



Final report of the discussion

Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics

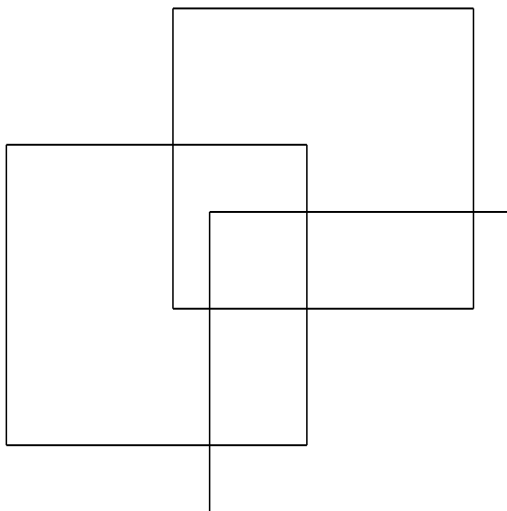
(Geneva, 9–11 December 2014)





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INTERNATIONAL LABOUR ORGANIZATION

Sectoral Policies Department

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Geneva, 2015

INTERNATIONAL LABOUR OFFICE, GENEVA

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Introduction

1. The Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics was held at the International Labour Office in Geneva from 9 to 11 December 2014. The Governing Body of the ILO had proposed the convening of the Forum at its 317th Session (March 2013) ¹ and approved the Forum's composition at its 320th Session (March 2014). ² The Office had prepared an issues paper ³ and suggested points for discussion, which would serve as a basis for the Forum's deliberations.
2. The purpose of the Forum was for tripartite participants to assess the reasons for companies to choose temporary and other forms of employment, as well as the impact of these forms of employment on the enterprise and the workers.
3. The Chairperson of the Forum was Mr Douglas L. Sun, First Secretary, (United States). The Government group coordinator was Mr Jarzewski (Poland). The Employers' and Workers' group coordinators were respectively Mr Grayson and Mr Yagi. The Secretary-General of the Forum was Ms Alette van Leur, Director of the Sectoral Policies Department (SECTOR), the Executive Secretary was Mr David Seligson, and the coordinator of secretariat services was Ms May Mi Than Tun.
4. The Forum was attended by 49 participants, including 28 Government representatives and advisers from 18 member States, as well as ten Worker and seven Employer participants, and four observers from intergovernmental organizations (IGOs) and international non-governmental organizations (INGOs).
5. The Secretary-General of the Forum introduced the Chairperson. The Chairperson explained that electronic products were widely used, and that large factories employed thousands of workers in the sector. The Forum aimed to reach consensus for future actions at global, national and local level.
6. The Secretary-General of the Forum underlined that the Forum took place seven years after the last Forum on the matter. Personal lives had become increasingly dependent on electronics during that time. The Forum had the aim of proposing solutions on how companies can adjust to the fluctuation in electronic demand. In order to facilitate the discussion, four points for discussions had been established. Following the Forum, two official documents would be produced: a report of points of consensus, including recommendations for future actions to be undertaken by the ILO and its Members, and the record of the discussion.
7. The Forum adopted the proposed points of discussion and the draft timetable without objections.

¹ GB.317/POL/5.

² GB.320/POL/5.

³ ILO: *Ups and downs in the electronics industry: Fluctuating production and the use of temporary and other forms of employment*. http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/meetingdocument/wcms_317267.pdf.

