

ILO DIRECTOR-GENERAL'S NEW MANDATE

Editorial

At its meeting in March, the ILO Governing Body, with the full support of the constituents, gave incumbent Director-General, Juan Somavia, a new five-year mandate. He will formally begin his second term in March 2004.

The IOE remains committed to working with the Director-General for the duration of his tenure and welcomes his commitment to work closely with employers.

In his first term, the Director-General can be credited for his strident attempts to raise the visibility of the ILO. However, the visibility of the ILO will only increase as it becomes more relevant and more credible in today's fast changing globalized world. The IOE hopes that the Director-General can in his forthcoming mandate continue to work towards this aim.

For this to happen there is a need, throughout many important parts in the Organization, for a reappraisal of existing positions and for a desire to embrace and be receptive to new thinking. This will entail moving away from ideological positions, confronting deeply embedded perceptions and accepting views that might not necessarily accord with existing ones. Such a process is challenging but we believe it to be fundamental if the ILO is to be serious about raising its credibility and by consequence its profile.

This perhaps is also the appropriate time that efforts could be intensified in examining how the Organization is governed, as it has become clear to many that the existing Governing Body structure no longer resembles an effective governance structure. The sheer amount of papers that come before the Committees make it almost impossible for any one Governing Body member to be completely up to speed on all the work. In addition, the lengthy duration of the Governing Body requires a considerable commitment on the part of employers' organizations in enabling priority staff to be in Geneva for such long periods.



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<p>The International Labour Conference also must be viewed through the same lens, with the key question being: how can we make this process more effective, more visible and more relevant for the world of work today?</p> <p>These are not insignificant challenges, nonetheless they are essential if the ILO is to become a more effective part of the multilateral system.</p> <p style="text-align: right;">Antonio Peñalosa Secretary-General</p>	
<p>International Labour Organization</p>	
<p>On the 28 April the ILO, with the assistance of its different regional and national offices, launched The World Day for Safety and Health at Work. In this connection an interactive high-level panel discussion was organised under the working title <i>'promoting and implementing a safety culture in the globalised world'</i>. This high level panel was chaired by ILO Director-General Juan Somavia, with the participation of IOE Secretary-General Antonio Peñalosa and the Safety and Health Director of the Confederation of British Industry Dr. Janet Asherson. Some of the key points highlighted during the panel discussion were:</p> <ul style="list-style-type: none"> • employers and workers support of occupational safety and health and the promotion of a safety culture as an ILO priority; • the importance of the next International Labour Conference discussion on the integrated approach for occupational safety and health; • the risk prevention and safety culture as a shared responsibility and collective effort; • the complexity of safety legislation, which often needs to be simplified in order to make it more effective. <p>For further information contact Barbara Perkins: perkins@ioe-emp.org</p>	<p>World Day for Safety and Health at Work</p>
<p>At the 89th session of the ILC (2001) a major campaign to promote the extension of coverage of social security was proposed and to this end the ILO has designed a global campaign. This campaign, which is starting to come into operation, will consist of three complementary components:</p> <ul style="list-style-type: none"> • Improving overall understanding of social security (research, best practices, guidelines, etc) • Achieving concrete improvements in social security coverage (diagnosis, strengthening of institutions and social dialogue, action plans, networks, etc) • Raising awareness among key actors and mobilizing them into action (governments, social partners, social security institutions, international organizations, donors, etc). 	<p>Global Campaign on Social Security</p>

