

International Organisation of Employers

The International Labour Organization (ILO)

A Guide for Employers



(IOE Information Paper)

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This information paper is designed to provide IOE member federations with a brief overview of the ILO and a summary of the key current issues for employers in that forum.

The International Labour Organization

The ILO was given the mandate in 1919 to deal with labour and social issues at the international level and it remains the key forum for debates (and formulation of International Labour Standards) on these issues. It is unique within the UN system, in that it brings together employers, workers and governments within its governing structure. The success in guiding the debates in the ILO has a direct impact on potential problems employers worldwide may face in the future. Principally, the ILO formulates International Labour Standards in the form of Conventions and Recommendations; promotes, through its constituents, social and labour policies at the international level and provides technical assistance. In recent years it has increased its profile with the efforts of the current Director General to raise its visibility internationally.

The **ILO Governing Body**, composed of 28 government members, 14 employer members and 14 worker members, holds major sessions twice a year in March and November. It functions as the executive board of the Organization and therefore formulates policies, subject to the overall jurisdiction of the International Labour Conference; appoints the Director-General whose term of office is for five years; supervises the Office; fixes the agenda of the International Labour Conference; proposes the budget to the Conference and carries out other functions delegated to it by the ILO Constitution.

ILO's Strategic Objectives

1. Promote and realise standards and fundamental principles and rights at work
2. Create greater opportunities for women and men to secure decent employment and income
3. Enhance the coverage and effectiveness of social protection for all
4. Strengthen tripartism and social dialogue

Since many policies concerning social and labour issues that effect employers originate from the ILO, it is vital that employers are effectively represented there. Employers, coordinated by the IOE, represent the business community in all ILO bodies. One fundamental role of the IOE, is to ensure that ILO activities contribute to the growth of successful enterprises.

The IOE's main aims within the ILO are to:

- *Promote employment policies which are conducive to the creation and maintenance of a healthy business environment;*
- *Create a more realistic and less cumbersome labour legislation at the international level;*
- *Promote voluntary, as opposed to compulsory, corporate social initiatives;*
- *Create programmes and activities in the ILO to strengthen national employers' organisations;*
- *Ensure debates on globalization are balanced and constructive and lead to policies which help make the process more inclusive;*
- *Prevent labour issues from encroaching into trade discussions, such as the inclusion of a social clause in international trade agreements;*
- *Create an internationally enterprise friendly environment in all ILO debates and activities;*
- *Promote respect for employers' rights and condemn governments for violating such rights;*
- *Advocate social security models which are affordable and practical;*
- *Promote policies that ensures that the ILO remains a relevant and credible institution in dealing with labour issues at the international level;*
- *Raise awareness of the Declaration on Fundamental Principles and Rights at Work;*
- *Strengthen tripartism and real social dialogue.*

The International Labour Conference (ILC)

An important function of the ILO, is the formulation of International Labour Standards (ILS), which are elaborated at the annual International Labour Conference (ILC), the supreme policy making body of the ILO, which meets every June. Such standards, if adopted and ratified by member States, are transposed into national legal instruments in those countries. The ILC remains a key forum for employers in ensuring the adoption of appropriate international

instruments and in preventing standards that would place rigidities on the labour market and adversely affect the business environment and employment generation.

ILO standards take the form of Conventions (international treaties subject to ratification by ILO member States), and Recommendations (non-binding instruments - normally dealing with the same subjects as Conventions) which set out guidelines, which can orient national policy and action. In order to assess how member States are fulfilling their obligations under ratified Conventions, a Conference **Committee on the Application of Standards** meets every Conference.

Often debates leading to, or attempting to have standards adopted, are in very contentious areas which can have major implications for the global marketplace. Recent examples include: maternity protection; social security; contract labour; part-time work; health and safety; homework; employment agencies. Workers representatives sometimes try to place on the Conference agenda, items for international standards in areas that could have a detrimental effect on business e.g. Multinational enterprises, working time, international investment etc.

The Bureau for Employers Activities (ACT/EMP)

The IOE has promoted and helped to develop a specific department for employers in the ILO *The Bureau for Employers Activities (ACT/EMP)*. A fundamental function of ACT/EMP is to help to develop or to strengthen national employers organizations. The Bureau is available to national employers' organizations as a means of gaining access to information, advice and technical assistance on a range of subjects such as human resources development, industrial relations and other employment and labour market-related subjects. ACT/EMP is the bridge between employers' organisations and any activities concerning them in the ILO.

