provisions should take into account variations between TNCs due to size, nature and location of operations; no discrimination should be introduced between domestic corporations and TNCs in order to avoid distortion of the competitive positions.

3. The BDA adds that the code should take into account the necessity of providing a favourable investment climate in host countries to enable TNCs to play their role in employment creation.

II. The Council of Nordic Trade Unions (NFS)

4. In the view of the NFS, the code of conduct should not prevent Governments from taking measures to meet special problems created by transnational corporations. This means that the principle of "national treatment", i.e. treating transnational corporations and national corporations in the same way, should be rejected. The code should establish that Governments are not to take anti-union measures or other socially negative measures to attract transnational corporations. It must also establish the duty of Governments to provide full employment through increased international co-operation.

5. The NFS feels that a section should be included in the code on the "working environment". TNCs should not threaten to move production as a pressure tool to prevent the realizations of a better working environment.

6. The NFS notes that on all other points it agrees with the views the ICFTU has earlier forwarded on a code of conduct.

III. International Federation of Commercial, Clerical and Technical Employees (FIET)

7. The FIET draws attention to resolutions adopted at its 10th World Congress in Helsinki in August 1976. In these, FIET supports all national and international efforts to achieve effective supervision of TNCs and emphasizes the importance of drawing up binding social and economic agreements to control their activities. Minimum provisions should be established to impose norms of information, publicity, consultation, competition, taxes, currency and other behaviour on transnational corporations.

8. On the subject of labour and employment, the FIET supports measures to bring about conditions for concluding supranational collective agreements to regulate wage payment methods, wages and general conditions of work.

9. The FIET feels that an international institution under the United Nations should be created to permanently supervise TNCs. The trade unions should be adequately associated in the setting up of this institution. Such an institution should carry out investigations into TNC policies and financial situations, as well as into international trends in capital movements. This can, however, be effective only if agreed norms are embodied in national legislation.

IV. World Confederation of Labour (WCL)

10. The WCL believes that a code of conduct could help strengthen the negotiating position of the developing countries with the aim of achieving a more equitable

distribution of benefits between transnational corporations and host countries. Workers' organizations should be guaranteed the possibility and the means to exercise control over capital movements, location of investment and product distribution.

11. TNCs should respect the laws of the host country. This should, however, not imply the adoption of anti-democratic and anti-union practices by TNCs if such practices have been legalized by certain States. Therefore, the WCL advises to include in the code a provision that TNCs have to abstain from anti-union practices.

12. The code should take the form of a multinational convention, signed and ratified by States. Even if the effectiveness of a code depends to a large extent on actions by national Governments, the WCL proposes that an international institution should be charged with supervising its implementation. Non-governmental organizations, such as trade unions and consumers' organizations, should have the possibility to file complaints to this institution.

13. The code should be formulated in precise terms. It should be legally binding as to the behaviour of transnational corporations, and it should be complemented by principles that are applicable to policies of Governments.

ANNEX I

List of non-governmental organizations which submitted their views
and proposals on a code of conduct relating to transnational
corporations

BUSINESS

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA)

Based in Cologne. Association of Employers' Organizations of the Federal Republic of Germany.

TRADE UNIONS

The Nordic Council of Trade Unions (NFS)

Based in Stockholm. Composed of eight Central Organizations from all Nordic countries (Denmark, Finland, Iceland, Norway, Sweden).

International Federation of Commercial, Clerical and Technical Employees (FIET)

Based in Geneva. International Trade Secretariat representing 129 trade unions in 70 countries.

World Confederation of Labour (WCL)

Based in Brussels. Composed of national trade union centres and individual trade union organizations in 75 countries.
