

ARE WE READY TO ADD NEW PARTNERS IN SOCIAL DIALOGUE?

Editorial

The pressures from NGOs to be heard as voices of the world, including the world of work, are now a global reality. In the ILO it is one of our major headaches. At the same time trade union membership overall has been suffering across the industrialized market economies in recent decades. The reasons for this situation are complex but include the decline in employment in traditionally highly unionized manufacturing industries, the growth of lower-unionized services employment, the decline in traditional collective bargaining and the fact that new employment legislation in many parts of the world has made it easier for workers to defend their own interests.

Certainly there are differing views within the trade union movement on how to prepare for the future. On the one hand it is trying to move away from its old adversarial approach, as a lot of what it perceives as its traditional fights are over or have been lost and it now seeks to embed itself as an active partner that can react to change. On the other hand there is a drift to try and recover the ground lost to NGOs on social issues.

For employers and their organizations this trend evidently has a direct impact on them, certainly in terms of trade unions as effective interlocutors in tripartite structures or social dialogue. A future with weaker trade unions would have serious implications for employers' organizations in terms of partnership arrangements, collective bargaining structures and national agreements. It could also create an element of uncertainty and unpredictability. Who to deal with or negotiate with? Who represents whom?



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<p>Partnership arrangements and relationships are cultivated over a period of time and those between workers and employers' organizations are no different. The relationship for instance between the ICFTU and the IOE has developed where both sides cooperate and work closely together on issues that affect them (social dialogue, youth employment, HIV/AIDS etc). Cooperative partnership can and has yielded positive outcomes for workers and employers' organizations everywhere. If the future choice is to also have to deal with a group of NGOs, whose representation, agenda and accountability are completely unclear, then such a situation, not just for employers but for all involved in labour and social fields, would present major uncertainties.</p> <p style="text-align: right;">Antonio Peñalosa Secretary-General</p>	
<p>International Labour Organization</p>	
<p>In September, the ILO will hold informal consultations with employers' and workers' representatives to seek their views on several important questions that will affect the future of the Organization. The topics to be addressed are:</p> <ul style="list-style-type: none"> (i) The ILO's strategic policy framework for 2006-2009; (ii) Reform of the ILO Governing Body and International Labour Conference; (iii) Issues regarding possible improvements to the ILO's standards-related activities. (The IOE has requested its member federations to provide guidance on these issues through a survey attached to Circular G/2003-44). <p>The strategic policy framework (SPF) provides the main guidelines that govern the ILO's programme and budget. It is foreseen that a finalized version of the SPF will be submitted to the November 2004 session of the Governing Body. Therefore, this preliminary discussion is of paramount importance, as it constitutes an opportunity for ILO constituents to shape the future of the Organization by identifying the main areas in which the Office should allocate resources and prioritize efforts.</p> <p>The discussion on the ILO Governing Body (GB) and the International Labour Conference (ILC) reform will be the beginning of an in-depth reflection on ways to improve their functioning and effectiveness. The goal being – at least for employers - to increase the relevance of the ILO as a whole. The ILC and the GB are the most visible political face of the Organization and consequently need to be able to respond more effectively and more quickly to the contemporary world of work.</p> <p>Last but not least, the issues related to the ongoing debate on possible improvements to ILO standards-related activities will deal this time with (i) the procedures under article 24 of the ILO constitution (representations); and (ii) promotional activities of ILO standards. Notwithstanding that both issues are</p>	<p>ILO Informal Consultations</p>

