

Editorial

Now that the Special Session of the United Nations General Assembly in Geneva is over, it is time draw up some conclusions. The first is that, clearly, too many summits are being held. With the International Labour Conference in Geneva and the Beijing +5 Conference in New York hardly over, enthusiasm dropped for the Special Session, with fewer heads of state and NGOs present than anticipated. Moreover, expectations of the various participants – often opposing – resulted in the outcome being somewhat disappointing for the most needy of this world. Some NGOs defined the Assembly as “Copenhagen –5”. People tend to lose their memory.

We are living through a period where globalization is blamed for being the root of all evils – as if, ten years ago, everything was perfect. “Globalization” is a term frequently used today to define the frustrations of society. In Japan, it represents take-overs of Japanese firms by foreigners; in Latin America, discrimination over the sale of their agricultural products in Europe; in France, it has also been blamed for the change of cultural preferences; and for some ILO experts, it is behind all the world’s employment and social problems.

It is therefore no surprise that Kofi Annan’s opening speech, in which he supported globalization, was highly criticized by the NGOs. It is gratifying to see that, despite this pressure, the conclusions of the UN General Assembly Special Session have put globalization in its rightful place, as offering unprecedented opportunities for social and economic development.

Antonio Peñalosa
Secretary General

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<p>International Labour Organization</p>	
<p>Employer members of the Management Training Committee of the Turin Centre have called on the institution to develop more programmes for employers' organisations.</p> <p>Speaking during the Annual Management Training meeting, the employers hoped that this would occur following the appointment of Soren Svensen in the newly created role of Employers' Technical Programme Specialist.</p> <p>The employers also called on the Turin Centre to :</p> <ul style="list-style-type: none"> • develop more programmes for Latin America and the Caribbean Region and to assist employers' organisations in Eastern European countries • develop more training courses for women entrepreneurs • work closely with regional development banks in order to secure funding for their training programmes in those regions, particularly in Asia. <p>They moreover commended the Turin Centre for dedicating 51% of its activities to courses on the development of Small and Medium Sized Enterprises (SMEs). This was a priority area for employers' organisations in all the regions and the trend should be continued.</p>	<p>Turin Centre: Employers call for more training programmes for Employers' Organisations</p>
<p>The ILO has just dispatched to governments the report forms for the second annual follow up to the Declaration with the deadline for responses being 1st September 2000. As you will recall, Member States are required to report on the principles and rights relating to those ILO fundamental Conventions that they have not ratified.</p> <p>As you will also be aware, governments are required to communicate a copy of their reports to the representative national organisations of employers and workers and the ILO Governing Body has also recommended that governments should “seek contributions from the social partners in completing their reports”.</p> <p>In the first Annual Review in March 2000, it was clear that many governments had not consulted either workers' or employers' organisations in compiling their responses, with the result that the employers' point of view was largely missing from the resulting annual report. This is not merely an academic exercise; it is an important tool which employers can use to highlight technical co-operation needs.</p> <p>The IOE will shortly be sending a circular with more information urging members whose governments are concerned by the Declaration follow up (i.e. who have not ratified all of the ILO fundamental Conventions) to be more active in making their views known to governments and, where this is not possible, to consider submitting views either to the IOE and / or direct to the ILO.</p>	<p>ILO Declaration on Fundamental Principles and Rights at Work</p>

