

THE CHANGING NATURE OF BARGAINING.....

International Framework Agreements.

At a national and company level, trends in industrial relations are changing: the emphasis is largely on decentralisation, with the focus shifting from collective industrial relations to individual enterprise or employee relations. However, as a contrast to this, a new trend is emerging at international level with international trade union secretariats playing a political coordination role at both individual multinational company level and within specific sectors of activity.

As companies increasingly operate at global level with global management, operations and personnel systems, trade unions are responding to this by advocating global trade union approaches. Multinational companies are often portrayed as “footloose”, seeking to drive down labour standards. As the debate over the benefits of globalisation amplifies, trade unions are claiming a wider role in defending workers against “social dumping” by demanding minimum social standards worldwide. As regional trading blocs spread, trade unions are also increasingly organising at a regional level in order to promote a “social dimension” to such trade agreements.

One of the ways international trade unions have been responding to the challenges of globalisation has been to seek to reach global framework agreements with either individual multinational companies or international sectoral employers’ organisations. These agreements vary as to title and as to substance. However in general terms they all seek to safeguard trade union rights by securing a company commitment to sole negotiating rights for trade unions and rights to access for the purposes of organising. At a time of falling trade union density in most parts of the world, this recognition may assist trade unions in retaining and gaining new union members. In addition, such agreements often also provide for companies to set minimum standards of behaviour in all of their operations, irrespective of location.



Editorial

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There is a growing tendency to use ILO Conventions as benchmarks for commitments on such subjects as freedom of association and collective bargaining. The recent high profile agreement reached between Telefonica and UNI (Union Network International) goes a step beyond this in stating that the company will adhere to ILO Core Labour Standards. This moves responsibility for compliance with ILO Conventions from governments to individual companies: a development which could mean difficulties of interpretation and responsibility at times of conflict. The ILO is encouraging such agreements. Juan Somavia, the Director-General of the ILO, hailed the Telefonica agreement as an historical milestone in industrial relations.

Framework or global agreements are but one response to the many pressures multinationals are facing from various stakeholders and critics. However, it is important that companies bear in mind the potential effect of concluding such agreements in terms of legal risk, operational efficiency and reputation. However general or aspirational these agreements may appear, companies need to carefully consider the implications of anything they sign up to: there have been recent examples of companies having signed such global agreements finding themselves with severe adverse publicity at a time of economic downsizing brought about by the demands of the marketplace.

Every company will approach requests for global agreements in different ways depending on its own industrial relations environment and operational objectives. However, employers' organisations have a role to play in informing members of developments and offering objective input to members contemplating entering into such arrangements. As the bargaining agenda for multinational companies is appearing to take on a new dimension, most particularly at the European level and one that has to date not necessarily involved a central role for employer organisations, it is important that employer organisations can position themselves as credible advisers to these companies. This is a complex area – the next meeting of the IOE's European members in Berlin later this year could provide a good opportunity for debate.

Antonio Peñalosa
Secretary-General

International Labour Organization

In November 2000, the ILO Governing Body adopted on an experimental basis, a new "integrated" approach to standard setting. (For more details of this see the IOE report on the November 2000 Governing Body session). Most of the elements of this new approach were already outlined in the IOE's Position Paper on ILO Standards adopted by the IOE General Council in June 2000. We

ILO Standards in the area of Occupational Safety and Health

therefore have some room for satisfaction at this outcome. Recently the ILO Governing Body had to choose the first theme for examination under the integrated approach and, with the support of the Employers' Group, the area of Occupational Safety and Health was selected. This is a good choice as the ILO already has a considerable number of health and safety standards and other instruments, some of which conflict and overlap.

The aim is that the 2003 International Labour Conference will hold a discussion on ILO action in the area of occupational health and safety. The purpose of this discussion will be:

- to examine what impact the ILO is having in the area of health and safety at work, and;
- to identify what the ILO's future action in this area should be. (This could mean consolidation or revision of existing standards, new standards, promotion of other means of action such as codes of practice, technical cooperation or other promotional work). This means that standard setting is not an automatic outcome of the debate.

The discussion will be based on a study and proposed plan of action which will be prepared by the ILO during the course of 2001 and 2002. This will involve a significant change in the way in which the Office prepares its items for the Conference. There will be much more contact and consultation with constituents and the Governing Body on the preparation of both the study and the proposed plan of action. This is something the Employers' Group has welcomed as it is felt that one of the major failings of the ILO to date has been its "standards for standards sake" approach, without sufficient attention being given to practical research on the feasibility of a standard in a given area.