The Bureau is also involved, in collaboration with other units in the ILO, in programmes of technical cooperation in fields such as: SME development; skills development; management development; vocational training and vocational rehabilitation; employment policy; labour administration; labour law and industrial relations; working conditions; social security; labour statistics and occupational safety and health.

ILO activities relating to specific industry sectors

The ILO's sectoral activities, which cover twenty two different areas of economic activity from the construction to the civil aviation industries, have proved to be very important platforms in discussing relevant issues or problems for enterprises in their expert or tripartite meetings. Seminars, workshops, specialized meetings of experts are held, in addition emergency meetings, if necessary are also held, (as was the case following the September 11th tragedy and the consequent direct impact on the civil aviation and the hotel and tourism sectors). Sometimes conclusions or recommendations will emerge from these tripartite gatherings that can be used as guidelines for policies and measures in dealing with issues and problems in a particular sector, as appropriate, at the international and national level and by the ILO.

These sectoral activities are also a forum where employers from the different regions of the world establish contacts, exchange experiences and join forces to draw up, in their discussions

with the workers, an array of criteria to guide the ILO in its future activities and more particularly, the social partners in their national daily affairs.

Technical Cooperation

Technical cooperation with governments, employers' and workers organizations is one of the main means of giving effect to the ILO's strategic objectives. The ILO relies on funds from the regular budget and additionally from donors to fund projects for its technical cooperation activities. It has elaborate field structures to deliver these activities. The ILO recognizes that strong social partners are essential for effective and productive tripartism and social dialogue. There is a programme of technical assistance to employers' organizations (as there is for workers organizations) implemented by ACT/EMP, based on the needs of employers' organizations to engage in tripartism, social dialogue and advocacy, and to develop and strengthen their direct services to their members. This programme is complemented by activities coordinated by other departments in the ILO with employers' organizations or together with them and the other constituents.

KEY DEBATES FOR EMPLOYERS IN THE ILO

1. International Labour Standards

Standards Reform

ILO standards if ratified by member States become labour policy, enshrined in legislation at the national level. Consequently, ILO standards can have a direct impact on the national business environment. The fact that many existing ILO standards are now outdated or were ill conceived to start with, not only erodes the credibility of the ILO, but also affects labour markets, often creating undue costs to business.

Employers have taken the view that ILO standards should be ‘high-impact’ mechanisms that seek to address fundamental workplace issues and to regulate essential and unchanging principles and minimum standards. The case for reform is strong. For instance, currently countries that ratify standards are likely to be countries for which ratification is least costly i.e. countries whose national legislation already provides protections in that area at least as strong as the ILO convention. In many cases ratifications are largely symbolic, reflecting previously attained labour conditions. That said, there has been some progress, with genuine attempts at reform through a comprehensive examination of the overall approach to international standard setting and progress has also been made in relation to eliminating outdated instruments.

The IOE continues to argue the case within the ILO, for the reform of ILO labour standards, so as to make them more realistic and effective, and consequently:

- Rejects the often prevailing view of a ‘standard for the sake of a standard’. This attitude not only undermines the relevance of International Labour Standards but also, even more damagingly, the credibility of the ILO itself.
- Believes that to be effective standards need to cover general issues, where there is a broad tripartite consensus that regulation at international level is necessary, rather than those relating to narrowly defined issues. Most ratified conventions fall into the former group, the vast majority of unratified ones, fall into the latter. For example, the widely supported and well prepared Convention on the Worst Forms of Child Labour (No.182), adopted by the 1999 ILC has been extensively ratified.
- Continues to encourage the ILO to launch a campaign for the ratification of the 1997 Constitutional amendment permitting the withdrawal and abrogation of instruments, subject to a two-thirds majority vote at any given Conference. For many years, a number of outdated instruments have blurred the whole ILO standards system, weakening its credibility and therefore its effectiveness.
- Encourages the ILO to make further use of the *General Surveys* so as to garner a more up to date picture of the relevance of existing standards.

- Believes that a number of governments should behave more responsibly when they are supporting International Labour Standards and those that have voted for a particular convention should be obliged, within two years of its adoption, to explain, if that is the case, why they have not ratified it.