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8. The Executive Secretary of the Forum presented the issues paper. The paper was meant to facilitate the discussion by providing a glimpse of the industry. The first chapter was focused on key features, such as the fact that it was a large employer, innovative, fast-changing, and with many new products. Electronic products were ubiquitous, for instance in motor vehicles. In 2010 China was the first producer of electronics, whereas the United States contributed the largest value added, followed by China and Japan; however, supply chains were more diverse than these lists suggested, with large producers and manufacturers. The second chapter addressed how companies responded to real production fluctuations, such as coordination between buyers and suppliers, annualized schemes, and temporary and other work arrangements. Non-standard forms of employment differed also from region to region. Five country case studies – China, Japan, Malaysia, Mexico and Hungary – showcased the current opportunities and challenges in the sector, such as employment creation for governments; flexibility, cost, quality, and employee turnover for enterprises; and flexibility, employment security, wages, rights, and collective bargaining for workers. The third chapter questioned whether recourse to temporary employment was a stepping stone for permanent employment: some workers preferred temporary work for its flexibility, even if their careers were at risk; and women were more likely to stay in temporary employment. Furthermore, these forms of labour were less covered by collective bargaining. ILO instruments such as the Part-Time Work Convention, 1994 (No. 175); the Private Employment Agencies Convention, 1997 (No. 181); and the Employment Relationship Recommendation, 2006 (No. 198), offered some responses to these challenges.
 9. The Employers' group coordinator welcomed the discussion on the new reality of the electronic industry, since innovations and rapid changes in production processes had a great impact on employment. Agreements, laws and workers' skills would need to be updated to keep pace with competitiveness. Terms such as non-standard and precarious work were not adequate and the Forum should focus on the new industrial realities to reach consensus, so the issues paper would only be a starting point for discussion. While Chapters 1 and 2 gave a frame of the industrial situation in the electronics industry, Chapter 3 was not as impartial as desirable, as it seemed to favour the workers. Employers were dealing with many challenges in the sector and therefore needed to have a flexible and resilient workforce; temporary employment could represent a key step for economic progress. Keeping companies sustainable was important in order to provide employment in places where unemployment rates were high.
 10. The Workers' group coordinator said both unions and workers took strong action against precariousness and expressed great concern with regards to temporary work as a response to fluctuations. The numbers of workers in temporary contracts seemed to be higher than the issues paper suggested. In some cases, workers were not granted the right to join unions, which was unacceptable. Products with high fluctuations, such as iPhones and PCs, were just a small part of the industry; many other products, such as air conditioners, copy and fax machines, did not suffer from such large fluctuations. He reminded the Forum of the Declaration of Philadelphia's axiom that labour was not a commodity and pointed to success stories, like multiskilling and seasonal shifts of workers, which could reduce problems arising from high fluctuation. Finally, he noted that migrant workers were sometimes in forced labour and were denied the right to join unions, which could lead to tragedies.
 11. The Government group coordinator greeted the report but wished it had focused more on African countries. He said the industry was globalized and that new technologies had a big impact on employment trends and might also cause unemployment. He said the consumers' perspective and the employers' perspective were different but both focused on learning skills and sharing experiences. Additionally, it was important to promote the idea of the social responsibility of business and national capacity.

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12. A representative from GoodElectronics stated that people sometimes forgot that employees were human beings and that employment relationships should not respond solely to fluctuations, because both parties would lose. Many temporary workers suffered from exploitation. Fluctuating demand could be handled by overtime and other means rather than through temporary or multiple short-term contracts, or using agency labour. The increase in temporary employment meant a reduction in the bargaining power of unions. Also, workers should not be discriminated against in terms of remuneration, and enterprises should comply with international labour standards. The Forum should also discuss the issues affecting student workers, internal migrant and immigrant workers, who were exposed to exploitation. Outsourcing work led to injustices, and employers should provide workers with adequate social protection.

First point for discussion: How do enterprises adapt to fluctuating demands which may be caused, among other things, by technological innovation, shorter product cycles and fast-changing customer demands?

13. The Executive Secretary presented the first point for discussion. He said parties may wish to discuss the characteristics of the industry and different ways to deal with fluctuating demands.
14. The Workers' group coordinator noted that opening remarks on the first point for discussion were going to be made by four Worker participants, which would address four distinct issues. The Worker participant from Malaysia would discuss a national migration programme; the Worker participant from the Philippines would discuss the dual training system; the Worker participant from India would present the negotiation between workers and employers; and the Worker participant from Indonesia would speak about multi-skilled workers.
15. A Worker participant from Malaysia stated that contract manufacturers had responded to fluctuating demands through outsourcing, which had caused an influx of migrant workers to Malaysia. These workers were afraid they would be deported if they joined the local union, since this had occurred when a company learned that some workers had joined the union. This had a chilling effect on union organizing.
16. A Worker participant from the Philippines informed the Forum of the use of the dual training system. The system had the effect of extending contracts to 18 months, but there was no technology transfer because the tasks were limited to assembling products. Students received 50 per cent of the salaries, and the difference was paid to the universities. Student work increased conditions of exploitation and raised important safety and health concerns. Some companies employed 16- and 17-year-old students, or did not provide personal protective equipment (PPE). The system also weakened trade unions' bargaining power.
17. A Worker participant from India said that his union in Siemens had signed a contract to reduce wages in Siemens for four years in response to reduced demand. Training and flexible working hours were important ingredients to address the challenges, and the workers received the original wages after the four-year period.
18. A Worker participant from Indonesia presented a case where multiskilling allowed a company to change products and models in a flexible way. The union-management project introduced a third line of production that increased workers' skills so less than ten workers

could perform the work that 50 workers previously had. The agreement provided added benefits for achieving production goals, kept worker morale high, allowed workers to enjoy their work and prevented conflicts.