Of course, a new way of working for the ILO also means changes in the way the Employers' Group prepares for this new approach. The ILO sees standards-related activities as involving a continuous dialogue with the constituents during all phases of the process. Employers will now be expected to have a greater policy involvement in the process ranging from input to the ILO survey which will be carried out during late 2001 and early 2002, to comments on the study and proposed plan of action which will be ready in September 2002. Involvement and input might for example be needed at national or regional meetings on health and safety, in response to ILO questionnaires addressed to national constituents, or through the IOE in preparation for the Governing Body debates on this issue prior to the Conference.

Employers in the ILO have been arguing for changes to ILO standards for many years. We now have to ensure that the new approach we successfully argued for actually delivers results. It would be a shame if the new approach fails due to our lack of involvement. The IOE will ensure that members are kept up to date with developments but the technical input to the debate can only come from the specialists in our member federations.

<p>An ILO tripartite meeting on the Employment Impact of Mergers and Acquisitions in the Banking and Financial Services Sector was held in Geneva from 6 to 9 February 2001.</p> <p>The moment the draft Conclusions submitted by the Office were distributed to the Groups on Thursday 8 February, the entire Employers' Group found them to be rather biased. They hardly reflected the employers' major concerns.</p> <p>On the other hand, the Conclusions contained references to statements made by the workers which were quite clearly going to be firmly opposed by the employers. Among other things, the Conclusions referred, for example, to the guarantee on the part of employers of the full respect of acquired rights as well as the guarantee on the part of governments of consultation mechanisms at all stages of a merger or acquisition.</p> <p>In view of these Conclusions, and after (fruitless) attempts on the part of the working party to reach acceptable Conclusions, the Employers' Group tried to persuade the workers to withdraw those few paragraphs which gave rise to particular concern, so that the rest of the text could be adopted by consensus.</p> <p>As the workers indicated that they categorically refused to envisage withdrawing these points, the employers opposed the entire text of the Conclusions during the closing plenary session. The majority of the participants – the governments and the workers – nevertheless voted in favour of the Conclusions.</p> <p>The Chairman of the meeting declared that the employers' attitude was without "honour and in bad faith".</p> <p>The employers got up and left the room. It is important here to stress that, contrary to the rumour that has been skilfully spread by Union Network International (the trade union organization that coordinated the Workers' Group at this meeting), the employers did not leave the room because they had lost a vote, nor – even less so - because they refuse social dialogue, but because of a remark concerning them which should not have been made.</p>	<p>ILO Tripartite Meeting on the Employment Impact of Mergers and Acquisitions in the Banking and Financial Services Sector</p> <p>Geneva, 6-9 February</p>
<p>The ILO has released its draft Code of Practice on HIV/AIDS and the World of Work. The draft will serve as a basis for discussion during the Tripartite Meeting of Experts on HIV/AIDS and the World of Work to be held at the ILO, Geneva from 14 to 22 May 2001.</p> <p>The Code is intended to provide guidance to ILO constituents on developing a workplace policy for HIV/AIDS. Some of the issues touched upon are: non-discrimination, gender equality, social dialogue, screening, confidentiality, termination of employment, prevention, care and support for HIV/AIDS infected employees.</p>	<p>Draft Code of Practice on HIV/AIDS and the World of Work available on the ILO Website</p>

<p>The Code also provides guidance on general rights and responsibilities for governments and other competent authorities, for employers and workers and for their respective organisations.</p> <p>While employers in general approve recent initiatives taken by the ILO to mitigate the impact of HIV/AIDS in the workplace, they have pointed out that the ILO should not act as if it is re-inventing the wheel. A lot of work has been done by other international organisations like the WHO and UNAIDS. At the national level a number of employers' organisations have also taken successful initiatives aimed at combating HIV/AIDS in the workplace. The IOE has on a number of occasions reminded the ILO that it should study these initiatives in order to come up with a comprehensive draft Code. Difficulties faced by enterprises when dealing with the issue of care and support for HIV/AIDS infected employees also require particular attention.</p> <p>In order to prepare for the Meeting of Experts, we are appealing to our members, especially those who have taken similar initiatives, to send us comments/concerns on the draft Code so that we can incorporate them into the Employer Group position.</p> <p>For a copy of the draft Code, please consult the ILO web site : http://www.ilo.org/public/english/protection/trav/aids/coprac.htm</p> <p>For more information on this issue, kindly contact: Muia@ioe-emp.org</p>	
<p>The ILO will be holding its 13th Asian Regional Meeting in Bangkok from 28 to 31 August 2001.</p> <p>The theme of the meeting will be “Decent Work in Asia”, with a report by the Director-General serving as the basis for the discussion. Apart from the standard rendition of ILO activities in the region, two major topics will be covered in the report. One is the impact of globalisation on the socio-economic situation in the region and effective responses to newly emerging needs in the light of labour and employment concerns. The other will be the impact of information technology on the world of work.</p> <p>In addition, it is envisaged that there will be two Special Sessions relating to the four Strategic Objectives of the ILO - Fundamental Principles and Rights at Work, Employment, Social Protection and Social Dialogue. These sessions will be in the form of a keynote presentation, followed by a tripartite panel discussion and then a general discussion. Since it is important that the employer position is presented strongly in these sessions, particularly during the tripartite panel discussion, we would urge our members in the Asian and Pacific region to send us at the earliest issues of concern to them in respect of these four objectives, which would greatly help us in formulating our positions on them.</p>	<p>13th Asian Regional Meeting in Bangkok</p>

