

**REFORMING THE INTERNATIONAL LABOUR CONFERENCE**

**Editorial**

A combination of better preparation, more active participation from member federations in the preparation phase and better coordinated work for the spokespersons, all helped to make the 2003 International Labour Conference (ILC), which had the potential to be a very difficult Conference, reasonably successful from an employers' perspective.

It is however only in the immediate aftermath of the Conference, upon reflection, that it becomes apparent that there is real need for reform of both the structure and the agenda of the ILC. While notwithstanding the fact that some reforms have already taken place and the Conference is now operating more and more efficiently and smoothly, further change is needed, to raise both the profile and relevancy to the modern world of work of this important event.

Perhaps the most immediate observation is in relation to the length of the Conference. It is far too long and takes a real commitment from participants to annually attend throughout the three weeks. Changes to the structure need very careful thought as the issues discussed can be very technical in nature and often simply cannot be rushed. One radical suggestion could be to break the Conference up and hold the Committee meetings (or some of them) earlier in the year. This would enable specific technical experts from governments, employers' and workers' organizations to attend those specific meetings. Final decisions could then be made at a shortened June Conference. By consequence, having a shorter, more political role for the June Conference coupled with the increased likelihood of greater participation from very senior people from all the three constituent parts of the ILO, could serve to increase the visibility and relevance of the ILC.

The second main observation is that the agenda is not always very stimulating. The ILC should focus mainly on the key issues of the day that are immediately and directly relevant to the modern world of work.



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<p>In recent years it has appeared that Conference agendas have just simply been ‘filled up’ with subjects. This devalues the entire process and weakens its relevancy. Topics for discussion should be chosen that are highly relevant <i>at that time</i> and importantly can produce final outcomes which all parties would be willing to support.</p> <p>Change and reform are needed but caution is also required to make sure that any changes to the ILC are done in such a way as not to reduce the representativeness of the ILC and that all countries can continue to participate on an equal footing.</p> <p>These are some of the ideas that need to be considered before any decisions are made later in the year and next year. The IOE will be approaching members on this very important issue.</p> <p style="text-align: right;">Antonio Peñalosa Secretary-General</p>	
<p><b>International Labour Organization</b></p>	
<p>UN Secretary-General Kofi Annan attended the second High Level Panel meeting of the Youth Employment Network (YEN), an inter-agency initiative involving the ILO, World Bank and UN. The key objective of this meeting was to build on the UN General Assembly’s Resolution on Promoting Youth Employment (December 2002) and to outline and agree on the next steps in the implementation of the Youth Employment Network’s strategy. The Panel was updated on activities carried out over the past two years and the political process since July 2001. It formed four working groups on employability, equity, entrepreneurship and employment creation, to help in the process of updating its original recommendations. These updated recommendations have now been endorsed and will formally be forwarded to Secretary-General Kofi Annan in August. Turlough O’Sullivan, Director-General of the Irish Business and Employers Confederation, represented the IOE at the High-Level Panel meeting.</p> <p>The social, economic and political ramifications of youth unemployment (which accounts for 41 per cent of unemployed persons globally) on national societies is enormous. However considerable momentum now appears to be getting behind this critical issue particularly since the recent UN General Assembly’s Resolution.</p> <p>While the IOE has been a supporter of the YEN since its inception two years ago, a continuing concern is in relation to the specific role of the ILO concerning youth employment. One of the key areas of activity identified for the ILO in the UN Resolution (Promoting Youth Employment) is in relation to the role that the ILO could play in helping devise national action plans (NAPs). The ILO with its tripartite structure is best placed to do this.</p>	<p><b>Youth Employment</b></p>

