

Tripartite Meeting on Promoting Social Dialogue and Good Industrial Relations from Oil and Gas Exploration and Production to Oil and Gas Distribution

(Geneva, 11–14 May 2009)

Conclusions on promoting social dialogue and good industrial relations from oil and gas exploration and production to oil and gas distribution

The Tripartite Meeting on Promoting Social Dialogue and Good Industrial Relations from Oil and Gas Exploration and Production to Oil and Gas Distribution,

Having met in Geneva from 11 to 14 May 2009,

Adopts this fourteenth day of May 2009 the following conclusions:

General considerations

1. Social dialogue is of paramount importance for addressing a wide range of workplace issues particularly at a time of global economic and financial crisis. Social dialogue can increase transparency throughout the process of global economic and financial recovery. Social dialogue can also assist in developing consensus among governments, employers and workers' organizations,¹ on key issues such as rights at work for all employees including regular and contract workers including working conditions, productivity and demographic challenges.
2. The oil and gas industry contributes to the promotion of national economic growth and improved living conditions. In the context of the current crisis, the oil and gas industry has an important role to play in contributing to economic growth in other economic sectors and enhancing social cohesion through social dialogue.
3. Wages, working conditions and social benefits in the oil and gas industry are generally better than those in other industries. However, there are some areas for improvement in relation to occupational safety and health.

Decent employment

4. The ILO concept of “decent work” involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all. This also applies to the oil and gas industry.
5. The oil and gas industry has created millions of jobs across its supply chain. It has the potential to create more decent jobs that could increase productivity, efficiency and employment security for the long-term benefit of all the parties concerned.

¹ When the term “workers’ organizations” is used, it refers primarily to trade unions.

Good industrial relations

6. A collaborative approach between employers and workers' organizations² is central to good industrial relations. By creating mutual trust, sustainable solutions to challenges in the oil and gas industry can be found.
7. The precondition for good industrial relations is full respect for freedom of association and the right to bargain collectively. The principles and rights enshrined in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998 lay the foundation for decent work around the world and are an important element in improving industrial relations.
8. Another key element of good industrial relations is the full and effective implementation of national regulations and ratified or adopted international labour standards, particularly in relation to occupational safety and health. An effective implementation requires that employers and workers' organizations³ are involved in this process; in addition, governments need to provide adequate means to the labour inspectorate or other competent authority to enable it to monitor compliance with regulations throughout the oil and gas industry.

Contracting and subcontracting

9. Contractors and subcontractors are an integral part of the oil and gas industry, providing services to the operators that are required to enable the operators to function rationally and effectively. Specialization of contractors provides additional employment opportunities.
10. Operators should have the overall responsibility for the occupational safety and health in their operations including contractors and subcontractors. Contractors and subcontractors should comply with the overall safety management systems of the operators.
11. Harsh working conditions are part of the working environment, however high risk work should be minimized as far as possible. Best practices should be identified, and put into effect.

Skills and training

12. Technological advances in the sector are demanding a wider range of qualifications in the oil and gas industry exacerbating skilled workforce shortages. There is a need to make the oil and gas industry more attractive to young workers, and in particular to women. Therefore special efforts should be made to promote career development programmes and apprenticeship, including through industry–educational and training systems partnerships.
13. Collaboration in training and retraining should be fostered between the emerging oil and gas producing countries and countries and companies with longer experience in this field. The ILO and the social partners may collaborate actively in these programmes.

² See footnote 1.

³ See footnote 1.

14. Education and training should be viewed as a long-term contribution to sustainability of the oil and gas industry, and as an investment in human capital. It should involve governments and social partners and make the best use of internal and external training facilities, institutions and programmes.
15. Governments have the responsibility of ensuring that labour inspectorates and the competent authorities receive adequate training to deal with the specificities of working conditions and occupational safety and health in the oil and gas industry.