International Trade and Basic Labour Rights

Thus far, the Employers' Group, through their numerous initiatives inside and outside the ILO, has been actively opposed to labour issues from encroaching into trade discussions and policies, through for example the inclusion of the social clause in international trade agreements. This was helped by the World Trade Organization (WTO) Ministerial Conference (1996 Singapore) confirming the ILO as the body to set and deal with labour issues. This was extremely important in preventing any moves to attempt to link trade to labour standards within the dispute settlement mechanisms of the WTO. Such a linkage would pose a severe threat to global trade.

As an important response to the international trade versus basic labour rights discussion, the International Labour Organization adopted the **ILO Declaration on Fundamental Principles and Rights at Work** and its Follow-up on 18 June 1998.

Employers initiated and promoted openly the discussions on the Declaration and strongly supported it through to its adoption. The Declaration covers the principles concerning the fundamental rights at work in the following areas:

1. *Freedom of association and the effective recognition of the right to collective bargaining;*
2. *The elimination of all forms of forced or compulsory labour;*
3. *The effective abolition of child labour;*
4. *The elimination of discrimination in respect of employment and occupation.*

Some key general points for employers concerning the Declaration are:

- The Declaration, seeks to promote universally accepted principles at work through the sharing of information and by targeting ILO technical cooperation in countries that have difficulties adhering to its principles.
- The Declaration is the only universal content of 'Decent Work'. In that respect it represents an important promotional and practical tool at the ILO's disposal to promote social progress in the modern world.
- A Global Report on one of the four categories of Fundamental Principles and Rights at Work is presented and discussed at the International Labour Conference. The discussion of the Report sets the stage for the Governing Body to draw conclusions about priorities for technical cooperation in the subsequent four year period.

Child Labour

The IOE has, through its member federations, been playing an active role at both the international and national levels to combat this problem. The IOE has developed a handbook on child labour

to serve as a "best practice" guide for employers in their efforts to address child labour issues. In addressing this issue, the IOE:

- From both a moral and economic standpoint, believes that the employment of children is unsound and should be eliminated as soon as possible. Due to its proactive role, a Convention and Recommendation on the Worst Forms of Child Labour (No.182) at the International Labour Conference was unanimously adopted in June 1999.
- Calls on member federations to: urge their governments to ratify Convention 182; conduct awareness raising campaigns among the business community on the Convention and Recommendation; identify the existence of children in the worst forms of child labour and work for their immediate and unconditional removal; co-operate with national authorities and other concerned organisations in the development and implementation of action plans for the rehabilitation of the children concerned; and assist adult members of the families of the children in securing employment to compensate them for the loss of income.
- Facilitates the efforts of, and provides guidance to, employers' organisations, that are currently making efforts to tackle this issue.
- Raises awareness amongst business of child labour and the potential implications that it may have for its operations, even if a company feels that it has no direct connection to the issue e.g. boycotts etc.

2. Employment

Employment

Employers can take great satisfaction that employment generation, as a route to poverty alleviation and socio-economic development, is now one of the strategic objectives of the ILO and that there is a greater recognition within the ILO, of the role of employment generation in devising strategies to alleviate poverty. The IOE continues to pursue the goal of putting employment creation at the heart of the ILO's work.

An effective employment policy at a national level is one cornerstone of economic growth. The creation of such policies should be preceded by an accurate diagnosis of the barriers to job creation, which identifies deficiencies and shortfalls in such areas as: physical and human infrastructure; good governance; recognition of property rights; sound education and training policies; technological capacity; labour market policies; market supporting institutions; access to legal and judicial systems. The IOE's fundamental role is to ensure that ILO activities contribute to the growth of successful enterprises through effective and sustainable employment policies that create an enabling and conducive environment for business and entrepreneurship to thrive, by:

- Devising, through a tripartite process an integrated approach to national employment policies, taking into account the political, economic and social dimensions.
- Creating a conducive business environment with flexible labour market policies and without excessive transaction costs or unnecessary bureaucracy, that will enable entrepreneurship to

thrive. Ultimately it is entrepreneurship that leads to employment creation and programmes as well as institutions need to be developed to enable this to happen.