<p>The IOE in close collaboration with the ICFTU has offered to act as a framework for the implementation of this process. The approach devised is a simple one that specifically focuses on youth employment. The concept is to develop a generic model which could act as a guide in developing individual NAPs. The approach focuses on a tripartite approach. A small number of countries have volunteered to be pilot countries in the development of NAPs and it is hoped this process can now be rolled out over the coming months.</p> <p>For further information contact Gary Rynhart: <a href="mailto:rynhart@ioe-emp.org">rynhart@ioe-emp.org</a></p>	
<p>The ILO has launched a major campaign to encourage the extension of social security schemes. The key impetus for this initiative dates back to the Conclusions of the Social Security discussions at the 2000 International Labour Conference. A key aspect of those Conclusions was an appreciation of the fact that there is no universal approach to expanding social security coverage and that each country has its own unique situation and requires tailored solutions.</p> <p>The "Global Campaign on Social Security and Coverage for All" will seek to broaden social security coverage, particularly in the informal economy, and raise awareness worldwide about the role of social security in economic and social development. According to an ILO study only 20 per cent of the world's population has adequate social security coverage and more than half the world's population lacks any coverage at all. In the least developed countries, less than 10 per cent of the working population is covered.</p> <p>The campaign will seek to leverage the support of the ILO's tripartite constituents to initiate and sustain efforts to help countries develop and expand social security systems through a process of experimentation and social dialogue. It will also intensify efforts already underway in 40 countries and initially concentrate on five key activities including extending social security through social dialogue, strengthening community-based schemes including the use of micro-insurance to meet social security needs, projects for overcoming social exclusion, extending health care coverage and establishing pilot projects for extending social security through a Global Social Trust that links developed and developing countries.</p> <p>For further information: <a href="http://www.ilo.org/coverage4all">www.ilo.org/coverage4all</a></p>	<p><b>Global Campaign on Social Security launched</b></p>
<p>One of the side events at the International Labour Conference related to the new ILO Recommendation on Promotion of Cooperatives and a review of the first year of implementation of this Recommendation (No. 193). The IOE was represented in the panel discussion that followed by Azad Jeetun, Director-General of the Mauritius Employers' Federation.</p> <p>While employers had had some misgivings on some clauses in this Recommendation they are ready to move forward in support of the implementation of the new instrument. However, the implementation process should be done in a way that enables ILO constituents and the global cooperative movement to tap the potential of cooperatives to create wealth, promote entrepreneurship and fight poverty through job creation.</p>	<p><b>ILO Recommendation on Promotion of Cooperatives</b></p>

<p>Cooperatives need to be treated as part of the private sector and should be integrated into the mainstream economy where they can compete on a equal footing with other enterprises - <i>some cooperatives are after all multimillion-dollar businesses</i>. Employers would like to see the advisory services to those countries that express an interest in using the new Recommendation assisting governments to provide a conducive legal, institutional and administrative environment that would allow cooperative enterprises to emerge and grow without undue government interference. Such support services should also be extended to employers' organizations, particularly in the developing world.</p> <p>A number of employers' organizations in Africa have cooperatives amongst their membership and some small and medium sized enterprises are also coming together to form clusters (service cooperatives) in order to promote productivity and competitiveness. It is therefore important that the ILO should promote the new instrument along with the ILO instrument on SMEs, as the two are complementary.</p> <p>As a follow up to this side event, plans are underway to organize a workshop on cooperative development for employers' organizations in Africa during the course of the year.</p> <p>For further information contact Frederick Muia: <a href="mailto:muia@ioe-emp.org">muia@ioe-emp.org</a></p>	
<p>The ILO Turin Centre organized the first of four special sessions for European Commission Officials on core labour standards and sustainable development in late June in Brussels. Future sessions will be held on social dialogue, employment and social protection before the end of this year. The main objective of these encounters is to familiarize the European Commission with the ILO and their activities in the field. The initial session focused on the first pillar of the ILO strategic objectives and mainly on operational responses to poverty reduction, freedom of association, forced labour, child labour (trafficking and education) as well as on corporate social responsibility.</p> <p>The meeting also afforded the IOE an opportunity to directly present its position on corporate social responsibility which should now add to the debate on CSR within the Commission.</p> <p>The EuropeAid Cooperation Office of the European Commission expressed an interest in working more closely with national social partners in the field, as they have experienced difficulties with NGOs in the past. The EuropeAid Office was given a presentation on IOE efforts concerning child labour in cooperation with IPEC and ACT/EMP and opportunities for IOE member federations may arise in particular in this area.</p> <p>This session was only a first step and there is still a need for greater clarity in what are the expectations in the relationship between the ILO and the Commission. Efforts from the Commission to promote the ILO principles (in particular the ILO Declaration on Fundamental Principles and Rights at Work) are to be welcomed so long as there is no attempt to link this to trade issues.</p> <p>For further information contact Eric Oechslin: <a href="mailto:oechslin@ioe-emp.org">oechslin@ioe-emp.org</a></p>	<p><b>The European Commission and the ILO</b></p>

## **United Nations Agencies and Other International Organizations News**

### **Global Compact**

An international workshop on the Global Compact Networks and Outreach was held in Bern, Switzerland at the end of June, hosted by the Swiss government. This crucial meeting came at a time when some concerns have been expressed on the direction of the Compact.