<p>important, it is expected that employers will probably concentrate on the procedures under article 24 of the Constitution as it is on occasion subject to abuse (i.e. conflicts are brought to an international forum for publicity reasons). Means to limit this practice, perhaps by limiting the receivability criteria or introducing a filter mechanism, could be considered to prevent automatic discussion of a receivable complaint.</p> <p>For further information contact Andrés Yurén : yuren@ioe-emp.org</p>	
<p>As a follow-up to the tripartite meeting on the employment impact of mergers and acquisitions (M & A) in the banking and financial services sector, held in Geneva in 2001, the ILO organized a tripartite seminar in Buenos Aires in August to promote social dialogue on mergers and acquisitions – restructuring in financial services for selected Latin American countries.</p> <p>The main issue – which had prevented the February 2001 meeting from succeeding – was the issue of when in the M & A process should dialogue and consultation take place with workers.</p> <p>At the Buenos Aires seminar the participants unanimously agreed that a decision to merge or acquire was based on extremely sensitive information and was the responsibility of the management; employees should be informed in a timely manner by employers of the merger and prior to public announcement, provided that such information and consultation comply with applicable national laws and regulations and that, in any event, employees should receive such information at the latest immediately after the regulatory bodies have approved the merger.</p> <p>For further information contact Jean Dejardin: dejardin@ioe-emp.org</p>	<p>Mergers and Acquisitions in the Banking and Financial Services Sector</p>
<p>The ILO's <i>World Commission on the Social Dimension of Globalization</i> had its final meeting in August. However, differences remain outstanding and a final resolution will take further efforts from the Commission Secretariat directly with Commissioners in the next few months. It is still anticipated to launch the final Report in the early part of next year.</p> <p>For further information contact Gary Rynhart: rynhart@ioe-emp.org</p>	<p>World Commission on the Social Dimension of Globalization</p>

IOE Activities	
<p>Under a recent UN resolution (December 2002) all countries have made a commitment to submit a National Action Plan (NAP) on youth employment. In a joint letter from IOE Executive Vice-President Daniel Funes de Rioja and ICFTU General Secretary Guy Ryder to the ILO Director-General, they have offered the IOE and ICFTU as a framework for the implementation of such national action plans on youth employment.</p> <p>The approach suggested is a simple concept designed to develop a generic model which could act as a guide in developing individual NAPs. The approach focuses on a tripartite approach.</p> <p>It is hoped that this programme can be rolled out over the coming months. A small number of States have volunteered to be pilot countries in the development of these NAPs.</p> <p>For further information contact Gary Rynhart: rynhart@ioe-emp.org</p>	IOE and ICFTU Joint Plan to Tackle Youth Unemployment
IOE Members	
<p>The eighth Inter-American Conference of Ministers of Labours (IACML) of the Organization of American States (OAS) will be held in Salvador (Brazil) on 24-26 September. The Conference will discuss and most probably adopt a Declaration and a Plan of Action for the next biennium with a view to providing concrete guidelines on how to address the socio-labour dimension of the Americas Summit Process / regional integration. IOE federations have been actively participating in the whole process through the Business Technical Advisory Committee on Labour Matters (CEATAL), which is an advisory body to the IACML.</p> <p>One of the most interesting proposals being put forward in the context of this new Plan of Action is the creation of an Inter-American Institute for Labour Administrations. The objective of this Institute would be to promote the capacity building of labour administrations in the small economies of the Americas. Employers have expressed their concerns regarding the creation of any parallel structure that would duplicate the functions of the International Labour Organization (ILO), as it would mean an overlapping of activities and an unnecessary expenditure of financial resources. In particular, the creation of the Institute should not question the unique mandate of the ILO to create and supervise international labour standards.</p> <p>With this in mind, CEATAL - with the support of the IOE Secretariat - has prepared two additional position papers which are intended to guide / influence the Governments' views on the question of the Institute. The first relates to the Principles that should guide future debates on the socio-labour dimension of the Americas Summit Process, and a second one on the role of the ILO in such a process. Both will officially be presented during the Conference.</p> <p>For further information contact Andrés Yurén : yuren@ioe-emp.org</p>	Inter-American Conference of Ministers of Labours