- Formulating policies that take into account different national situations that are based on sound macroeconomic and fiscal policies.
- Establishing or/and strengthening market enhancing institutions.
- Focused and efficient use of government expenditure, particularly in relation to development of physical and human infrastructure.
- Establishing the appropriate environment to attract foreign direct investment in a sustainable manner, developing comparative advantage and promoting diversified export growth strategies.
- A strong focus on the overriding importance of productivity in the overall strategy (it is productivity that will impact on all factors, including raising labour standards).

Decent Work

The 1999 Director General's Report proposed securing 'Decent Work' for women and men everywhere as a primary goal for the ILO in this current period of global transition. Decent Work as a concept is difficult to define, it is more a moving target and a goal to be achieved, within the context of economic growth and sustainability. There are several elements which need to form part of 'Decent Work' in order to realize this goal. Examples include: macroeconomic policy and policies to promote economic growth; trade and investment policies; the promotion of good governance; creating or strengthening institutions required for a proper functioning of a market economy; integrated employment policy based on market requirements. The difficult issue is the *process*, how the objectives can be realized, what steps or interventions are relevant, what resources are needed and how they can be found. The following should form the basis of any strategies aimed at implementing the objective of decent work:

- The Decent Work agenda can be implemented only if it is economically sustainable. Employment promotion through an interdependent employment policy framework is a central element in realizing Decent Work.
- The Decent Work concept should be expressly linked to competitiveness.
- Employers view the ILO Declaration on the Fundamental Principles and Rights at Work as the only universal content of Decent Work. However, Decent Work strategies do not mean the application of all International Labour Standards (ILS) in all countries and universal standards applicable to all workers.
- An important pre-condition to the realization of Decent Work is good governance, which is lacking in several countries that are unable to create jobs, engage in productive public expenditure and promote economic growth. Decent Work problems are often directly attributable to good governance deficits.

- The ILO, in the achievement of Decent Work should assist countries to install a system of basic rights at work, to develop integrated employment generation policies, to develop affordable and appropriate social protection and security systems, to promote tripartism as an important means of realizing these objectives, and to strengthen the social partners.

Globalization

Principally, the IOE is involved in this debate in two ILO forums. One is the tripartite ILO Working Party on the Social Dimension of Globalization, which is the main vehicle for debate within the ILO for discussions on this subject. This Working Party mandated the ILO to set up a special *World Commission on the Social Dimension of Globalization*. The ILO has been attempting to position itself as the key forum for debates on globalization, principally through the creation of this *World Commission*, which is composed of a mixture of academics, former Prime Ministers, senior business figures (including the IOE President and Executive Vice-President), workers representatives and some NGO's. It is Co-chaired by two heads of State. In brief, a productive approach to globalization should consider the following aspects:

- There is a general recognition that globalization can lead to considerable benefits at national level. The key policy response should be how to make globalization a more inclusive process enabling more developing countries to benefit from it.
- A correct analysis of the social dimensions of globalization, entailing a strict separation of the social issues, which arise from adjustment to globalization and those which arise due to other reasons, unconnected with economic integration.
- There needs to be a proper identification of the barriers at national and international level in preventing such countries from participating in globalization and how such barriers can be removed. This process should examine the role of sustainable sound national policies and in particular, the issue of 'Good Governance' in creating the environment for this to happen.
- Policies need to be consistent with the overall national priorities and strategies, a two-pronged approach based on upgrading domestic capacities while at the same time targeting foreign resources and assets has proven successful for some countries. There is a need to recognise this central role of national policies. Countries make choices – *they* choose between participation in globalization and not participating in the range of policies that they adopt. Countries need transparent democracy free from corruption (perhaps the greatest handicap), for globalization to thrive at a national level.
- Any analysis should accurately reflect what many companies are experiencing in their daily operations around the world, particularly in relation to labour rights and conditions.
- Solutions need to be achieved within the context of a market economy, underpinned by a respect for democracy and basic human rights. A values based approach, coupled with a genuine recognition of responsibility, is fundamental to finding solutions to the issue of exclusion from globalization.

- Political, economic, social, institutional and human resource factors need to be compatible in order to adjust to the new paradigm.