One of the concerns of the IOE is the ad hoc nature of some of the Global Compact networks, some of which have been springing up without not only the involvement of the national employers' organization but often without many of the core agencies. The main cause for concern with such a disorganized approach is that ultimately the credibility of the Global Compact brand will be damaged.

Importantly, this meeting recognized the need to bring more order and that it is vitally important to prepare well and thoroughly for any future national launches. In this process, dialogue and communication – in particular with the national employers' organizations - is essential. It is hoped then on the back of this meeting that a generic model can be developed which can be followed that ensures involvement of the relevant stakeholders throughout the process.

Perhaps the most illustrative factor that emerged from this meeting was the role of business. Business is the principal actor in this exercise, but amazingly and worryingly this concept really seems to be misunderstood. However, what was also clear from the meeting was that without genuine buy-in from the business community any network will not be able to sustain itself in the long term. The national employers' organization encapsulates all the varied voices in the national business community – big and small – into a single collective. If the Global Compact is to be sustainable at all levels and have genuine resonance, then the employers' organization at national level has to be the point of departure as that federation is the best placed to know the local situation, sensitivities and actors, and can provide operational legitimacy to the local initiatives.

Further work will need to be done to ensure that member federations are fully aware of the Global Compact, its potential, how they can become a genuine partner and involved in the process all the way through from preparation to implementation and thereafter. The IOE has just completed a training programme for the Federation of Kenya Employers and a further one is planned in Lesotho later in the summer. Pakistan will launch a Global Compact network at the end of August as will Mauritius at the beginning of September, with the support of the IOE. If member federations have not been approached concerning a launch or other Global Compact Initiative they should contact the IOE secretariat immediately.

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<p>The Doha Development Round, which appeared stuck in deadlock, is showing some tentative signs that its aim to be ‘a Development Round’ may come to pass and that some of the more obstructive inequities in the global trading regime may be eliminated.</p> <p>For a start there appears to be increased recognition that tariff and non-tariff barriers hurt not only developed country consumers and taxpayers, but can cripple development attempts in many developing countries. For example, the President of Burkina Faso, Blaise Campoare, made a strong intervention at a recent meeting of the WTO Trade Negotiations Committee. It is unusual in the fact that he is the first Head of State to address a regular WTO meeting. In his statement he referred to an initiative at the WTO by Benin, Chad, Burkina Faso and Mali – to eliminate cotton subsidies worldwide in an effort to ensure the survival of the industry in their home countries. <i>“Our countries are not asking for charity, neither are we asking for preferential treatment or additional aid. We solely demand that, in conformity with WTO basic principles, the free market rule be applied. Our producers are ready to face competition on the world cotton market – under the condition that it is not distorted by subsidies.”</i></p> <p>The EU has faced severe criticism for its agricultural policies and failure to make progress in the approach to a WTO ministerial meeting in Cancun (Mexico) in September. However, a deal (diluted as it may be) to Reform the EU’s common agricultural policy has now put some momentum into the process. While there are many disappointments with this new deal – market access being a key one – it does present progress of sorts. Although the deal does not cut farm spending, it will break the link between subsidies and production. Cutting this link between subsidy and output reduces the incentive for farmers to overproduce.</p> <p>On the other key area that has dogged negotiations – access to essential medicines - progress is also being made. Some of the world's leading pharmaceutical companies are set to unveil proposals to ease the supply of essential medicines to poor countries, in an attempt to break the deadlock. The proposals, agreed at a recent meeting of the companies' chief executives in Nice, France, are linked to intense efforts to resolve the dispute before the WTO's ministerial meeting in Cancun.</p>	<p><b>WTO Developments</b></p>
<p style="text-align: center;"><b>IOE Activities</b></p>	
<p>At the annual meeting of the IOE General Council, held in Geneva on Monday 2 June, <b>François Perigot</b> (France) was <b>unanimously re-elected IOE President</b> for a second two-year mandate, 2003-2005. Thanking the Council for the confidence it had placed in him, Mr Perigot said that the world was living a very important time in history, with business at the heart of debates and criticism. The IOE, he stressed, had the legitimacy to represent the business world and was in a very privileged position to publicly express its opinion. Ensuring that it had the means and strategy to meet this challenge, François Perigot concluded, was essential to the success of the Organisation.</p>	<p><b>IOE General Council highlights</b></p>