**United Nations Agencies and other
International Organizations News**

The IOE attended a Workshop at the UNHCHR to discuss a draft set of Human Rights Guidelines for business, commissioned by the UNHCHR's Sub-commission on Promotion of Human Rights sessional Working Group on the working methods and activities of transnational corporations. The Workshop was held to discuss both the content and approach of the Guidelines, i.e. whether mandatory or voluntary.

The Guidelines themselves are based on the UN Universal Declaration of Human Rights and have an impact on areas of remuneration, hours of work, freedom of association and the right to collective bargaining as well as safety and health.

From the outset of the Workshop, the problem of form became a key issue. Attendees from a variety of mainly Human Rights NGOs were divided as to whether such Guidelines should be mandatory or voluntary. This important aspect remained unresolved as the Workshop turned to focus on the substance and wording of the Guidelines. The IOE expressed the concern that, until the form of such Guidelines was known, discussions on its content were of little use as the discussions would proceed on very different bases depending on whether it was a voluntary or obligatory text that was being reviewed. As its status remained unclear, the IOE withdrew as it was in no position to "negotiate" wording in such a vacuum.

The Workshop will form part of the response by the guidelines' author to the Subcommission at its next meeting in June 2001. The Subcommission itself is made up not of member States, but by Human Rights activists nominated by governments. Governments will not get to consider any text unless and until the Subcommission approves a text to go before the full UNHCHR Subcommission in 2002. The IOE will shortly be in touch with member federations in those countries with national representation in the Subcommission so that the employer response can be transmitted to them through appropriate contacts.

**Human Rights
Guidelines for
Business**

The High-level Segment of the UN Economic and Social Council will be held in Geneva from 16 to 18 July 2001 on the overall theme of Sustainable Development for Africa and the Role of the UN System.

In connection with this event, an "Africa Investment Forum" will be held on 16 July 2001 to discuss the key obstacles to investment in Africa and measures to overcome them. Ministers from African countries, African business leaders and investors as well as policy makers from donor countries and the development financial institutions will take part. In this regard, a noteworthy feature is that it is planned to have the perspectives of the Pan-African Employers Confederation on the subject presented at the Forum as well as its work on investment issues and the recommendations emanating from it presented at the Forum.

**Africa Investment
Forum**

<p>The World Conference against racism will be held at the International Convention Centre and the NGO Forum (which is where business can participate) will be held next door in the Kingsmead Cricket Stadium.</p> <p>The organizing committee for the NGO Forum is being co-ordinated by the South African national NGO Coalition. Individuals and NGOs wishing to attend the Forum need to register with the organizing committee. For registration details and basic information on the NGO Forum go to www.racism.org.za.</p> <p>The organizing committee is also responsible for co-ordinating accommodation, exhibitors or special events. For more general information surrounding this event, contact Laurie Wiseberg lwiseberg.hchr@unog.ch or Frej Fenniche ffenniche.hchr@unog.ch.</p>	<p>World Conference against Racism Durban, South Africa</p> <p>31 August – 7 September</p>
<p>The IOE recently attended a meeting at the WTO in Geneva which was organised to stimulate a dialogue between the Government of Qatar (which will be the host of the November 2001 WTO Ministerial meeting) and NGOs. At this stage no precise organisational details are known. However, one thing is very clear, the limitation on hotel accommodation (only 4,400 rooms) means that the WTO will have to impose some limitation on delegations and observers. In Seattle in 1999, there were over 6,000 NGO observers alone. The WTO will be coordinating applications for registration, accommodation etc. and the relevant information and forms will be available at the end of May. Federations who are intending to send observers are therefore recommended to look at the WTO website at www.wto.org for further information. Those who are hoping to be included on national delegations should also ensure that their government submits the information to the WTO promptly.</p>	<p>WTO Ministerial in Qatar</p>
<p>IOE Activities</p>	
<p>The Stability Pact has a programme entitled “the Initiative for Social Cohesion (ISC)”.The objective of this programme is to build the capacity of both governments and social partners to enable them to develop social and health institutions and other initiatives. The IOE has participated in a subgroup of this programme to consider the issue of social dialogue, with the involvement of the ILO, the EC, the Council of Europe, the European Training Foundation and governments from Croatia, France and Switzerland. A strategic programme has been developed by the subgroup, which will be incorporated in the ISC Action Plan to be presented in Tirana at the end of May. This strategic programme will give the IOE an opportunity to propose projects to strengthen member federations and to ensure the independence of employers’ and workers’ organisations. A number of donors are already interested in financing some projects such as a network on human resources practices, composed of employers’ organisations and enterprises from the region.</p>	<p>Stability Pact for South Eastern Europe – New developments</p>