Informal Economy

Increasingly, the informal economy represents a growing part of many countries' economic activities – most people in the world today work in the informal economy. The main policy objective of the IOE is to try and bring this informal activity within the parameters of the formal economy, which is in the interests of all components of society. Policy solutions should aim at providing an enabling environment for those engaged in informal activities to be able to progress to the formal economy without destroying, in the meantime the only means of livelihood available to millions of people in developing countries. As informals escape the cost of complying with the legal and regulatory framework, a more equitable playing field for *all* business needs to be developed. The ILO has placed a high priority in devising solutions to this issue. Those operating in this economy can be helped to migrate to the formal economy, by:

- Identifying the role of governments in helping to find solutions to the problems faced in the informal economy. This does not mean regulatory interventions. Over-regulation is one major reason for informality. Government's can help to create the requisite environment to stimulate small enterprise creation and growth.
- Devising policies that foster entrepreneurship. This should be a central tenet of any policy response as self-employed people represent about sixty percent of those working in this economy worldwide.
- Creating policies, procedures, and institutions that help informals access requirements to function in the market economy, such as: market information; credit and capital; insurance; markets; technology; productivity improvement services; basic management and skills training; contract enforcement.
- Developing or strengthening existing market supporting and enhancing institutions, since they have the effect of providing information channels and reducing information asymmetries, providing the essential legal framework for doing business, including access to the judicial system, secure property rights, and cost effective dispute resolution and contract enforcement.
- Simplifying rules and procedures, such as: reducing unnecessary and excessive transaction and compliance costs; reforming tax systems and reducing excessive taxes; reforming the administration system to create an effective and corruption free bureaucracy; reducing the high costs of formalisation and providing short term incentives to offset the initial costs of formalisation; developing a system of property rights to enable informals to raise capital and obtain credit; reforming legal and judicial systems and ensuring equal access to them.

- Promoting the need for good governance, without which it is unlikely that much progress will be made in creating the appropriate conditions that will assist in the migration of those in the informal economy to the formal economy.
- Focusing on the actual causes of the problem. Globalization is not the cause or does not exacerbate the growth of the informal economy. The informal economy was a reality long before globalization. Moreover, globalization lays bare poor governance and the inadequacies of economic policies and practices of which the informal economy itself is one of the results.

Corporate Social Responsibility (CSR) – (Voluntary Private Social Initiatives)

Despite increased pressure, since 1998, with the support of the IOE, the ILO has adopted a constructive attitude in this debate and by doing so, eliminated the threat, for the meantime, of any form of “standard” approach to this issue. While this debate remains fluid, the following are some guiding points for employers:

- ‘CSR initiatives’ refer specifically to voluntary social initiatives by an enterprise.
- Business must comply with all of the legal obligations it has in all areas of its operations. Legal compliance is all that can be legally required of a business and CSR initiatives (i.e. social voluntary initiatives) are initiatives taken *over and above the minimum legal requirements* and as such must, because of that very fact, be voluntary actions.
- The case for the need to keep CSR Initiatives voluntary is very strong. At its most basic, CSR initiatives are *more* than can be done by legislation. Company actions on CSR are not uniform – this is why they can’t be legislated for, they are by their very nature not alike. Moreover, different sectors have different approaches to CSR, for example a manufacturer may respond to environmental initiatives whereas a service industry, through social initiatives. CSR provides companies with a competitive advantage – regulation would destroy that aspect and also quite probably, the often very imaginative responses many companies have adopted.
- Fundamentally, CSR initiatives are a business issue and must remain so. Any attempts at imposing a proscriptive or regulatory framework could ultimately undermine the wider business commitment to it.
- Each company needs the freedom of movement to decide what, if anything, it wants to do and then to determine how far it can go in implementing it and that is why CSR is not the same for every company in every context.
- There needs to be a clear demarcation of what is the role of governments and what is the role of enterprises. It is clear that some see CSR as a way to circumvent ineffective and inefficient governments in the provision of some of the core needs of society, such as education or health care.

ILO MNE (Multinational enterprises) Declaration

The MNE Declaration is a set of global guidelines agreed on by governments, employers and workers for investment-related policy and practice and it continues to have employer support. It addresses commitments of multinational enterprises (MNEs), workers' and employers' organisations, and governments in such areas as development policy, rights at work, employment, training, conditions of work and life and industrial relations. It is an important text that will increasingly play a central role in the CSR and globalization debates.