<p>The General Council also unanimously adopted an IOE Position Paper on Corporate Social Responsibility and a Framework for an Employment Policy. Moreover, the <b>Iran Confederation of Employers' Associations</b> was warmly welcomed into IOE membership.</p> <p>As IOE Senior Adviser Sriyan de Silva would be retiring during the summer months, the General Council expressed its appreciation to him for his valuable contribution to the work of the Organisation and wished him a happy, active retirement.</p>	
<p>In May, the IOE and the International Confederation of Free Trade Unions (ICFTU) issued a joint statement committing themselves to join forces in the fight against HIV/AIDS. Both organizations called on their affiliates and their members, wherever located, to give the issue the highest priority. The joint statement, "Fighting HIV/AIDS Together: A Programme for Future Engagement," which was signed by IOE Secretary-General Antonio Peñalosa and ICFTU General Secretary Guy Ryder, was issued at a Geneva forum on HIV/AIDS organized by the United Nations Global Compact.</p> <p>Under the terms of the statement, the IOE and ICFTU will encourage governments in developing and developed countries alike to take a comprehensive view of both the causes of current problems and the most effective ways to address them. As part of their joint commitment, both the ICFTU and the IOE will explore opportunities to identify and develop joint action programmes. These will be done in partnership with their national members and will look to build on the efforts and initiatives taken to date at the workplace. Joint efforts will be built around the ILO Code of Practice on HIV/AIDS and the World of Work.</p> <p>The IOE is working closely with a number of its national affiliates and will intensify this work. Its recent publication with UNAIDS entitled "Employers' Handbook on HIV/AIDS: A Guide for Action" looks to assist employers by sharing good practice/best practices in support of the ILO code of practice. It is also expanding its outreach to other international and regional groupings of employers.</p> <p>For further information contact Frederick Muia: <a href="mailto:muia@ioe-emp.org">muia@ioe-emp.org</a></p>	<p><b>IOE &amp; ICFTU join forces to fight HIV/AIDS</b></p>
<p>The annual IOE European Members meeting to be hosted by the Coordinating Council of Employers' Unions of Russia (CCEUR) will take place in Moscow (10 – 13 September 2003).</p> <p>One of the key emerging debates in Europe in recent years has been the difficult and often emotive issue of migration. There will be a discussion to examine the political, social and economic dimensions of this issue from a European perspective. Expert analyses will be provided by the ILO's Migration Department, as well as from the International Organization for Migration (IOM).</p>	<p><b>Meeting of IOE European Members</b></p>