<p>The French Ministry of Employment and Solidarity has accepted to chair the ISC with the support of the Swiss government, the ILO, the WHO and the Development Bank of the Council of Europe. In discussions with the Ministry, it was agreed that the IOE will be on the Management Committee of this Initiative and will be one of the co-ordinators of the projects. Some projects have already been identified in the areas of employment, social dialogue, social protection, health and housing. The IOE will present these projects for employers of the region to the donors in October. If a member requires further information or has any suggestions or projects in which it would like to participate, please contact oechslin@ioe-emp.org.</p>	
<p>IOE Members</p>	
<p>The Brazilian National Confederation of Industry “CNI” (Confederação Nacional da Indústria) has launched a new on-line version of its “Collective Bargaining” data base the “SANC” (which stands for <i>Sistema de Acompanhamento de Negociações Colectivas</i>).</p> <p>The SANC is targeted to professional negotiators, entrepreneurs, labour lawyers, jurists analysts and researcher. Through its powerful search engine - users may compare different collective agreements executed throughout the entire country during the past three years. Information that can be consulted on the database includes salary adjustments, social clauses and health and safety issues.</p> <p>To consult the SANC, please visit the CNI web page at: www.cni.org.br</p>	<p>Brazil: CNI new on-line “Collective Bargaining” Database</p>
<p>Other news</p>	
<p>“The web is a powerful tool for international solidarity”, UNI General Secretary Philip Jennings told 60 participants attending the UNI Webmasters’ Forum which was organised to exchange ideas about the development of trade union websites. The meeting discussed the use of the internet for member recruitment and as a tool to respond to solidarity appeals from affiliated unions.</p> <p>Source: <i>UNI News Flash</i> www.union-network.org</p>	<p>Trade union news</p>
<p>The UK Government is to ask institutional investors to become more active shareholders in order to improve the performance and behaviour of companies where this would be in their clients’ financial interests.</p> <p>This approach mirrors similar moves in the United States which encourages shareholder activism on issues such as directors’ pay, merger policy and debt</p>	<p>UK Government considers shareholder activism</p>

<p>financing, but can also include “workplace practices”. The UK Chancellor expects the recommendations from the review to be taken up voluntarily by companies, but if they do not do so within two years he would consider legislation.</p> <p>Source: <i>Ethical Performance, April 2001</i></p>	
<p>The private sector arm of the World Bank, the International Finance Corporation, is to include corporate governance clauses in future loan agreements with companies in developing countries.</p> <p>Source: <i>Ethical Performance, April 2001</i></p>	<p>The World Bank</p>
<p>New Publications</p>	
<p>The ILO Bureau for Employers’ Activities has published a book by Sriyan de Silva entitled “Is globalization the reason for national socio-economic problems?” This book addresses the problems and issues faced by countries in integrating with the global economy and benefiting from it. He points out that both trade and investment are largely among and within North America, Europe and Japan, so that globalization is hardly pervasive, although there is an ongoing globalization process. He next addresses the barriers faced by countries to economic integration, which he divides into ones which are to a great extent within the control of countries to overcome and ones which are beyond their control. He refers to the absence of institutions required for an efficient market economy which are absent or weak in many countries; the existence of pervasive corruption; the absence of domestic capital which deprives many countries of the essential lubricant of a market economy; the absence of sound macro-economic policies, and the need for competition.</p> <p>Other barriers include technology exclusion, lack of infrastructure and human capital, the absence of an attractive business environment, civil or political unrest, and even cultural and geographical factors. He emphasises the many tariff and non-tariff barriers imposed on developing countries as a major obstacle to such countries benefiting from globalization. In essence, these barriers deprive many countries of the benefits of free trade. He also examines the issues associated with the free movement of capital, the alleged inequalities commonly associated with globalization and the absence of appropriate institutions at the international level to address the issues arising from the global economy.</p> <p>He concludes that globalization in the sense of economic integration is not pervasive, the problem being not globalization but the barriers to it and the consequent exclusion of some countries from the process. He also concludes that these problems cannot be overcome by merely improving labour conditions and rights, the justification for which lies elsewhere. If more countries can benefit from globalization, it would create the capacity for enhancing labour conditions.</p>	<p>“Is globalization the reason for national socio-economic problems?”</p>