Good governance, social dialogue and corporate social responsibility (CSR)

16. Although the term “social dialogue” has different definitions, in the ILO context it includes all types of negotiations, consultations or simply exchange of information between, or among, representatives of governments, employers and workers’ organizations⁴ on issues of common interest. In the oil and gas industry, mechanisms of social dialogue take place at all levels: enterprise, national, regional and international levels.
17. Social dialogue is paramount to good governance in the oil and gas industry. Good governance also relies on transparency in decision-making and reporting processes. Governments play an important role in promoting social dialogue by creating an enabling environment.
18. Bipartite and tripartite social dialogue contributes to efficiency and competitiveness in the oil and gas industry, for the benefit of all the parties concerned. It is a precondition for mature industrial relations systems. The wide dissemination of best practices with a view to their wider implementation contributes to fruitful results in the process of social dialogue and should be encouraged.
19. Governments have a responsibility of facilitating social dialogue through the establishment and enactment of appropriate legislation and institutions. They can participate, where appropriate, and follow up, through continuous consultation with the social partners in the oil and gas industry.
20. As recognized by the ILO, corporate social responsibility (CSR) is a voluntary initiative and refers to activities that are considered to exceed mere compliance with the law and fundamental principles and rights at work. The social responsibility of a company can be enhanced by involvement in and commitment to a number of other voluntary initiatives. It is noted that other so-called “voluntary” initiatives can also be necessary and desirable in relevant circumstances. In this context, CSR, as well as other voluntary initiatives, such as international framework agreements (IFAs) or global framework agreements (GFAs) and codes of practice are important to promote the welfare of workers and communities. Therefore, they play an important role in local economic and social development while fostering greater observance of international labour standards.

⁴ See footnote 1.

ILO activities

21. The current global economic crisis is of unprecedented scale. Both national and international oil companies are not immune to the effects of the crisis. As part of the ILO's immediate response to the global economic crisis and consistent with the ILO Declaration on Social Justice for a Fair Globalization, 2008, the Office may, among others:

- provide support to constituents on developing activities aimed at safeguarding employment to the extent possible through support of training and skills development programmes;
- promote access to best practices and share knowledge by facilitating global and/or regional networks and mobilizing experts;
- monitor the evolution of the crisis and employment through rapid impact assessments; and
- strengthen the social dialogue and the existing collaboration with international organizations.

22. In its future programme, the ILO should consider including, in order of priority:

- analysing the situation of women and youth in the oil and gas industry and studying and recommending specific measures promoting the employment of young and women workers in the sector;
- collecting and disseminating examples of best practices – namely: social dialogue, transparency, industrial relations, occupational health, safety, security and environment, and social responsibility, among others – undertaken through voluntary initiatives in oil and gas companies in cooperation with social partners and governments concerned;
- collecting data on the occupational safety and health of divers in the oil and gas industry;
- assessing the current skills and workforce structure and future needs of skills in the light of technological development;
- undertaking research on working conditions of contractors and subcontractors in the oil and gas industry;
- developing a statistical and informational database of accidents and fatalities within the entire oil and gas chain, with the support of social partners and governments concerned, and undertake research into compliance with safety regulations;
- in collaboration with specialized universities and social partners and governments concerned, the ILO could develop a global networking system to exchange information on the skills training programmes and vocational training courses in the oil and gas industry with the support of governments and social partners concerned;
- upon request, and in consultation where appropriate with the Bureau of Employers' Activities and the Bureau of Workers' Activities, providing technical assistance to improve the capacity of social partners and governments to deal with social issues in the oil and gas industry;
- organizing follow-up tripartite national and/or regional meetings to assist the ILO to identify what measures the ILO should take in promoting social dialogue and good industrial relations in the oil and gas industry; and

- where appropriate, supporting the development of labour inspection programmes, including in the improvement of the performance, operation and impact of the monitoring bodies in member States.
- 23.** In pursuing these projects the ILO is urged to allocate the appropriate resources and consider possible partnerships with international bodies and other entities as may be deemed appropriate.