



NEW TRADE UNION INTERNATIONAL

Editorial

This month has seen the emergence of the new global trade union organization, the International Trade Union Confederation (ITUC). This new organization brings together the International Confederation of Free Trade Unions (ICFTU) and the World Congress of Labour (WCL) under one global umbrella, which will cover 154 countries and represent some 168 million workers. The IOE was formally represented at the launch of the new organization.

The IOE welcomes this new organization as it in the first instance consolidates the voice of the international trade union movement and provides the IOE with a singular interlocutor at the global level. Relationships with the (now former) International Confederation of Free Trade Unions (ICFTU) have become stronger in recent years. The IOE and ICFTU have collaborated across a whole range of issues and have developed joint global positions in areas such as HIV/AIDS and youth employment. We strongly hope that this kind of collaboration not only continues but indeed intensifies.

The ITUC has outlined a clear strategy for the future. This strategy seeks to better connect the ‘national’ trade union agenda to the ‘international’. This view purports that globalization has made international trade unionism more relevant, that decisions taken at the international level have speedy repercussions on the factory floor; that supply chains which traverse the globe and crosscut through different jurisdictions require a more integrated trade union response.

In this connection, the last few years have seen much more concerted activity at the international level by the trade union movement across a whole range of policy areas. Sustainable development and the environment are now high on the trade union agenda and, earlier this year, UNEP hosted the first ever trade union assembly on labour and the environment.

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Trade union engagement with the International Financial Institutions has also been conducted in a more intense manner. Earlier this year, after lobbying from the ICFTU amongst others, the International Finance Corporation (World Bank Group) adopted new environmental and social standards which would replace existing safeguards. International mechanisms such as international framework agreements and campaigns to gain influence, principally at multinational enterprises, have intensified. New forms of activism such as unions using their influence on state pension funds – many of which have union representatives on them – or by introducing shareholder actions are increasingly being explored.

The merger is unlikely, certainly in the short term, to stem the ever-declining trade union membership rates; but, unquestionably, international trade unionism is heading in a distinct direction and this will have direct consequences for the IOE and its members.

In the coming months the implications of the merger will become clearer and we will have a better idea of how we as employers can engage with the ITUC in a meaningful way -one that moves beyond simply restating principles and in such a manner as to further both of our interests.

Antonio Peñalosa
Secretary-General

IOE and Member Activities

The International Organisation of Employers (IOE), the Chamber of Industries of Uruguay (CIU) and the National Chamber of Commerce and Services of Uruguay (CNCS), with the support of the Spanish Confederation of Employers' Organizations (CEOE), organized the XVII Meeting of Presidents of Ibero-American Employers' Organizations in Punta del Este (Uruguay) on 1 and 2 November.

The Meeting took place within the framework of the XVI Ibero-American Summit of Heads of State and Government held in Montevideo on 4 and 5 November 2006. The work programme included themes such as "The favourable environment for enterprise creation and development", "What enterprises can do for competitiveness", "The pension reform situation in Latin America", "Youth Employment" and "The employers' perspective of migration trends in Ibero-America".

The Presidents adopted two Resolutions : one containing a message to the Summit on the themes dealt with at their Meeting; the other, jointly signed by the Presidents of the IOE Ibero-American federations and the trade union leaders of the region, reiterating the request that the social partners be actively involved in the Ibero-American Summits of Heads of State. The next meeting of Presidents of Employers' Organizations will be held in Chile.