<p>At its General Council on 9th June 2000, the IOE adopted a position paper on ILO standards policy. This paper calls for a modernisation of the ILO's standards related activities and was produced in preparation for the forthcoming debate on this issue which will take place at the November 2000 Governing Body session.</p> <p>Final printed copies of the paper are being sent to each IOE member federation. We would be grateful if you could bring the paper to the attention of your government (particularly if it is represented on the ILO Governing Body) to try and convince it of the need for change in the ILO and the importance of the November discussions.</p> <p>The IOE continues its contacts with the ILO in order to prepare the November debate and an informal consultation with a small group of employer representatives will take place in September.</p>	<p>FOR ACTION IOE Position Paper on Standards</p>
<p>United Nations Agencies and other International Organizations News</p>	
<p>Also known as Copenhagen +5, the special session was a follow up to review what progress had been made on the social development programme of action established five years ago. Reporting to the Summit, UN Secretary General Kofi Annan spoke in his report, entitled "A better world for all", that some progress had been made in reducing world poverty and improving the educational possibilities for children, but that more needed to be done. His report, with input from the IMF, World Bank and OECD, was widely attacked by NGOs in attendance who argued that it failed the world's poor and ignored the economic difficulties that they considered these international organisations were creating....not a good start.</p> <p>The summit also failed to attract the Heads of State that it had in the past with only some 20 attending, with none from the leading industrial countries. This, by default, lessened the impact of the event in the eyes of many and attendance numbers generally were lower.</p> <p>The Plenary of the Session worked on the text of a political declaration that would look to further develop the programme of action. Based around work done at preparatory committees at the UN in New York, there were concerns that the document would take a largely negative view of globalization and its effects, leading to a prescriptive response by governments. This view was reinforced in what became known as paragraphs 16 and 17 in the draft. This looked to re-establish guidelines for multinationals as a means of monitoring their social responsibility.</p> <p>The IOE followed closely and was in permanent contact with the negotiations of the final text, the conclusions and the Political Declaration. The issue of guidelines did not survive and the text now speaks of:</p>	<p>UN Special Session "World Summit for Social Development and Beyond" Geneva 26 - 30 June</p>

<p><i>" 16. Bearing in mind that corporations must abide by national legislation, governments should encourage corporate social responsibility so that it contributes to social development by:</i></p> <p><i>(a) Promoting increased corporate awareness of the inter relationship between social development and economic growth;</i></p> <p><i>(b) Providing a legal, economic and social policy framework that is just and stable to support and stimulate private sector initiatives aimed at achieving these goals;</i></p> <p><i>(c) Enhancing partnerships with business, trade unions and civil society at the national level in support of the goals of the Summit."</i></p> <p>The Declaration also makes some positive comments in support of the involvement of national employers' organisations in the development of policies aimed at achieving social progress as well as encouraging the growth of small and medium sized enterprises. Support was also given to the ratification of core ILO labour standards, the ILO programme on Decent Work and the promotion of the ILO Declaration on Fundamental Principles and Rights at Work.</p> <p>As regards to Globalization, the Political Declaration states;</p> <p>"Globalization and continuing rapid technological advances offer unprecedented opportunities for social and economic development. At the same time, they continue to present serious challenges...We must act now in order to overcome these obstacles affecting peoples and countries and to realize the full potentials of opportunities presented for the benefit of all" .</p> <p>President A. Tabani spoke to the General Assembly on behalf of the business community, represented by the IOE and the ICC. His address is attached.</p> <p>For more information, visit the web site www.geneva2000.org</p>	
<p>Discussions between business and the UN over the Secretary General's call for a Global Compact have been ongoing since the concept was first raised in Davos. A series of meetings have been held to explore the concept and to look at ways at which the nine international principles contained as the basis for the Compact could be made meaningful.</p> <p>The UN has taken the outcomes of that work to date and has decided, after some similar discussions with trade unions and some NGOs, to host a one day meeting where invited business organisations and CEOs of major corporations from around the world will meet with trade unions and NGO leaders. Under the chairmanship of Kofi Annan the meeting will look to gain some public commitment to the Global Compact and to explore what the next steps could be in its further development. The IOE has been invited for this special session and shall be represented by President Ashraf Tabani and Vice-President Tom Niles.</p>	<p>The Global Compact Meeting of business leaders and UN Secretary General New York 26 July</p>