<p>A number of key figures from Russian business, trade union and government circles, including Mrs Galina Karelova, Deputy Prime-Minister, will present the social and economic situation and perspectives faced by Russia today. The meeting will also be an opportunity to discuss the employer agenda in the ILO and how to consolidate employers' efforts in Brussels and Geneva.</p> <p>For further information contact Eric Oechslin at <a href="mailto:oechslin@ioe-emp.org">oechslin@ioe-emp.org</a></p>	
<p>IOE President François Perigot has been appointed on a special Business Advisory Body established by the World Trade Organization (WTO) Director-General Dr. Supachai Panitchpakdi. The main objective of the body is to provide an informal platform for dialogue with leaders of international business organizations and leading companies from around the world. It is hoped that the body can help to facilitate mutual understanding of key issues relevant to both the multilateral trading system and global business. The first meeting took place on 15 June.</p>	<p><b>IOE President appointed to WTO Business Advisory Body</b></p>
<p>During his visit to this year's International Labour Conference, His Majesty King Abdullah II Bin Al-Hussein of Jordan met with IOE President François Perigot, Executive Vice-President Daniel Funes de Rioja and Secretary-General Antonio Peñalosa. The King extended an invitation to the IOE to attend the World Economic Forum Extraordinary Meeting that took place in Amman at the end of June. IOE President François Perigot subsequently actively participated at this event.</p>	<p><b>IOE Delegation meets with King Abdullah II Bin Al-Hussein of Jordan</b></p>
<p><b>IOE Members</b></p>	
<p>During its annual general assembly held in June, the Pan African Employers Confederation elected Birahima Nacoulma from Burkina Faso as its new President. He will be assisted by two Vice-Presidents, Samir Hassam Alam of the Federation of Egyptian Industries and Thabo Makeka of the Association of Lesotho Employers. Secretary-General Azad Jeetun retained his position.</p> <p>Outgoing President Bokkie Botha thanked members for their support and contribution in making PEC a credible partner and spokesperson for employers in Africa. He expressed gratitude to the IOE and ACT/EMP for the support they were giving to PEC and also paid tribute to Tom Owuor from Kenya, a member of the Executive Council and founder member of the Confederation who retired from international service.</p> <p>Members noted that the PEC since its inception in 1986 has become a recognized voice of employers and the private sector on the African continent and internationally. It is now one of the tripartite partners of the Labour and Social Affairs Commission of the African Union. It has published a number of widely circulated studies including: Investment in Africa, Code of Good Governance in Africa and Employers' Contribution Towards Elimination of</p>	<p><b>Pan-African Employers Confederation (PEC)</b></p>

<p>Child Labour: The Case of Uganda and Selected Countries. A study on employers' response to the HIV/AIDS pandemic on the continent will shortly be published.</p> <p>For further information contact Frederick Muia: <a href="mailto:muia@ioe-emp.org">muia@ioe-emp.org</a></p>	
<p>The European Economic and Social Committee organized the 5<sup>th</sup> regional seminar of the ACP-EU economic and social interest groups in Yaoundé, Cameroon in late May. The event brought together delegates from economic and social organizations, among them employers' organizations of the 17 ACP countries from west and central Africa and members of the ACP-EU Follow-up Committee. The Pan African Employers Confederation was represented at this meeting by its Deputy Secretary-General, Francis Sanzouango. Other participants included representatives from the ACP-EC Council of Ministers, the ACP-EU Joint Parliamentary Assembly and the European Commission. The main agenda item was the promotion of the Cotonou Agreement signed in 2000 between African, Caribbean and Pacific countries and the European Union. The agreement has provisions for the involvement of non-state actors in the implementation process.</p> <p>Participants welcomed the entry into effect of the agreement on 1 April 2003 and hoped that it would lead to a comprehensive renewal of ACP-EU relations which previously accorded more importance to inter-state relations rather than a more holistic approach. Employer delegates reiterated the role of the private sector in the economic and social development of ACP countries and called for capacity building support so that they can play this role effectively. Attention was also paid to the particular situation prevailing in some of the countries in west and central Africa recently ravaged by civil wars. Delegates felt that the social partners can play an important role in preventing and resolving conflicts through social dialogue and tripartism.</p> <p>Some misgivings were expressed on the process of involvement of non-state actors so far. They noted that, except in certain countries, few employer organizations are familiar with the Cotonou Agreement. They appealed to their national governments in cooperation with the European Commission delegations at country level to ensure that increased information on the agreement is widely distributed. This could be done through seminars and workshops to be organized at national and local level. The secretariat of the ACP Group of States in Brussels will also now prepare a handbook on the involvement of private sector actors in implementing the ACP-EU Partnership Agreement.</p> <p>Regarding negotiations on Economic Partnership Agreements (EPAs) between ACP countries and the European Union, participants recalled that the preferential trade regime under the Lomé Conventions had not really promoted the development of their countries. They hoped that EPAs would change this trend. In this respect, they called upon governments to regularly consult economic and social players on how the negotiations are being conducted both at global and regional level.</p>	<p><b>ACP-EU Regional Seminar</b></p>