3. Social Protection

Social Security

The IOE has long advocated the need to ensure that any social security response occurs within an environment of a sound macro-economic framework, that ensures enterprise development and job creation in the first instance. This topic was discussed at the 2000 International Labour Conference (ILC), at which there was a general recognition of the need to ensure that the ILO refrains from attempting “one size fits all” responses. Key elements of any social protection initiative include:

- The need for a practical approach, which acknowledges the differences that exist within communities as to their ability to respond to both the provision of and coverage of social security.
- Recognition that fiscal responsibility is essential to ensuring the sustainability of any response, whilst job creation, as well as being the best means of social security, is also key to sustaining the response.
- Systems that are underpinned by proper financial and administrative management systems.
- The provision of social security schemes that actively consider the demographic trends within society and are planned accordingly.
- Social security responses that do not become a barrier to employment nor a burden on the competitiveness of businesses.
- Equal consideration of private and employer provided pension schemes with other models.

HIV/AIDS

HIV/AIDS is now the leading cause of death in sub-Saharan Africa and is the fourth biggest killer worldwide. It is one of the factors why many of the least developed countries, which are the worst affected, are not benefiting from global capital flows. At company level the most direct impact is on productivity and increased costs leading to decreased competitiveness. The main direct implications on costs are: increased training demands; company health costs; pension fund requirements; rising production costs; funeral costs; recruitment costs; insurance. The main direct implications on disruption are: absenteeism – direct (illness) and indirect (carers for family members); high level of staff turnover; discrimination and stigmatisation; loss of intellectual

capital. There is now a general recognition of the fact that it is those in the higher skill categories that are most effected.

There is an obvious economic case to be made for the involvement of companies in the fight against this scourge. Policies to tackle the pandemic at company and national level, include:

- Promoting prevention through education and practical support for behavioural change.
- Bringing together the social partners to develop national or sectoral codes of practice on HIV/AIDS in the workplace.
- Developing national or sectoral strategies by setting up broad-based working groups, bringing together relevant stakeholders.
- Implementing workplace programmes that may include information and education on prevention methods, company policy on HIV/AIDS, voluntary counselling and testing (VCT).
- Monitoring the impact of programmes at a national level, using indicators such as morbidity, condom use and attitudinal and behavioural change. Carrying out a 'Knowledge, Attitude and Practice (KAP)' analysis's among target groups to determine general awareness of HIV/AIDS, attitudes and behaviour.
- Promoting non-discrimination and protection of workers' rights, including employment security, entitlement to benefits, and gender equality.

Occupational Safety & Health (OSH)

Effective OSH policies are an important aspect of a successful and safe working environment and consequently this issue features regularly in debates in ILO bodies. Effective Occupational Health & Safety policies are best worked out by a consensual approach amongst the social partners and governments. The key components of OSH strategies should include:

- The strengthening of employers and workers organisations' capacities, in particular to enable them to provide training.
- The promotion of systems that should be established at the workplace level, which would assist in resolving Occupational Health & Safety related problems.
- Recognition of governments role in providing a basic legislative framework, to include where necessary, special legislative protections in particularly hazardous occupations.
- Providing information on how OSH improvements can help to contribute to increased productivity.

- Encouraging a culture of safety and creating or strengthening existing Occupational Health & Safety institutions.

4. Social Dialogue & Tripartism

Social Dialogue

The concept of social dialogue – as a means of preventing or resolving conflict - has been continually evolving since it first entered the Industrial Relations landscape. Social dialogue as a broad definition includes all types of negotiations, consultation or exchange of information or viewpoints between representatives of government, employers and workers, on issues of common interest, or between employers and workers. It can take place at many levels and in many forms.

The IOE places great emphasis on developing and fostering increased bilateral links with international workers' organisations and focusing on areas where commonality exists. Within the ILO this is being manifested by a greater willingness between ICFTU and the IOE, to explore areas where commonality of interest exist and to find areas of agreement not disagreement. This increased dialogue has the potential to lead to smoother and more effective relations between employers and workers. Effective social dialogue must recognise that:

- Social dialogue is a mechanism to attempt to resolve difficulties and conflict in the working environment. It is not an end in itself.
- If national social dialogue is to be successful and effective, it must take place in an environment that recognises the importance, in the overall scheme, of national competitiveness.
- It is a genuine partnership mechanism that can avert potential problems through dialogue before they become actual problems. It is not simply a vehicle for conflict resolution.
- Effective social dialogue entails compromise, which does not mean dissolving fundamental differences.
- Social dialogue can play a crucial role in enhancing competitiveness and productivity.