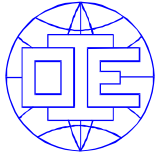
<p>At the meeting in New York Mr Tabani will report on the IOE initiative, supported by the ILO, in hosting a meeting of the Presidents of IOE member federations from 16 developing countries in May, which included representatives from the UN-Secretary General's Office, UNEP, UNHCR and the ILO, and which explored how the Global Compact and the labour principles, taken from the ILO Declaration on Fundamental Principles and Rights at Work, could be promoted to employers in their countries.</p> <p>The meeting unanimously endorsed the Global Compact as a useful tool in improving labour and social development. In a joint statement agreed by participants, the meeting called for the UN to look to move the debate from the political level to the practical level as soon as possible and sought support to identify means by which the principles of the Compact could be delivered in ways which recognised the different national realities.</p> <p>All present were able to give concrete examples of how their organisations were already responding to the challenges of the Compact and that they would look to the UN website to better promote these activities in such key areas as the elimination of child labour and the fight against HIV/AIDS. They also supported the Compact as a voluntary initiative and rejected any suggestion of it becoming a codes based response. The participants also called for greater international efforts in addressing those issues, such as debt relief and market access, which were continuing to hamper their full engagement in the global marketplace and reiterated their belief that, whilst the principles of the Compact were a responsibility of governments, there was a lot business could do to promote them within their own spheres of influence.</p>	<p>The Global Compact and the Developing World</p>
<p>On 27 June 2000, the annual OECD Council meeting agreed a revised set of Guidelines for Multinational Enterprises. These could have implications for multinational companies wherever they operate and could influence the debate in the ILO over the future of the Tripartite Declaration on Multinationals and Social Policy.</p> <p>The OECD Guidelines for Multinational Enterprises (MNEs) are non-binding recommendations to enterprises and provide guidance on appropriate business conduct across a range of issues from labour and environmental protection to corruption. They are addressed by governments to MNEs operating in or from the 33 countries that have agreed to adopt them. Since their adoption in 1976, the guidelines, which are voluntary, have been regularly updated. The latest revision exercise came against the calls for greater control of MNE activities in the light of the increasing globalization of the economy. The negotiations involving governments, representatives of business and labour organisations and environmental and civil society organisations were difficult, with a number of organisations and governments pushing for fundamental changes to be made to the substance of the guidelines and the abandonment of their voluntary nature.</p> <p>On the whole, however, the revision exercise has preserved the “stability” of the guidelines even if there have been key changes to some of the existing chapters on environment, industrial relations and general business policies. In addition new chapters on combating bribery and consumer protection have been added.</p>	<p>OECD Guidelines for Multinational Enterprises</p>

<p>For IOE members, changes to the chapter on employment and industrial relations are of particular interest given their possible read across to the ILO Tripartite Declaration of Principles concerning MNEs and Social Policy. The main changes to the text involve new references to the abolition of child and forced labour. Of more concern, however, are the changes made to the procedures for the resolution of disputes which may arise in the implementation of the guidelines. “National Contact Points”(NCPs) already exist in OECD countries to promote awareness of and implementation of the Guidelines.</p> <p>In the future these NCPs will be strengthened and will have a stronger role in the resolution of disputes. The NCP will offer a forum for discussions and assist “the business community, employee organisations and other parties concerned”. In particular the NCP will have a role in determining whether the issues raised merit further examination, offer to help the parties involved resolve the issues and facilitate access to conciliation or mediation to assist in dealing with the issues. If the parties involved do not reach agreement on the issues at raised, the NCP could issue recommendations on the implementation of the guidelines. Discussions will remain confidential but if the parties involved do not agree on a resolution of the issues raised they are free to communicate and discuss these issues.</p> <p>After the Ministerial meeting, BIAC (the Business and Industry Advisory Committee to the OECD) issued a press release which stated that the new text was far from "user-friendly" and in particular expressed concern about the management of the National Contact Points which, if not carefully handled, could result in companies having to deal with opinions and value judgements rather than law and regulation. TUAC (the Trade Union Advisory Committee to the OECD) has stated that it intends to use the new implementation procedures to the full and it "represents a significant step forward in tightening up the rules for the worlds biggest corporations"..</p> <p>For more information on the OECD Guidelines contact www.oecd.org</p> <p>The recently formed Union Network International (UNI) is also urging its members to use the new Guidelines on Multinational Enterprises, seeing them as a check list for unions to ensure that "multinationals do not abuse their enormous power".</p> <p>For more information contact www.union-network.org</p>	
<p>The European Commission is shortly due to adopt a communication which will outline its future agenda on social policy. This communication will set out where the European Union intends to take action in the fields of employment, social protection, preparing for EU enlargement and promoting quality in industrial relations.</p> <p>Of particular interest to IOE members is the section on promoting international co-operation, where a key aim of the Commission’s policy will be to strengthen the employment and social dimension of globalization through the respect of core labour standards and the promotion of an integrated economic and social agenda in the global economy.</p>	<p>European Commission drafts new social policy agenda</p>