<p>The campaign provides for an overall framework for all the social security activities of the Office by giving a better focus on the existing work done in a more coherent and efficient way. The IOE will be part of the committee which will follow and monitor the Campaign.</p> <p>In this connection the Office has recently published “Extending social security: Policies for developing countries” which can be downloaded from: http://www.ilo.org/public/english/protection/socsec/download/esspaper13.pdf</p> <p>For further information contact Eric Oechslin: oechslin@ioe-emp.org</p>	
<p>This tripartite meeting which took place in mid-April was largely a productive and useful encounter. However, the report entitled <i>Employment effects of mergers and acquisitions in commerce</i> that was prepared for the meeting, in the view of the Employers’ Group was largely unhelpful as it depicted a relatively negative image of the sector and of the consequences of mergers and acquisitions. This was a view also supported by the Workers’ Group. That said, the Report did provide some useful data, for instance: that employment in wholesale and retail trade, stimulated by technology, consumer demand and trade liberalization, continues to grow; that commerce is one of the fastest growing industries and one of the largest sources of new jobs in the world with 61 of the world's 500 biggest companies by revenue are multinational enterprises in commerce, the majority in retail trade; employment in retail rose (in the US) from almost 21.9 million employees in 1997 to an estimated 23.3 million in March 2002.</p> <p>Some of the main points from the (unanimously adopted) conclusions included:</p> <ul style="list-style-type: none"> • recognition that mergers and acquisitions generally result in job increases rather than in job losses; • the importance of training to help workers address the effects of mergers and acquisitions (as in many other sectors); • while workers should not learn of a merger or acquisition decision through the media, this decision is exclusively the prerogative of management. • calls for further ILO regional and sub-regional meetings on this subject. <p>For further information contact Jean Dejardin: dejardin@ioe-emp.org</p>	<p>ILO Tripartite Meeting on the Employment effects of Mergers and Acquisitions in the Commerce Sector</p>
<p>While there were some fears that the global virus <i>Severe Acute Respiratory Syndrome SARS</i> could impact on the forthcoming the International Labour Conference, the ILO has said that as of this moment in time they feel that there is no cause for concern and that the Conference will go ahead as usual. However, they will be monitoring the situation very closely (and consulting with the World Health Organization) and will make changes if deemed necessary.</p>	<p>International Labour Conference</p>

<p>Delegates to the Conference are also reminded that the G-8 Summit in Evian will commence at the start of June and this will entail some restrictions, particularly at border crossings into Geneva. If delegates have not booked flights and accommodation for the Conference then they should do this as a matter of urgency.</p> <p>Member federations can access the confidential IOE documents concerning this year's ILC on the 'members only' section of the IOE website : http://www.ioe-emp.org/privateming/ilc2003.htm</p>	
<p>Discussions on the viability of the June Conference have come against the backdrop of the sad death of Pekka Aro, an International Labour Organization official who contracted SARS and subsequently passed away in Beijing early this month. Pekka Aro joined the ILO in 1992 having previously worked as a trade unionist. Initially, he worked as part of the MDT in Budapest and in 1998 he joined the ILO's Employment Department, heading its skills, knowledge and employability programme, a post he held until the present time. He was a fair and balanced man who was always a pleasure to work with. He will be sadly missed.</p>	<p>Death of Pekka Aro</p>
<p style="text-align: center;">United Nations Agencies and Other International Organizations News</p>	
<p>The second preparatory meeting for the World Summit on the Information Society (WSIS), took place in Geneva in February. The primary focus was on discussing a draft declaration and plan of action to be issued at the Summit, which will take place in two stages – the first this December in Geneva, and the second in Tunisia in 2005.</p> <p>The U.N. General Assembly has instructed Summit organizers to address the entire range of issues related to the information society. The meeting concluded with two working documents for a draft declaration and action plan. The working document identifies and outlines the following issues for consideration by the Summit:</p> <ol style="list-style-type: none"> 1. Information and communication infrastructure: financing and investment, affordability, development and sustainability. 2. Access to information and knowledge. 3. The role of governments, the business sector and civil society in the promotion of ICTs for development. 4. Capacity building: human resources development, education/training. 5. Security. 6. Enabling environment. 7. Promotion of development-oriented ICT applications for all such as, e-government, e-business, e-learning and e-health. 	<p>World Summit on the Information Society</p>