Tripartism in the ILO

The ILO is a unique structure that incorporates the unified views of governments, employers and workers. It is a successful formula that is guarded by employers and workers alike and the IOE rigorously defends any attempts to undermine this *fundamental principle* of the ILO. The adoption of a Resolution on tripartism and social dialogue, which received the widest support from all three groups at the 2002 International Labour Conference (ILC) reaffirmed the fundamental importance of tripartism for all of the ILO constituents. Tripartism requires:

- The strengthening of the tripartite constituents, as a prerequisite.
- That it remains a cornerstone of the structure of the ILO.

- Recognising its role as central in *all* of the work of the Office.

For employers in the ILO, NGO's should participate in ILO work only in areas that have the agreement of the social partners.

International Trade Unionism & Global Framework Agreements (GFA's)

Despite declining trade union membership, the profile and political power of international trade unions is growing. Increasingly, trade unions are operating over borders with international involvement in domestic disputes. It can now be assumed that in some domestic disputes there may be a possibility of an international response, particularly where the employer is regarded as a trans-national employer. To date there are numerous instances of such activities including coordinated trans-national boycotts.

Increasingly, trade unions are pushing the concept of Global Framework Agreements (GFAs), which are agreements between a particular international union and a Multinational enterprise. In many ways the emergence of these agreements is a direct result of trade union loss of influence and declining membership, and they are seen as a mechanism to leverage greater authority. The fact that original agreements are now starting to be renewed would seem to suggest that they are here to stay for the foreseeable future. Employers should be cognisant that GFA's:

- Are in their infancy and their legal implications remain vague. For example they often use language, which is legally unclear – for instance words like 'good', 'reasonable' 'fair', can be interpreted in a multiplicity of ways.
- May have unpredictable effects in different regions or cultures, be used by unions as benchmarks across an industry and affect sub-contracting operations.
- Can have implications for existing partnership arrangements with local unions at a national level.
- Even if GFA's appear like short-term agreements, they may have the potential with time, to be developed into more than was initially envisaged.

FORTHCOMING DEBATES IN THE INTERNATIONAL LABOUR CONFERENCE

1. Occupational Health & Safety

The 2003 Conference will be extremely important one for employers, as it will introduce for the first time an integrated approach to standing setting, starting with this discussion on health and safety. This will entail significant implications in both the approach and preparation work needed for the work of the Conference.

- The new approach will begin with an analysis and inventory of the ILO's standards-related activities to assess whether or not the existing standards meet today's needs. This could lead to a range of responses including consolidation, new standards or other activities.
- The Employers' Group will need to ensure that the issue is considered in its widest possible context and that the discussion does not simply end up being just another old style standard setting discussion.

2. Employment Relationships

The origins of this debate go back to 1997 and 1998 when it was a conference topic under the heading of 'Contract Labour'. The debate failed primarily, as it appeared to be discussing three groups of workers under one definition, as well as a total failure to accurately define 'Contract Labour'. Much of the difficulty was linked around this issue of creating a 'third category' of worker. The debate for employers centres on a necessity to recognise the need for new types of employment. The 2003 discussion (which is a general discussion) also has the potential to be a fractious and divisive debate.

Employers will oppose, during this debate, a negative approach to prevail towards any employment that does not fit the classical model of the first half of the last century. At this debate, employers will strongly resist attempts to create a third category of worker or to drag commercial relationships into the debate ('Triangular relationships') and oppose a negative approach to prevail towards any 'new forms of employment'.

3. Migrant Workers

This complex discussion area will come before the 2004 ILC as a general discussion. There is, with such a very emotive topic, the potential for it to break off on a tangent.

- Key issues in this debate for employers are the issues of labour mobility, recognition of skills, labour access and wage rate comparisons.
- The *ILO's World Commission on the Social Dimension of Globalization*, which is scheduled to produce a Report in the autumn of 2003, may have a bearing on this debate.

4. Human Resource Development and Training

The 2003 Conference will examine the issue of HRD, as the Governing Body decreed that the existing Recommendation requires a revision. There will be a second discussion of this issue in 2004. Employers will try and keep the focus in this debate on:

- The fundamental role of governments in providing primary education training and the facilitative role that employers can play in policy formulation and implementation.
- The need for a more dynamic instrument that can be used in formulating and implementing human resources development policies.