XVII Meeting of Presidents of Ibero-American Employers' Organizations

<p>Since August 2005 the IOE, in collaboration with the ILO and the Turin Training Centre, has carried out a total of five regional workshops on SME development strategies for employers' organizations –the most recent of which was held in South East Asia (with the participation of employers from Vietnam, Cambodia and Laos). A number of further training workshops are to held later this month in Indonesia, the Maghreb and Latin America. The first follow-up workshop was also held in Croatia in September with participants from the Balkan region who participated in the initial SME training workshop. The workshops are based around the IOE-ILO SME Development Toolkit which has been recently updated and now includes a number of new case studies.</p> <p>The ILO Turin Training Centre has become a key partner in these training exercises and it is anticipated that a deeper set of training modules will emerge next year around the main pillars of the Toolkit – advocacy, membership development and service provision. IOE Contact: Gary Rynhart.</p>	<p>SME Toolkit</p>
<p>The annual meeting of the IOE network of experts in labour law was held this year in Bucharest in mid-October. The main purpose was to discuss the situation of labour law in South East Europe with a specific focus on economic and social councils. Experts from the IOE, the ILO and the Dutch employers' organization (VNO-NCW) also attended. A joint session was also organized with the European Trade Union Council (ETUC) network in order to discuss the Danish 'flexicurity' model, with the Danish employers and trade unions providing specific perspectives.</p> <p>With the accession of Bulgaria and Romania into the European Union in January 2007, it has been decided to establish a <i>Western Balkans Centre</i> which, from 2008, will replace the IOE network of experts in labour law. This Centre will be the reference point for all activities for the Western Balkans and will be based in that region. The Swiss agency for development and cooperation has agreed to support this initiative until 2009.</p> <p>Two activities will take place before the end of the year in South East Europe. On 27 November in Podgorica, the IOE and the Montenegrin Union of Employers will organize a roundtable on guarantee funds, where the establishment of such a fund in Montenegro will be considered.</p> <p>In mid-December, the IOE and the Bulgarian Industrial Association will organize a high level conference on the theme of "Advocating for a Better Business Environment in South Eastern Europe". The principal objective of the conference will be: to facilitate an exchange of dialogue and 'best practice' experiences on national reform efforts; to create awareness of the availability of tools and methodologies to assist the business community in advocacy efforts; and to develop strategies to further reform efforts. Presidents and senior figures from employers' organizations throughout the region, along with experts from the World Bank, the ILO, the European Bank for Reconstruction and Development and the European Commission will participate. IOE Contact: Eric Oechslein.</p>	<p>Stability Pact for South East Europe</p>

<p>At the end of October, the Mauritius Employers' Federation hosted a workshop on the "<i>Strategic Management of Employers' Organizations and their Role for Enhanced Investment Promotion</i>" organized by the Pan-African Employers' Confederation (PEC) with assistance from the IOE. The event was organized with the technical and financial support of PROINVEST— a programme of the <i>Group of African, Caribbean and Pacific States and the European Commission</i> (ACP) for the promotion of investment. The programme aims at strengthening ACP intermediary organizations and supporting the development of partnerships.</p> <p>Participants, who were drawn from English-speaking African employers' organizations, had an opportunity to carry out a comprehensive analysis of their organizations in order to determine the key strengths, weaknesses, opportunities and threats. An action plan for each organization was developed for submission to PROINVEST for further support. With the support of the IOE, PEC and others, such capacity-building support will be extended to other employers' organizations in Africa, the Caribbean and the Pacific.</p> <p>IOE Contact: Frederick Muia.</p>	<p>PEC Workshop on Strategic Management of Employers' Organizations</p>
<p>The Secretariat carried out a survey among member organizations between July and September on the themes of labour law, collective bargaining and minimum wages. Approximately 50 member federations took the time to respond to the questionnaire. The main rationale for the survey was to assist the Employers' Group in related debates in the Employment and Social Policy (ESP) Committee of the ILO Governing Body. Major policy debates on these issues took place this November and will again be held in March 2007. These policy discussions will shape the future of ILO employment policy in these areas. The results of this survey will be sent to all member federations in the course of the next week or two. IOE Contact: Gary Rynhart.</p>	<p>Employer Survey</p>
<p>International Labour Organization</p>	
<p>RETAIL TECHNOLOGIES</p> <p>A tripartite meeting on the social and labour implications of the increased use of advanced retail technologies was held in Geneva in mid-September. The meeting provided an opportunity for participants to reflect on the introduction of the latest modern technologies in the industry.</p> <p>The conclusions of the meeting recognized that modern technologies are an inevitable element of modern working life and that this will result in job losses.</p> <p>Employer delegates, among whom were representatives of major retail multinationals, indicated that these conclusions will prove extremely useful to companies in future negotiations with local trade unions.</p> <p>IOE Contact: Jean Dejardin.</p>	<p>ILO Sectoral Meetings</p>

