

**Tripartite Meeting to Examine the Impact of  
Global Food Chains on Employment**Geneva  
24–27 September 2007

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**Conclusions on the impact of global food  
chains on employment**

The Tripartite Meeting to Examine the Impact of Global Food Chains on Employment,

Having met in Geneva from 24 to 27 September 2007,

Adopts this twenty-seventh day of September 2007 the following conclusions:

**Theme 1: Recent trends in employment in  
food and drink processing**

1. Growth and development in food and drink processing is in part driven by rapidly increasing consumption of food and drink products, higher demand for processed and convenience foods and “out of season” produce, which all have job-creation potential. Many global food and drink processors are redistributing their operations around the world in order to locate facilities closer to primary products, high-growth markets and lower production costs in highly competitive global markets. There has been a global redistribution of employment in food and drink processing, with a shift from industrialized to developing countries (and sometimes vice versa). Profitability, wages and employment may be conditioned by factors such as restructuring and fierce competition. Other employment trends include: the driving influence of supermarkets and fast-food chains on global food chains (GFCs), and investment in less labour-intensive technologies. There have also been some overall job gains in developing countries and some emerging economies, as consumers drive greater demand for processed foods and drinks. Every effort should be made to ensure the long-term sustainability of jobs within the industry.
2. Atypical employment is an aspect of the sector, and available data gives only a partial snapshot, which makes it difficult to determine employment trends.

**Theme 2: Impact of global supply chain management  
on employment and work organization**

3. Global supply chains have developed as both a consequence and a driver of global food and drink supply, production and distribution. There has been considerable change in the structure of employment and content of jobs in the industry around the world, and supply chain management has become increasingly sophisticated in an industry that has seasonal

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and other atypical forms of work. Technological innovations, developments in monitoring, scheduling, automation, acceleration of work processes and food safety have all had an impact on supply chains, employment and work organization.

4. The Meeting agrees that governments, workers and employers should contribute to the realization of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, and promote decent work in the food and drink processing sector in the context of globalized food and drink supply chains. Decent work is a broad concept stemming from the ILO's mandate to improve social justice. It refers to the need for women and men to be able to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.<sup>1</sup> Multinational enterprises should be encouraged to conform to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as amended in 2006.
5. Dynamic food and drink enterprises are developing products with quality and food safety in mind, bringing them to the market with new added value, investing in technology and research, incorporating best practices and fostering new job profiles and new competencies in the industry. Key aspects include greater efficiency, teamwork, multiskilling and effective use of technology. Management and labour cooperation is needed to address changing patterns of supply, demand, employment and work organization in the industry.
6. Competitive success can create decent work with more and better jobs for women and men in the food and drink industry; this can be encouraged through social dialogue. Proactive management of the change process can assist to meet competitive demands.

### **Theme 3: Future skills requirements**

7. Work practices and skills requirements in the food and drink industries are closely affected by evolving consumer demand, the rapid development of GFCs, growing competitive pressures, and other trends along the supply chains. The workplace is constantly changing; existing jobs require new skills or are phased out while new jobs are created. New skills are required or old skills need to be upgraded for workers to update their professional qualifications. In accordance with business needs, employees should be offered the possibility to expand their range of skills, which may also enhance their employability. Management should assume primary responsibility in skills upgrading, training and retraining, which support business competitiveness and profitability in a changing marketplace while also providing workers with improved employment security and better career prospects.
8. Restructuring, new technologies, greater automation and new work practices put greater emphasis on teamwork, and on worker flexibility and versatility. This frequently reduces demand for unskilled labour while raising demand for workers with higher level skills, for example those with competence in food hygiene to meet stringent food safety standards in different markets. New skills, such as those for item and data tracking, are equally in high demand, while greater process automation has led to an unmet need for more skilled employees. There is an increasing need for more technical staff and workers with a capacity for adaptability and multitasking. In addition, food safety and regulations put a premium on workers with greater knowledge of food safety issues, and therefore a higher level of skills. Global sourcing for production is similarly creating changes in skills

<sup>1</sup> Decent work covers six dimensions: opportunities for work, freedom of choice of employment, productive work, equity in work, security at work and dignity at work.

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requirements at all stages of the supply chain across the world, including in new processing locations.

9. Training should also address occupational safety and health, food quality, as well as changes in production processes and product distribution. Regulations on food hygiene, safety and traceability are also key factors influencing skills requirements, and need to be reflected in training. Scarcity of qualified workers and significant skills gaps, in addition to high labour turnover, continuous technological and process innovation, and the growing dispersal of manufacturing facilities around the world, should be taken into consideration when developing and delivering training programmes.
10. The Meeting recognizes the necessity for continuous skills upgrading of food and drink workers, and recommends that governments, employers and workers and their representatives should therefore work together to ensure that vocational training programmes should reflect business requirements and promote decent work. Training towards this end should aim at responding not only to the skills requirements of business, but also enable workers to acquire portable skills for employability.<sup>2</sup> This issue should be placed high on the agenda of social dialogue.
11. It is primarily the responsibility of governments to ensure that schools provide basic literacy and numeracy skills. To this end, employers, workers and their representatives, have an interest in working closely with educational institutions. Given the business demands for workers' operational flexibility and worker multiskilling, as well as the need for new skills required due to the use of advanced technologies, the employer should provide appropriate training. Thus, workers can acquire the right skills in food technology and food science, and employers can be assured that the training programmes respond to changing business needs, while increasing workers' employability and employment security. Opportunities for training and skills upgrading should be equitable, and occupational stereotyping should be discouraged in order to avoid the exclusion of women and vulnerable workers from emerging and better remunerated jobs.