<p>8. Cultural identity and linguistic diversity, local content and media development.</p> <p>9. Identifying and overcoming barriers to the achievement of the information society with a human perspective.</p> <p>The third preparatory meeting is scheduled for September 15-26 in Geneva. A revised draft declaration and plan of action is available at www.itu.int/wsis</p>	
<p>The Doha trade round is looking a little more fragile after a number of deadlines were not met, most notably in the Committee on Agriculture (CoA). Efforts here to agree on modalities (or formulas for negotiations meaning the methodology to be followed during the actual process) formally missed their March 31 deadline. While other deadlines have also slipped, such as those on special and differential treatment for developing countries and on access to essential medicines, agriculture is possibly the most central issue to the Doha Round.</p> <p>The agriculture issue is not a black and white one, with many different countries looking for very different things from these meetings. The Cairns Group of countries which includes Australia, Canada, Brazil, as well as the US, wants an ambitious outcome including the scrapping of export subsidies and big cuts in trade distorting domestic subsidies and tariffs. The EU wants negotiations to cover a whole set of areas from food safety and labelling to rules that protect names of products from specific geographical regions (e.g. feta cheese), but this approach has draw suspicions of further "protectionism" from some quarters. Then there are those developing countries (mainly African) with access to developed world markets through favourable bilateral agreements that want to keep that advantage, much to the displeasure of some of the more efficient agricultural countries such as Argentina and Brazil. India meanwhile worries that cutting tariffs might damage its significant rural economy.</p> <p>According to the Doha work programme, the agriculture talks, as well as all other negotiations within the 'single undertaking', are to be concluded by 1 January 2005. Further CoA special sessions have been scheduled for June and July, but some sources are saying that it is more than unlikely that modalities could be agreed before Trade Ministers meet in Mexico. All this means that the Cancún agenda is rapidly filling up and without significant progress between now and September further frustrations look likely.</p> <p><i>Bilateral Trade agreements</i></p> <p>While the Doha Round is experiencing difficulties in getting some momentum into the process, bilateral trade agreements and regional agreements are increasingly being pursued by individual countries (and on a regional basis). The European Union, for instance is talking with the Association of Southeast Asian Nations (ASEAN) about the possibilities of establishing a free-trade area once the Doha Round has been wrapped up. In March, Australia and the US began talks on a Free Trade Agreement, hoping to have a final agreement in place by mid-2004.</p>	<p>The Doha Trade Round</p>

Recent bilateral trade agreements between the US and Singapore and Chile (not yet approved by the US Congress) have included measures which limit restrictions on capital mobility. The trade agreements with Chile and Singapore last year were the first time the US had used bilateral trade negotiations to enact measures mandating the free flow of capital. However, there are limited exceptions that would allow some restrictions for up to a year as long as they did not substantially impede the flow of capital. It is thought that such agreements could serve as a template for further free trade agreements.

WTO membership

The date for Russian entry to the World Trade Organization (originally suggested at 2003) is slipping. Membership could still be a possibility next year but much would depend on political will. The negotiations have been tough mainly because Russia feels it has already taken huge steps towards opening its economy. Consequently, it is taking a tough stance on negotiations, in particular regarding high-growth and strategic industries, such as the telecommunications industry. According to some analysts the delay need not matter much so long as Russia goes on moving its economy towards international norms, even without WTO membership.

UNCTAD on-line dispute settlement courses

UNCTAD have devised an on-line course which focuses on the basic rules and jurisprudence of dispute settlement at the World Trade Organization (WTO) and other relevant bodies such as the World Intellectual Property Organization (WIPO). It also looks at regional approaches (NAFTA, MERCOSUR and ASEAN). The course is free of charge but available in English only. For further information:

<http://www.unctad.org/Templates/StartPage.asp?intItemID=2068>

Public symposium on the WTO's 5th Ministerial Conference (Cancún)

The World Trade Organization will host a public symposium in Geneva, from 16 to 18 June 2003 on the challenges WTO Members face ahead of the WTO's 5th Ministerial Conference this September in Cancún, Mexico. Participants from governments, parliaments, civil society, the business sector, academia and the media are invited. Topics to be covered will include trade and development, issues related to agriculture, trade in services and trade and environment. For more information contact: symposium2003@wto.org

IOE Activities

The IOE was invited by the ICFTU Africa Regional Organisation to participate in an HIV/AIDS workshop designed to share experiences on initiatives to fight HIV/AIDS in the workplace and to explore possibilities of collaboration at enterprise, national, continental and international levels. Also in attendance were representatives from the Kenyan Government, World Bank, WHO, ILO, UNAIDS, IMF and other multi-lateral and bilateral agencies.