<p>A high-level Commission on Capital Flows to Africa has just completed its deliberations with the launch of a final Report “<i>a Ten-Year Strategy for Increasing Capital Flows to Africa</i>”. The report is available at <a href="http://www.iie.com/publications/papers/africa-report.pdf">http://www.iie.com/publications/papers/africa-report.pdf</a></p> <p>For further information contact Frederick Muia: <a href="mailto:muia@ioe-emp.org">muia@ioe-emp.org</a></p>	
<p><b>Other News</b></p>	
<p>Global Framework Agreements (GFAs), as has been documented in previous editions of IOE.net, are in their infancy, with a great many questions remaining unanswered. What is the final destination of this strategy? Is it to impose international labour standards on companies? What are the implications for suppliers? Will those companies that do not sign be signalled out for coordinated union action?</p> <p>One of the key observations that has been recently made by companies that have signed GFAs is that they principally see them as a vehicle for deepening dialogue, first and foremost, and not as an industrial relations exercise. In that respect perhaps the term ‘Agreement to Dialogue’ would be a more appropriate term than Framework Agreement. Dialogue of course means different things in different regions of the world and these agreements can expose cultural differences in approaches to dialogue.</p> <p>What has been strongly emphasised by some of the companies is that the local aspect to such agreements needs to be at the forefront of considerations, as there is a very clear demarcation between actions at the local operation level and at a global level.</p> <p>As these agreements have not been operational for a lengthy period it is difficult to make an accurate analysis of the main problems and benefits, if any. However, one issue that has emerged has been the thorny subject of local representation <i>and</i> global union representation, and some enterprises that have signed GFAs have experienced some problems in this regard. Another area of discussion has been the way in which these agreements are viewed, with companies seeing them as a fixed entity or charter of sorts while unions appear to see them as a moving paradigm that can be changed and added to.</p> <p>It is too early to say definitively what the final destination is in this process, but perhaps some of the future issues that may emerge relate to sectoral approaches, attempts to alter existing agreements or perhaps even widening them to include reference to wages and conditions.</p> <p>It is now the intention of the Secretariat to develop an IOE information paper for member federations that could subsequently be disseminated within their own membership. The IOE would greatly welcome any input from member federations.</p> <p>For further information contact Gary Rynhart: <a href="mailto:rynhart@ioe-emp.org">rynhart@ioe-emp.org</a></p>	<p><b>Global Framework Agreements</b></p>

A large part of the agenda of international trade unions, NGOs, labour activists and some governments in the field of Industrial Relations (IR) is the establishment of a system of global governance through rules established at the international level, which would require compliance at the national level. The universal labour rights and conditions being promoted include the principles in the ILO Declaration, but often go well beyond them.

The methods through which this agenda is sought to be achieved include: linking trade to labour rights, reflected in bilateral trade agreements which make market access conditional on observing a variety of ILO standards; internationalized framework agreements between international trade unions and MNEs requiring their application throughout the production chain; codes of conduct incorporating ILO standards; shareholder proxy process, where there are large institutional interests such as pension funds; and even corporate social responsibility which is seen as having the potential to be exploited to achieve this end. One feature of many of these methods is that they seek to make ILO standards binding on enterprises (though ILS are binding on governments, if ratified), and even if the ILS has not been ratified by the countries concerned.

The motivations behind this agenda differ from one group to another. Unions view it as one way of regaining their lost influence at the national level in regulating national labour markets. Protectionism is another reason. This is justified, it is argued, on the grounds that cheap goods from developing countries are reducing wages of unskilled workers in economically advanced countries, ignoring the fact that technology accounts for the larger part of this trend. Some groups dispute the right of developing countries to rely on a comparative advantage based on low labour costs while finding other comparative advantages legitimate.

Employers and their organizations should take account of these trends – all of which involve regulating the labour market and, if extended beyond the ILO Declaration on Fundamental Principles and Rights at Work, could erode the flexibility employers have gained over the last twenty five years – in developing their own strategies, especially at the regional and international levels. Most proposals at the international level involving employment or labour related matters can be directly or indirectly linked to the global governance of IR agenda.

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