<p>The Bolivian Private Employers' Confederation (CEPB), together with the IOE, will host this year's meeting of Presidents of Ibero-American Business Organizations in Bolivia (22-24 October). The meeting has two main objectives. The first is to reflect on and adopt a common statement from the business community to the Heads of State of the Ibero-American countries on the sustainable development aspects of regional integration. The second is to coordinate the views of the IOE's Latin American federations on the social dimension of regional integration. This discussion will be timely as the Inter-American Conference of Labour Ministers (Brazil, September) will have issued a new Plan of Action for the next biennium (see earlier article). The meeting will also explore new ways to strengthen existing ties with the European Union.</p> <p>For further information contact Andrés Yurén : yuren@ioe-emp.org</p>	<p>Meeting of Presidents of Ibero-American Business Organizations</p>
<p style="text-align: center;">United Nations Agencies and Other International Organizations</p>	
<p>A resolution by a UNHCHR sub-commission on the Promotion and Protection of Human Rights was passed in mid August which called for 'transnational corporations' to be subject to unlimited monitoring to assess whether they are complying with international treaties governing human rights, labour and environmental practices.</p> <p>The key difference with these <i>Norms on Responsibilities of Transnational Corporations</i> and other initiatives such as the UN's voluntary Global Compact, is that they are expected to be obligatory. In fact it is very unclear what exactly in a legal sense they would be. Law in the making? An incremental approach to international obligations? De facto international law? No clear answer seems to be forthcoming.</p> <p>They also appear largely duplicative of other government-to-government agreements in the various areas of human rights, labour, environment, consumer protection, etc. Furthermore, it is quite unclear how this process would work, who would enforce the norms, and how they would be enforced.</p> <p>The approach taken by the sub-commission goes down a dangerous road. What this set of norms purports to do essentially is to transfer some of the responsibility for implementing the various international Conventions that cover different aspects of human rights, labour, environment, from governments to companies. The calls for International Labour Standards (ILS) to be imposed on companies, irrespective of whether they operate or not in a given country which has ratified or has not ratified ILO Conventions (as well as making ILO Recommendations mandatory) is a new and an unacceptable departure. Such an approach is of course at variance with the principle that ILS are exclusively addressed to member States.</p> <p>The IOE in collaboration with the International Chamber of Commerce (ICC) has submitted joint statements to the sub-commission over the previous two years outlining our shared opposition to the norms, that business CSR initiatives should remain voluntary and that there should be no attempt at imposing a "one size fits all" approach.</p>	<p>Sub-Commission on the Promotion and Protection of Human Rights</p>

<p>The next stage in this process will be the introduction of the resolution to the full 53-nation Human Rights Commission for consideration during the its annual six-week session in March 2004.</p> <p>For further details contact George James : james@ioe-emp.org</p>	
<p>The issue of migration is perhaps one of the more obvious signs of globalization and few countries remain unaffected by it. Policy responses to date in donor and host countries have reflected both the speed and the enormity of the issue.</p> <p>In 1990, the UN General Assembly adopted the <i>International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families</i>, and opened it to signature, ratification and accession. Discussions had first begun in the 1970s. However, it was not until the middle of this summer that the Convention officially came into force getting the required amount of ratifications (22) to make it operational.</p> <p>The Convention, made up of 93 Articles, is the single most comprehensive international legal instrument defining the wide range of rights that migrant workers and their families have. It calls upon States to come together to address migration issues and outlines the responsibilities that countries of origin, transit and destination have in protecting migrants and developing sound labour migration policies. This includes States' efforts to bring relevant national legislation into harmony with international human rights standards.</p> <p>In terms of the ILO, migration is now a central topic featuring heavily in discussions of the <i>World Commission on the Social Dimension of Globalization</i> and next year the International Labour Conference will have a General Discussion (as an integrated approach) on the issue of migrant workers (the IOE has requested its member federations to provide guidance on these issues through a survey attached to Circular G/2003-43). The IOE will discuss the issue of migration at the IOE European Members meeting in Russia (September) which will have as invited speakers the head of the ILO's Migration Department, as well as the head of the technical unit of the International Organization for Migration (IOM).</p> <p>For further details contact Frederick Muia : Muia@ioe-emp.org</p>	<p>UN Convention on Migrant Workers</p>
<p>While the Draft Ministerial Text for the fifth WTO Ministerial meeting in Cancun (10-14 September) has not been greeted with enthusiasm neither has it been rejected as a basis for negotiation. The Cancun meeting is after all not designed to 'fill in all the blanks' but to provide the 'political guidance' to enable a final package to be reached and consequently there are some grounds for cautious optimism on the possibility of reaching a broad agreement on how to proceed.</p> <p>Crucially in the area of agriculture real negotiations are finally taking place. In a long-awaited move, and in an attempt to break the longstanding deadlock in the agriculture negotiations, the two major players in the debate - the European Union and the US - on 13 August presented Members with a "Joint Text" setting out approaches and parameters for a possible modalities framework for further</p>	<p>Squaring the Circle in Cancun</p>