<p>In concrete terms, the Commission proposes to support the debate on the respect for core labour standards through a dialogue involving international organisations including the ILO and the WTO. (IOE federations will remember that, at the WTO Ministerial in Seattle, the EU was proposing a joint standing forum between the ILO and WTO to look at labour and trade matters). The Commission is also proposing to organise a conference “involving all stakeholders” on the social dimension of the European Union’s external relations.</p> <p>IOE members in the European Union should also be aware that the Commission is proposing to issue a recommendation in 2001 to ratify the relevant Conventions of the ILO. At this stage it is not clear what the “relevant” Conventions are.</p> <p>The communication is due to be adopted by the Commission before the Summer break but could be held up to the autumn as we understand that the French Government finds the overall content of the proposals contained in it as too weak.</p>	
<p>The proposed initiative within the International Organization for Standardization (ISO) to elaborate a standard concerning Occupational Safety and Health Management Systems (OSH-MS) (<i>see IOE.Net No.2, January 2000</i>) has been rejected. By the postponed deadline for receipt of votes of 18 April, 29 ISO member bodies had voted in favour and 20 against. Since a two-thirds majority of votes cast was required for the initiative to carry, the initiative has been rejected. Indeed, as 20 votes were against, a minimum of 40 votes in favour would have been needed to develop the initiative further.</p> <p>IOE member federations clearly played a key role in lobbying their national ISO members to vote against this initiative, which is a positive signal not only for the IOE but also for the ILO, within whose scope of activities OSH-MS clearly lies. We will therefore be working closely with the ILO in the coming months in the preparation of its Guidelines on Occupational Health and Safety Management Systems. Members will receive more details about this ILO activity in due course.</p>	<p>ISO initiative rejected</p>
<p>IOE Activities</p>	
<p>The 5th High Level Conference for Asian and Pacific Employers will be held in Singapore from 9 to 10 October. The meeting will focus on: Human resources development for competitiveness: issues for the Asia-Pacific region, and the role of employers' organisations; the new dimensions in forging stronger partnerships with government, unions and others; enterprises and globalization: a call for action and; strengthening cooperation amongst employers' organisations in the region.</p>	<p>IOE/ILO/NIKKEIREN High Level Conference: Asian and Pacific Employers</p>
<p>The European members of the IOE will meet in Tallinn (Estonia) from 13 to 16 September 2000 to discuss two major issues: Social Security in the 21st century and The Employers in the ILO. Special guest speakers include: Juan Somavía, Director-General of the ILO; Gabrielle Clotuche, Directorate General of Employment and Social Affairs, European Commission; Dalmer Hoskins, Secretary General of International Social Security Association; Guillermo Arthur Errazuriz, President of the Chilean Association of Private Pension Funds and Augusto Iglesias, World Bank Consultant on Private Pension Schemes.</p>	<p>Meeting of IOE European members</p>