<p>CROSS BORDER MOBILITY OF INTERNATIONAL DRIVERS</p> <p>Difficulties for international drivers in obtaining visas for some destinations and long waiting queues at borders (and the impact on drivers) were the kinds of issues raised at a tripartite meeting held in the ILO at the end of October. The meeting on the social and labour issues arising from problems of cross border mobility of international drivers attracted, besides the officially invited delegates, a large number of Government representatives and observers.</p> <p>In the conclusions of the meeting, the participants recognized the important role of road transport for the economic development of countries in general and the need to identify innovative ways to facilitate issuance of visas and reduce waiting times at borders. In terms of solutions to these problems it was noted that Convention No.185 on Seafarers Identity Documents (2003) might provide useful lessons.</p> <p>The conclusions additionally asked the ILO to examine some “best practices” examples from selected problematic borders and promote a framework of guidance. IOE Contact: Jean Dejardin.</p>	<p>→ <i>ILO Sectoral Meetings</i></p>
<p>At the end of September, the IOE participated in a Ministerial meeting organized jointly by the ILO and the Turkish Labour Ministry in Istanbul entitled “<i>Employment Strategies in the face of Globalization of South-East European Countries</i>”.</p> <p>The conference consisted of three panels (1) “How to address jobless growth”; (2) How to adjust labour markets to the imperatives of a fair globalization: Flexibility, security and policy coherence” and (3) “What is the role of public policy, social partners and social dialogue in attaining the goals of decent work for all and a fair globalization?”. The IOE participated in all three panels.</p> <p>The background paper written by the ILO was instructive in that it showed the kind of policy advice that the Office is providing to member States – an emphasis on expansionary macroeconomic policies and higher employment protection legislation. This approach directly contradicts what other organizations, such as the World Bank and the OECD, are saying.</p> <p>The outcome of the meeting was a ‘Ministerial Declaration’. Interestingly, the Ministerial Declaration seemed to be at odds with the ILO approach, for instance calling for “<i>greater flexibility in labour markets in order to encourage the creation of new jobs and increase social inclusion</i>”.</p> <p>IOE Contact: Gary Rynhart.</p>	<p>South East European Labour Ministers’ Meeting</p>
<p>The IOE and the ILO are embarking on a joint project to develop a resource base for the business community on practical actions in support of youth employment. Such a resource base will profile existing practices by the business community (both member-based organizations and individual enterprises) and serve as a “bank of ideas” for others to adapt and emulate.</p>	<p>Employers and Youth Employment</p>

<p>The project will endeavour to gather existing resources and initiatives that respond to youth employment in use by the business community, such as: tools and products; methodologies; case studies; and best practice examples. In this respect, we would greatly appreciate if members could pass on this information to relevant individuals either in their organization or amongst their membership who could directly assist us, particularly in this ‘collection phase’.</p> <p>IOE Contact: Gary Rynhart.</p>	<p>→ <i>Employers and Youth Employment</i></p>
<p>UN and other International Organizations</p>	
<p>For over two decades the IOE has been collaborating with the World Health Organization (WHO), mainly in occupational health matters and HIV/AIDS. However, during recent months the IOE has put a lot of effort into developing this important relationship and in exploring how the business community can collaborate further with the WHO.</p> <p>These efforts are now bearing fruit. The WHO is increasingly recognizing that business, as the global driver of economic growth and as major contributors to public health through the health care industry, is an important actor to be engaged with. Recently the IOE was officially invited to present its views during the discussion of the WHO “<i>Global Plan of Action on Workers’ Health</i>”. The IOE was represented by the Secretary-General, Antonio Peñalosa. His presentation is available on the IOE website, in the WHO section).</p> <p>In order to structure an organized dialogue between the WHO and the private sector, the IOE scheduled a first official Roundtable with the WHO in Geneva on 8 November. This dialogue, organized exclusively for IOE members together with companies of their choice, provided an occasion to exchange views on how business can contribute more to public health concerns such as HIV/AIDS, particularly in developing countries. It also addressed the role of innovation and how dialogue with business can help in the development of efficient technological solutions to priority public health problems.</p> <p>The Roundtable provided an opportunity to continue discussions between the two institutions on how to promote safety and health in companies, particularly in SMEs, and ensure business input into the work of the WHO Commission on the Social Determinants of Health. It is clear from this first encounter that an opportunity exists to further develop a real partnership with the WHO. The Secretariat will now examine concrete follow-up in the coming months.</p> <p>IOE Contact: Frederick Muia.</p>	<p>IOE/WHO Roundtable on Business and Public Health</p>
<p>The World Bank over recent years has developed a ‘<i>Doing Business</i>’ database which basically tracks and evaluates how easy or difficult it is to do business in the 175 countries it monitors. This database is an invaluable resource for the business community as it enables – in fairly stark terms – to assess how individual countries rank against their neighbours and competitors.</p>	<p>World Bank: Doing Business</p>