<p>reform of the agricultural trading system. This marked the first time, since the agriculture talks reopened in 2000, that Members showed they were willing to move away from starting positions and seriously negotiate a compromise in the main areas under negotiation.</p> <p>In other areas such as the so-called Singapore issues (investment, competition, trade facilitation and transparency in government procurement) opposition to commencing talks remains strong. In Brussels in early August many developing country ministers underscored that they were not in a position to accept the launch of negotiations on the Singapore issues mainly because they lack the capacity and resources to effectively negotiate. However, while developing countries have not officially linked agreement to negotiate the Singapore issues, individually or as a group to progress in other negotiating bodies (such as agriculture), many trade sources have pointed to this link.</p> <p>Gaps between developed and developing countries on how to structure negotiations on liberalization of industrial goods continue to hold back agreement on a modalities text prior to Cancun. Disagreement centres on both market access formulas and provisions on special and differential treatment for developing countries.</p> <p>Finally, a deal to ease the supply of essential medicines to poor countries, potentially removing one of the biggest stumbling blocks, has effectively been concluded. The compromise deal is similar to the one that was almost brokered last December but additionally would see as many as 30 developed and developing countries giving assurances that compulsory licensing would be used strictly for genuine health reasons and not for commercial advantage. The US, the European Union and other industrialized economies would rule out using the agreement's provisions. Poorer countries would promise to use them only in grave emergencies. It is hoped by WTO Officials that this deal will act as a catalyst for further progress.</p> <p>For further information on the latest from Cancun : www.wto.org</p>	
<p>One of the important and more noticeable changes in the WTO in recent times is the increased efforts at outreach to the business community, particularly in the developing world.</p> <p>It is, after all, businesses that are engaged in trade – not governments. It is companies that export and import, companies that make the decisions on where to seek out new markets and companies that will have to live with the implications of changes to national laws and to comply with any rules in new trade agreements. Moreover, it is companies that suffer when the trading system does not function smoothly.</p> <p>There are obvious reasons why business should be vocal in making its views known. For example, exporters are in the best position to identify barriers to entry in foreign markets whereas trade negotiators run the risk of setting up unrealistic positions that “don’t work in the real world”. Consequently, in formulating national negotiating positions the business voice is essential.</p>	<p>Business and the Doha Trade Round</p>

<p>The number of decisions concluded and the array of issues covered in trade negotiations in the WTO are now having a much quicker and wider direct impact on day-to-day business. Consequently, business, in particular in the developing world, needs to be fully appraised of developments with multilateral trade negotiations and their direct and indirect implications for business.</p> <p>For further articles on this subject see: http://www.tradeforum.org</p>	
<p>From its inception in 1999 the IOE has promoted the nine principles of the Global Compact to member federations. Part of this promotion is achieved through outreach and this year has seen the IOE continue, with the support of ACT/EMP and the ILO to respond to member interest in national and regional initiatives. A regional meeting for Arabic speaking countries was held in Cairo in February followed by one for southern and western Africa in Kenya in May. A national seminar was hosted in Lesotho in July and a launch will be held in Mauritius in early September.</p> <p>The interest of members in looking to national programmes to promote the principles comes at a time when the Global Compact Office in New York has strong pressures to move away from outreach and the pursuit of company commitment, to a more focussed approach on integrating the principles in those companies that have “signed up”. Within the IOE we believe that the strength of the Global Compact remains in its relevance to all business and, with ACT/EMP, it will continue to support efforts at the national level by members to bring the principles to the attention of their member companies.</p>	<p>IOE Outreach with the Global Compact Continues</p>
<p>Other News</p>	
<p>One disturbing aspect of the CSR debate recently related to what has been referred to as ‘corporate lobbying’. Friends of the Earth, an environmental NGO, criticized the UK Chair of the International Chamber of Commerce (ICC) and Chairman of Shell for ‘anti-accountability lobbying’. This was after the International Chamber of Commerce (ICC) had been vocal in its opposition to the misuse of the Aliens Tort Claims Act. Soon after, in a report on the state of sustainability reporting, the first technical recommendation from the judges of the main accountancy body of the UK, stated that <i>‘reports should disclose the lobbying positions an organization takes on key public policy issues’</i>. Is this calling for restrictions on the rights of individuals to express views in the different organizations that they may represent? The ramifications of such a proposal are simply massive and could act as a serious impediment in attracting senior business leaders to play a role in, among others, employers' organizations.</p> <p>CSR Round Up</p> <ul style="list-style-type: none"> • Ten major international banks have put together voluntary guidelines, the so-called ‘Equator Principles’, for assessing social and environmental risks when financing development projects. This is an initiative that reduces the risks such banks face when financing major projects. 	<p>‘Anti-accountability’ lobbying</p>