<p>The XII IOE meeting of Presidents of Iberoamerican Employers' Organizations will be held in Panama from 5 to 6 October. The agenda is focused on four major areas: the preparation of the European Union-Latin America Business Summit; the elaboration of a position to be presented to the Heads of State of the Iberoamerican countries; the Global Compact in Latin America; and the first meeting at the regional level with the Latin American trade union movement leaders, at the invitation of the ILO Director-General, Juan Somavía.</p>	<p>XII IOE Meeting of Presidents of Iberoamerican Employers' Organizations</p>
<p>In conjunction with the UN Special Session the Swiss Government organised a parallel event that provided, over six days, a programme of 213 separate seminars on all topics ranging from "change and social justice" through to meditation. These seminars were presented by a wide range of NGOs and other organisations and the list does not include the full range of seminars facilitated by the ILO. Our thanks to those from our membership who participated in a number of these discussions thereby ensuring that the voice of business was clearly heard.</p> <p>The IOE, in conjunction with the ICC, hosted a panel discussion on the afternoon of Wednesday 28 June which considered what impact the knowledge economy was having on business and also what the world of work in the 21st Century was likely to look like. The panel offered the opportunity to across sectors of people attending the Special Session to listen to key speakers from the business community. A full copy of the debate will be sent soon to members and will be available on our web site.</p>	<p>Geneva 2000 Forum</p>
<p>IOE Members</p>	
<p>Next year Sweden will assume the Presidency of the European Union for the first time. In preparation for that, nine business organisations in Sweden have come together and agreed twelve priority areas as a means of moving towards a more enterprising and competitive Europe in 2001.</p> <p>These twelve key policy areas are, in summary;</p> <ul style="list-style-type: none"> • The single market should be completed- i.e. the free mobility of labour, goods, services and capital should be in place. Remaining barriers need to be abolished and new barriers avoided. • Fewer, simpler and stable rules. There needs to be a reduction in regulation and entrepreneurial activities should be made easier, with particular focus on conditions for small and medium sized enterprises. • More privately run activities. The work to improve competition policy should continue with competition and private alternatives encouraged at all levels of national government. • A growing and flexible labour market. The EU should encourage national efforts to adapt rules and regulations to contemporary needs as new labour markets emerge. 	<p>Twelve priorities set by the Swedish business community in preparation for Sweden's presidency of the European Union in 2001</p>

<ul style="list-style-type: none"> • Investment in knowledge and skill development, including more emphasis on entrepreneurial training. • Improvement of the infrastructure in the IT, transport and energy sectors. • The successful enlargement of the EU. • Expand free trade by defending open multilateral commerce within the framework of the WTO. • A smooth running economic and monetary union. • A functioning market for financial services through the reduction of tax on capital and the elimination of regulations that hinder the development of venture capital. • Globalise environment policy by working for the harmonisation of international environmental legislation and the full adoption of the common environmental policy in all member states. <p>Members seeking more information on this initiative are invited to visit the web site of the Swedish Employers' Confederation at www.saf.se.</p>	
<ul style="list-style-type: none"> - William Burgess has been elected President of the Irish Business and Employers Confederation (IBEC). Mr Burgess succeeds Richard Burrows who has completed the two-year term of office. - The Malaysian Employers' Federation (MEF) has a new President with the election of Md Jafar bin Abdul Carrim to the position. He succeeds Mokhzani bin Abdul Rahim, who will now be the President Emeritus of the Federation. - Antonio D'Amato was elected President of the General Confederation of Italian Industry (CONFINDUSTRIA) for a four-year term 2000-2004. Mr D'Amato succeeds Giorgio Fossa. 	<p>New Presidents in IBEC (Ireland), MEF (Malaysia) and CONFINDUSTRIA (Italy)</p>



**TWENTY-FOURTH SPECIAL SESSION OF THE GENERAL ASSEMBLY:
“WORLD SUMMIT FOR SOCIAL DEVELOPMENT AND BEYOND”**

***Statement by Mr Ashraf W. Tabani, President of the IOE on behalf of
the International Organisation of Employers (IOE) and the
International Chamber of Commerce (ICC)***

Mr. President:

The international business community, represented by the International Organisation of Employers and the International Chamber of Commerce, welcomes this opportunity to reflect the views of the Business Community to this 24th special session convened to carry out the commitments entered into at the Copenhagen Social Summit.

The Social Summit recognized the need for a sound policy framework, both nationally and internationally, to achieve economic growth, as well as growth in employment and income. In fact in our intervention in that plenary the ICC/IOE had underlined the central role which the private sector needed to play for job creation as the principal road to achieving these goals.