**HIV/AIDS
Workshop**

The IOE gave an outline of its work and in particular its recent publication the *IOE/UNAIDS Employer Guide on HIV/AIDS* and its awareness seminars for employers' organizations in Africa. The Federation of Kenya Employers, the Federation of Uganda Employers, the Mali Employers Federation, the Association of Tanzania Employers, and the Ford Motor Corporation of South Africa all made interventions at the workshop, which emphasised the considerable work that was being done by employers in designing and implementing effective workplace policies and programmes on HIV/AIDS. Responding to a claim by the workers that they had invited employers to the workshop so that they could welcome them on board in the fight against HIV/AIDS in the workplace, the employers responded that *they were already on board a long time ago!*

There were debates on whether the ILO Code of Practice on HIV/AIDS and other employer developed Codes of Conduct should be incorporated into collective bargaining agreements. The workers took the view that this should be the case in order to ensure enforcement while the employers argued that Codes of Conduct are always voluntary and should remain so. In this connection there was general agreement that employers in Africa had done a lot to respond to the epidemic in Africa without any pressure being brought to bear on them and this was one area that could be addressed under corporate social responsibility initiatives.

On the way forward, there was general agreement on the need to build partnerships in order to avoid overlapping and duplication of efforts and ensure proper co-ordination in workplace interventions. Of significant development in this area was a formal exchange of respective manuals by the ICFTU and the IOE. It was agreed that the two organizations would continue sharing experiences and best practices and explore avenues where joint activities could be developed.

For further information contact Frederick Muia: muia@ioe-emp.org

IOE Members

Nearly all IOE European member federations, along with the IOE secretariat were represented in Athens at a Conference on Socially Responsible Enterprise Restructuring, which was organized by the ILO and funded by the European Commission in mid-April. The Conference will be followed-up by constituent driven activities at national level. The main themes were :

- Management of change: restructuring and downsizing, employability
- Management of change: dialogue and integration
- Anticipating dialogue.

Presentations and background documents from the conference can be accessed at: <http://www.itcilo.it/SRER/athens/>.

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**Socially
Responsible
Enterprise
Restructuring**

Within the framework of the Business Technical Advisory Committee on Labour Matters (CEATAL), employers' representatives from throughout the American region met in Montevideo, Uruguay in early April. The purpose of the meeting was to continue the work being carried out by the two special Working Groups established to elaborate a "plan of action" to address the social dimension of regional integration. This plan will be submitted for adoption at the forthcoming Inter-American Conference of Ministries of Labour in Brazil later this year. The two major discussion issues were :

- the social-labour dimension of regional integration;
- the future requirements needed to strengthen labour administrations in the smaller economies of the continent.

With regard to the first of these themes, employers stressed the need to strengthen the role of the social partners in the process of integration. As previously indicated by employers, regionalization involves a high degree of integration in respect of economic factors, such as markets, aspects of macroeconomic policies and sometimes even currencies. However, integration in these areas is relatively easier than for social policies, especially those related to labour relations. The principal reason for this is that labour relations systems are – much more than economic systems – embedded in historical and cultural factors and, consequently, there is limited scope for a regional system of labour relations.

As regards the second theme, employers proposed that the plan of action to be adopted at the Ministerial Conference should continue the process by which – in a tripartite manner – there is an analysis of labour administration capacity building in the smaller economies of the continent. However, employers warned that the *Organization of American States* should avoid carrying out activities that overlapped with ILO actions.

Finally, employers reiterated their firm opposition to the introduction of any kind of social clause in the rules of the regional trading system to permit the application of coercive measures to enforce labour standards.