- A survey by Environics International of 21,000 people in 29 countries found that 29% of consumers had boycotted a product or service last year on ethical grounds.

Accountability and NGOs

Over the last ten years we have seen a whole range of NGOs representing all kinds of issues emerge into the global debate and increasingly we are seeing the involvement of civil society organizations within the sphere of social issues. This process has taken place in parallel with trade union decline. The issue comes down to representivity versus advocacy – NGOs advocate issues and policies; they do not necessarily represent a constituency. This has been exacerbated in recent years by the change in political ideologies with a convergence into the centre, people are disconnecting from the democratic political system as they do not see a difference between the various political parties and increasingly are focusing on single issues. This is where NGOs are filling the gap.

Within national agreements there has been a tendency to include aspects of the wider society in negotiations where this is seen to be relevant. This has had mixed results and in some instances caused problems, threatening long established successful formulas for arriving at national agreements. But there is no doubt that dialogue between NGOs is something that is now part of the landscape. For example, relations between NGOs and the EU Commission have become increasingly formalized, with roughly twice-yearly meetings between the platform of European Social NGOs (1995 est.) and the Commission’s Social Affairs Directorate.

The issue comes down to representivity and respecting democracy and democratic processes. Both the social partners represent very definite constituencies; NGOs in most cases cannot claim the same and this is why there needs to be a very clear demarcation between the role of NGOs and employers’ and workers’ representatives.

However, the reality is that NGOs are now a fixture and are unlikely to diminish in number, in the short term at any rate. This poses a number of questions for employers’ organizations such as: what relationships, if at all, should an employers’ organizations have with NGOs? Are there, or could there be, implications for existing partnership arrangements? Will national or regional agreements be affected? Will national tripartite structures be weakened?

In June NGO Watch, an initiative of the American Enterprise Institute (AEI) and the federalist Society for law and Public Policy Studies was launched to examine the growing political influence of NGOs. The stated aim is ‘to bring clarity and accountability to the burgeoning world of NGOs’.

Such an initiative is timely and finally is giving some visibility to the issue of the *accountability, representation and transparency* of NGOs – something many of them vociferously demand of others.

For further information: <http://www.ngowatch.org>

P u b l i c a t i o n s	
<p>This year's World Investment Report by UNCTAD focuses on the Foreign Direct Investment (FDI) downturn, its reasons and the role of national policies and international investment agreements (IIAs) to attract FDI and benefit from it. The Report catalogues the overall trends in FDI and shows how they have dropped drastically, with little rebound expected in 2003. The Report seeks to advance the understanding of host country policies and measures that are particularly important for attracting FDI and benefiting from it. It also focuses on key issues that straddle national FDI policies and international investment agreements, with a view to bringing out the development dimension.</p> <p>The full report is available at : www.unctad.org</p>	<p>World Investment Report 2003</p>
<p>The Employers' Federation of India recently conducted a research-based study with a view to ascertaining compensation trends and unique practices in Indian and Multinational Companies, covering six industry segments in India: Banking and Financial Services; Pharmaceuticals and Chemicals; IT and Telecom; Engineering, Automobiles and Others; FMCG and Consumer Goods; Service - Courier, Advertising, Media, etc. The research provides a high level qualitative analysis by industry sector of how compensation is managed in a highly competitive, volatile market place. The research would be especially useful for any company operating in or looking to operate in India.</p> <p>For details please contact George James : james@ioe-emp.org</p>	<p>Compensation Trends in India</p>