Almost all countries realize that the market system is the key to achieving these goals, and the private sector is looked upon as the principal source of employment creation. Since the summit five years ago the performance in this regard has been mixed, in many areas robust and impressive, while on the other hand the employment situation and the alleviation of poverty in many parts of the world continues to be unsatisfactory and a cause for concern. Thus the commitments made in Copenhagen remain as valid and challenging as they were five years ago. The business community reaffirms its endorsement of this program once again here in Geneva.

Mr. President - - Since Copenhagen, a heated debate has developed on the issue whether globalization has been a positive force for progress towards the goals of the Social Summit or has been inimical to them. There is ample evidence that globalization has been a powerful impetus for economic betterment, opening up new economic opportunities, not only in the traditionally industrialized countries, but, more importantly, in developing countries where such opportunities were not available.

We are all aware that many countries for one reason or another have been unable to benefit from the technology and capital coming into the market; that the pressure of global competition can result very often in painful local social dislocation; that large pockets of poverty continue to exist in many countries.

The answer to these economic and social challenges is not, as many assert, to slow down or even to halt the process. In the words of Secretary-General Kofi Annan, "The cure lies not in protesting against globalization. The poor are poor, not because of too much globalization but because of too little - - because they are not part of it."

Recent studies confirm that countries that opted to open their economies and integrate into the global economy over the past 20 years have been growing at annual rates of more than 4 percent with improved living standards across all sectors of society, while those that did not -barely achieved a growth rate of one percent. We must therefore look more closely at the reasons of disparity.

Among the countries unable to achieve growth, the proximate cause in an important group has been civil or international conflict or endemic internal disorder, which has seriously undermined their economic potential.

A larger and more diverse group consists of countries that lack major aspects of good governance or incur heavy foreign debts because of faulty domestic policies and government mismanagement or those where large populations suffer from widespread debilitating diseases. The people of these countries are thus denied the fundamental conditions for economic growth and participation in the global market

Mr. President - - Business all over the world is ready to take reasonable, even large risks in making the investments necessary for economic growth and job creation provided it has a minimum level of assurance of stability in the marketplace.

It is primarily the responsibility of governments to provide the institutional structure and macro and micro economic policies that meet both social objectives and encourage business growth: monetary and fiscal stability as well as the rule of law. Governments also need to provide a regulatory framework that assures competition, free flow of investment and the protection of property rights, including intellectual property rights. Most countries need to do more in the way of structural adjustment, the three main elements of which are stabilization, liberalization and privatization.

At the international level, business needs multilateral rules, in support of national policies, that facilitate trade, financial transactions, and investment.

Two major developments since Copenhagen related to Social development need to be mentioned here. The first is the Declaration of Fundamental Principles and Rights at work and the Convention No. 182 on the Elimination of the Worst forms of Child Labour adopted by the International Labour Conference in 1998 and 1999 respectively. Both these important mechanisms were sponsored and promoted by the Business Community. Furthermore the United Nations Secretary General's call for a Global Compact with business as a voluntary initiative has received considerable support with many enterprises and employers' organisations throughout the world supporting the principles of the

Global Compact. We believe that real social progress through the promotion of the nine principles of the Compact is possible when both the multinational enterprises as well as the “grass root” businesses are engaged and are committed to the realization of these nine principles on a purely voluntary basis.

Mr President –It is our hope that this Summit is able to make further progress on the programme of action established five years ago. We need to keep moving forward if the aspirations of social justice are to be reached. This needs to occur in a spirit of partnership with governments and there is no evident need for the imposition of UN guidelines for corporate responsibility which will stifle rather than promote business and investment at both the national and international level.

We must recognize that the basic challenge facing both government and business is to ensure that, as globalization moves forward, it continues to produce more winners.

Within the economic and commercial realities in which it must operate, business will continue to make its full contribution to the goals set by the Copenhagen Summit in order to generate and sustain productive employment .