<p>This makes the recent controversy over some of the indicators even more unfortunate. The release in September 2006 of the latest edition “Doing Business in 2007: How to Reform” was strongly criticized by the trade union movement. The main cause of indignation was the category dealing with labour issues, as the ‘database’ ranks countries – so those with a less rigid regulatory climate in terms of labour legislation score higher. A number of US Senators formally wrote to World Bank President Paul Wolfowitz expressing their concerns.</p> <p>Controversy is perhaps inevitable. The ‘Doing Business’ database has been relatively effective in recent years in exposing the kinds of often-ridiculous protections that exist in some countries to protect vested interests. Sadly, the most onerous restrictions seem to be in those countries that need economic and employment growth the most.</p> <p>In their letter, the Senators ask that the Bank work with the ILO in future on labour issues. This seems like a good idea and the ILO should take up the Bank’s existing offer to work with it in this area. IOE Contact: Gary Rynhart.</p>	<p>→ World Bank: Doing Business</p>
<p>Both the IOE President, Abraham Katz, and Secretary-General, Antonio Peñalosa, participated at the annual G8 Labour Ministers Meeting in Moscow in October. The IOE collaborates closely with the OECD Business and Industry Advisory Committee (BIAC) in preparing for this annual event.</p> <p>President Katz in his intervention noted that creating a conducive business environment needs to be achieved in many countries by structural reforms and adjustment. He underlined the importance of sound regulation and that rigid or inappropriate labour legislation does the exact opposite to what it was designed to do – it protects some workers to the detriment of the workforce as a whole. His full statement is available on the IOE website.</p>	<p>G8 Labour Ministers Meeting</p>
<p>Corporate Social Responsibility Round-Up</p>	
<ul style="list-style-type: none"> • The results of a survey of Fortune 500 companies commissioned by John Ruggie, the UN special representative on business and human rights, is now available at: www.bsr.org/Ruggie500 • The mining sector is exploring new global ethics standards. Working groups under the aegis of the multi-sector <i>Responsible Mining Assurance Initiative</i> (RMAI) will examine indicators for social and environmental standards and verification processes over the coming months. • The Global Compact has de-listed 335 companies from the Compact (the action has been taken under the integrity measures put in place last year): http://www.unglobalcompact.org/CommunicatingProgress/inactive_participants.html • An evaluation of the longest running ethical supply chain management initiative – Ethical Trading Initiative – has concluded that its impact on the workplace has been relatively minor: www.ethicaltrade.org/d/impactreport 	

- Businesses involved in the production and processing of Soya beans have established the “Roundtable on Responsible Soy”. It will begin developing globally applicable principles within the next 18 months: www.responsiblesoy.org
- Barclays Bank has introduced a scheme whereby it will directly supplement its contract cleaning staff’s wages and benefits – this ‘fair wage’ scheme is designed to improve wages in a ‘highly competitive market’.
- The *Extractive Industries Transparency Initiative* looks set to become a permanent feature with the establishment of a Secretariat and Board (probably to be based in Oslo): www.eitransparency.org
- Japanese IT company NEC has started to assess the social and environmental performances of its suppliers. It provided guidelines to all its suppliers on the following issues: safety and health, environment, information security, fair trade and human rights. NEC says it will now audit suppliers: www.nec.co.jp/csr/en
- A blueprint for long-term investment will be produced by the Marathon Club (international group of trustees) to assist companies in moving away from uniquely short-term monetary goals: www.marathonclub.co.uk

Major Forthcoming Meetings

22 - 24 November	→	SME Strategies for Employers’ Organizations Workshop (Indonesia)
27 November	→	Roundtable on Guarantee Funds (Podgorica)
27-30 November	→	Dutch Employer Cooperation Programme: Building Employers’ Organizations (Indonesia)
2 December	→	ACE Meeting (Manila)
15 December	→	South East Europe Regional Conference on Advocating for a Better Business Environment (Sofia)
10 - 15 January	→	Meeting of the ILO Declaration Expert-Advisers (Geneva)
8 - 30 March	→	298 th Session of the ILO Governing Body and its Committees (Geneva)