#### **Theme 4: The role of social dialogue in globalized food chains**

12. Social dialogue varies widely from one enterprise, country or legal framework to another. The term has a variety of different definitions; in an ILO context it includes all types of information exchange, consultation, negotiation and collective bargaining between representatives of Governments, Employers and Workers – and between the social partners themselves – on issues of common interest. It has a major role in promoting good governance, managing change, advancing decent work and improving representation. Social dialogue can be company-based, national, sectoral and sometimes international.
13. Social dialogue is acknowledged to be an important mechanism for developing, finding and sustaining effective solutions to social, economic and industrial relations challenges related to business, employment, working conditions and managing change in enterprises. Governments are called upon, in collaboration with the employers' and workers' organizations, to provide, maintain and support an enabling legal and institutional

<sup>2</sup> The term "employability" relates to portable competencies and qualifications that enhance an individual's capacity to make use of the education and training opportunities available in order to secure and retain decent work, to progress within the enterprise and between jobs, and to cope with changing technology and labour market conditions.

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framework to encourage effective social dialogue, with due consideration to the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998.

14. Examples from several countries illustrate that bipartite and tripartite social dialogue at national, sectoral and enterprise levels can lead to very positive results when it is based on respect for freedom of association and on sound national policies, on strong social partners, on mutual trust, respect and understanding, on timely exchange of information, and on “win-win” approaches. It can lead to sound and constructive industrial relations, and promote growth and a stable social environment.
15. Governments, and employers’ and workers’ organizations agree that in the context of globalized food chains, social dialogue could include, as well as traditional types of collective bargaining, discussion of: restructuring with effects on employment, productivity, sustainability of the enterprise and its workforce, occupational safety and health, equal opportunities, skills and training for employability, technology and its employment effects, maintenance or improvement of quality standards, as well as the working environment. Multinational enterprises can continue to play a lead role in this area.
16. International social dialogue within and outside the framework of the ILO can be of great value to the social partners and to governments. Examples of the process of international social dialogue include ILO tripartite meetings and the International Labour Conference. Social dialogue has led, in some cases, to the conclusion of international framework agreements at the enterprise level, which may serve as a useful model for some enterprises, with appropriate adaptations. In some cases, such agreements can provide opportunities to ensure realization of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, throughout their global supply chain, with leading firms providing best practice examples in this regard. The ILO should actively promote all forms of social dialogue, including collective bargaining where appropriate. The ILO should support initiatives by its constituents to develop innovative approaches to social dialogue.
17. Social dialogue can assist in developing consensus on vocational training, since it accommodates the specific requirements resulting from industrial processes related to the development of GFCs, and enables workers to improve their ongoing employability. Good practices should be developed and implemented in different countries to support funding of training, where possible.

## **Theme 5: Future ILO activities for the food and drink sector**

18. The Meeting requested the ILO to work closely with governments, employers’ and workers’ organizations on a local level to: (i) strengthen the capacity of social partners to engage effectively in social dialogue; (ii) examine best practices and other ways to mitigate possible adverse effects of globalized food chains on work and employment in the sector; (iii) facilitate dialogue and consultation with small and medium-sized enterprises (SMEs) and workers’ representatives in recognition of the critical role that SMEs play in providing employment and decent work; (iv) explore ways in which the interests of atypical and migrant workers can be included in social dialogue; and (v) continue ongoing work on export processing zones.
19. The ILO should undertake further research, on the basis of terms of reference developed in close consultation with the tripartite constituents, to supplement information provided in the issues paper prepared for the Meeting on how GFCs operate and their human resource implications in the sector. The research should be properly focused, including on workers in atypical employment arrangements, outsourcing arrangements and relocation of

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production, with special emphasis on the situation of women and vulnerable workers. Its findings should be widely disseminated. Similarly, the Office could adapt on a sectoral basis the comprehensive national surveys of economic and labour market indicators undertaken in a number of countries, with a view to ascertaining the influence of global food supply chains at both the upstream and downstream stages. Such surveys could also be extended to the regional level, to reflect the fact that there are often regional protocols and agreements that can affect the overview to be gained. The findings would inform a social dialogue-based analysis for potential responses and reactions. In addition, ILO technical inputs are needed to support constituents on the design of vocational training, on occupational safety and health issues, including updating the previous report on best practices on musculoskeletal pain, or on the overall management of occupational safety and health systems to complement national legislation.

- 20.** The ILO, in conjunction with relevant UN agencies, should evaluate existing research literature into the possible impact of advanced technologies in food production, processing and distribution on working conditions and employment along the food chain, and include the appropriate references in its pertinent database. In the light of the findings, the ILO should evaluate the feasibility of undertaking further relevant research on these issues.
- 21.** The ILO should ensure that the design and implementation of its activities in the sector is carried out in consultation with the constituents to avoid a one-size-fits-all approach. The activities to be undertaken in the food and drink sector, including reference to the development of GFCs, should be varied and emphasize a regional and national element. In this connection, Regional Meetings to examine developments on GFCs and their human resource effects would be the preferred medium, so as to provide an opportunity for the exchange of experiences between constituents from countries with comparable national circumstances.
- 22.** The ILO should promote the application to the sector, including in the context of globalized food and drink supply chains, of the rights and principles confirmed in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, as well as those contained in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as amended in 2006.