For further information contact Andres Yuren: yuren@ioe-emp.org

CEATAL meets with Labour Ministries of the Americas

The first session of the Labour and Social Commission of the African Union (a tripartite organ of the African Union) which was held in, Mauritius (10-15 April), brought together national delegations from member states consisting of 30 ministers of labour and social matters accompanied by delegates from employers and workers' organizations. The IOE was also an active participant at the Session. It was the first meeting of its kind to be held under the aegis of the African Union since its transformation from the Organization of African Unity (OAU) in 2002.

Among the issues on the agenda were the draft rules of procedure for the Commission and its future role under the new set up. In this regard employers insisted that the tripartite character of the commission should be preserved and it was agreed that a tripartite committee be constituted to study the issue and come up with recommendations.

First Session of the Labour and Social Commission of the African Union

<p>The meeting also discussed the role of the African Diaspora in the development of their countries of origin. Participants called on the African Union to put in place measures that would encourage transfer of knowledge and skills from the Diaspora. Employers also called on African governments to put more emphasis on human resource development and to provide an enabling environment for both domestic and foreign investments in order to stop the brain drain afflicting many countries in the continent.</p> <p>The session as expected dedicated a lot of time to issues pertaining to the work of the ILO and the ILO Director-General Juan Somavia, who attended the session, offered the continued support of the ILO to the African Union on issues ranging from job creation, poverty reduction, the problem of child labour to the HIV/AIDS pandemic.</p> <p>With regard to the New Partnership for Africa's Development (NEPAD), participants recommended that employment issues be mainstreamed into this initiative. On globalization, the Commission supported the development of a social policy framework for Africa to be supervised by a tripartite Committee of Experts appointed by the social partners.</p> <p>Finally, as it is the turn of Africa to nominate the president for the June 2003 International Labour Conference, Kenya's Minister of Labour was elected to this position.</p> <p>For more information contact Frederick Muia: muia@ioe-emp.org</p>	
<p>Other News</p>	
<p><i>CSR Index</i></p> <p>Business in the Community (BITC), a U.K consortium of 700 companies, has launched a Corporate Responsibility Index. The index, which is the first of its kind, benchmarks the corporate social responsibility (CSR) performance of companies. This year's index includes 122 companies that volunteered to be assessed. The index rates a company on its CSR strategies and how well it has integrated those strategies into its overall business operations. The index also rates company management practices that impact the community, environment, marketplace, and workplace. Instead of publicly disclosing companies' individual scores, the index lists companies alphabetically within five groups, or quintiles. Companies in the top quintile included BP, Dow, Shell and Unilever. For further information: http://www2.bitc.org.uk/index.html.</p> <p><i>AccountAbility - new reporting mechanism</i></p> <p>A new reporting mechanism was recently launched by AccountAbility, the AA1000 Assurance Standard, which aims to create a reporting framework for companies. In this connection AccountAbility also released a report entitled <i>The State of Sustainability Assurance</i> which it plans to issue annually. It appears (worryingly) that this report will be largely anecdotal in nature. For further information: http://www.accountability.org.uk/</p>	<p>Corporate Social Responsibility</p>

CSR study on the impact on companies profit share

According to a study of FTSE 250 companies by the Institute of Business Ethics (IBE), companies with a public commitment to ethical conduct perform better on three out of four long-term financial measures than those without. The study found companies with a code had more stable price/earnings ratios over five years to 2001. The fourth long-term measure, return on capital employed, showed companies without codes outperforming until mid-2000, at which point those with codes shot ahead. The IBE studied profit as a percentage of turnover for the years 1998 and 1999, finding that profit was about 18 per cent higher on average for those with codes. PricewaterhouseCoopers(PwC), City University's Cass Business School, and Gerard International, the consultancy firm, helped with the study.

For further information: <http://www.ibe.org.uk/stop.htm>

On-line CSR course for companies

The World Bank Institute is running an on-line CSR programme for companies. The course is designed to introduce CSR in both theory and practice. The World Bank Institute is making this course available to all companies affiliated to IOE member federations. The course is available on-line, in English, and is free of charge (it takes 6-8 hours to complete). There are also facilities for individual companies which want to enrol 50 or more participants for it to be tailored around their own scheduling needs.

For further information: www.csrwbi.org

The outline structure for the **South East Europe Ministerial Conference on Employment** which will be hosted by the Romanian Government in Bucharest in early October was agreed at a preparatory meeting hosted by the Council of Europe in Paris (April 22). The main purpose of the Ministerial Conference is to set up regular cooperation in the field of employment in South East Europe, something which is currently lacking.

The Conference objectives broadly are:

1. launch regional co-operation process towards formulating employment policies in the region;
2. strengthening institutional capacities and enhancing expertise in implementing employment policies;
3. assisting with future integration into the European Union;
4. initiating regional co-ordination of the Global Employment Agenda of the ILO;
5. drawing on Council of Europe expertise in relation to access to employment.

South East Europe Ministerial Conference on Employment

<p>The regional co-operation process and its monitoring will take into account elements of the European strategy for employment and will be based on the following elements: agreed outlines and formats for national reporting; annual screening of two national reports by the ILO and the CoE; peer review (at least one a year); exchange of experiences. It was agreed that this process will, however, only be credible if it involves the employment administrations at the highest level to ensure follow up actions and initiatives are sustainable and that the process is actually <i>driven</i> by the national constituents themselves.</p> <p>For further information contact Eric Oechslin: oechslin@ioe-emp.org</p>	
<p>The International Metalworkers' Federation has signed a Global Framework with Leoni a German-based manufacturer of wires and cables, covering 18,000 employees at 50 production facilities in more than 20 countries. This is the fourth international framework agreement signed by the IMF, the others being with Merloni Elettrodomestici, Volkswagen and DaimlerChrysler. The agreement stipulates that ILO Conventions No. 87 (Freedom of Association) and No. 98 (Right to Collective Bargaining) will be respected, and the former right will be granted "<i>even in those countries in which freedom of association is not protected by law</i>". Also, the company "<i>supports and expressly encourages</i>" its contractors to take this declaration into account in their own respective corporate policy.</p> <p>The issue of Global Framework Agreements will be the principal discussion topic at the forthcoming meeting of the IOE's Enterprise Advisory Group. The meeting will hear interventions from a number of companies that have signed these agreements.</p> <p>For further information contact Gary Rynhart: rynhart@ioe-emp.org</p>	<p>New Global Framework Agreement in Metal Industry</p>
<p>The issue of migration is fast becoming a priority for employers' organizations throughout the world and the issue of migrant workers will feature as a topic for discussion at next year's International Labour Conference.</p> <p>The policy responses needed in both recipient and donor countries are of course radically different. For the recipient country, in the main migration is a positive force as migrants are often well educated; younger (meaning they will be tax payers for longer); increasingly are doing the jobs the indigenous population will not do; and finally from a demographic perspective, are helping support ageing populations in developed countries.</p> <p>While for the recipient country migration is largely a positive force, it is (mainly) the opposite for the donor country. This loss of highly skilled personnel is twofold. First, is the immediate loss of those skills to the economy and second is the loss of investment that the donor country has put into developing and paying for those skills.</p>	<p>Migration</p>

<p>The kernel of the problem is that unskilled migrants from the world's low and middle-income countries have very limited access to legal migration avenues and that is why so many choose an illegal route or other mechanism to enter a country (i.e. claiming asylum). Furthermore whether somebody is an economic migrant or a refugee or perhaps a mixture of the two it is now apparent that some of the current systems in place to deal with them are inadequate. The priority task is therefore to adjust migration policies to respond to changing patterns and current realities in the labour market, with policy responses taking into consideration the linkages between the economic, social, political, trade, labour, health, cultural, security and foreign and development aspects.</p> <p>For further information contact Andrés Yurén: yuren@ioe-emp.org</p>	
<p>For current news stories of relevance to employers, the IOE has devised a page on the IOE website which gives direct links to these news stories. The site is updated regularly: http://www.ioe-emp.org/ioe_emp/news/news_links.htm</p>	<p>Further News</p>