19. The Worker group coordinator, speaking as the Worker participant from Japan, shared the case of a Japanese manufacturer of air conditioners. Since people purchased most air conditioners in spring, the trade union and companies reached an agreement to increase working hours in peak seasons and reduce them in trough seasons.
20. The Employers' group coordinator stated that the group's intervention would focus on collective issues of adapting to fluctuations; however, enterprises were not monoliths but experience demands differently. Tier 1 enterprises bore the brunt of the fluctuations, but they worked with other types of manufacturers. There were a number of temporary workers in this industry, which needed different types of protection. He was pleased to learn of the different experiences presented by the Worker participants.
21. An Employer participant from Finland stated that employers have little flexibility because national laws and European Union regulations were very strict. However, trade unions were showing more flexibility, particularly at the company level, in adapting to workplace conditions. In Finland, very few workers were on temporary contracts, but it was important to have the flexibility to employ temporary workers. However, cheap labour was not always profitable labour.
22. An Employer participant from Portugal presented the example of Portugal, which had very restrictive labour laws but had become more flexible in the last five years as a result of the crisis. Both parties understood that flexibility was a question of survival and that they needed to be prepared to react quickly to market changes.
23. The Employers' group coordinator, speaking as Employer participant from the United States, stated that companies recognize that better communication and coordination across the supply chain was a key tool. His organization, the Electronic Industry Citizenship Coalition (EICC), provided a forum for this.
24. The Government group coordinator stated that the industry had globalized, in which process the new technologies may have caused unemployment. Governments had to consider the consumers' perspective as well as promoting social responsibility.
25. The Government representative of China asserted that the electronics enterprises should study the markets, the needs of customers and technological change; should focus on research and development to develop improved products; and develop expertise and skills because it was an intelligence-intensive industry.
26. The Government representative of Malaysia reiterated that skill training is important in order to deal with fluctuations. He stated the need to study the unemployment scheme and added that, in Malaysia, they are currently studying the policies relating to foreign workers and the possibilities of having better policies for them, like expanding the safety net. However, he clarified that the law does allow foreign workers to join existing unions, but not to form new unions.
27. The Government representative of Cameroon stated that African countries are mostly consumers of electronic products, although some countries, for example South Africa, Algeria and Morocco, have also manufacturing of electronics. Governments needed to also regulate the quality of products and ensure the health and safety of both workers and consumers. He suggested that the Office organize a forum on these consumer-driven issues, or regional forums in Africa and other regions. Even from a consumer point of view, there were jobs-related issues like training and the maintenance of products.

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28. The Chairperson thanked the representative from Cameroon for this statement and suggested to him to bring up this proposal in the fourth point of discussion.
 29. The Employer participant from Portugal stated that one of the reasons for the good results in this sector in Portugal is the dual training system: after the training many students join the industry and become permanent employees of the companies.
 30. A Worker participant from Indonesia described the case of JVC, a car audio company, where the number of workers fluctuated by 200 between 2008 and 2014. Based on this, an estimate of 200 temporary workers could be set as a maximum to address fluctuations in demand. He argued that ways must be found to set limits on the scale of temporary workers that can be hired.
 31. The Workers' group coordinator considered that the use of temporary workers can increase companies' profits in the short term but not in the long run.
 32. The Employers' group coordinator noted the need for better forecasting of demand and communicating this more effectively down the supply chain to inform temporary workers in advance of their work prospects.

Second point for discussion: Adaptation to fluctuating demands often manifests itself in high incidence of temporary and other forms of employment. What are the effects of this situation on the enterprises? What are the effects on the workers?

33. The Executive Secretary outlined some of the issues that could be discussed, such as the pros and cons of temporary and other forms of work, the differences across regions and countries and gender dimensions of temporary work.
34. The Employers' group coordinator asserted that temporary work needed to be looked at as a benefit, risk and necessity. Temporary work helped in the retention of full-time jobs and benefits. Noting the diverse situations of firms and differences in regions, he saw having flexibility to respond to fluctuating demand as important for profitability. Temporary work also can bring young skilled people into the workforce, and may lead to permanent positions. Temporary work also brings to firms specialized expertise or work done by women who may seek only part-time hours due to responsibilities at home with their families.
35. He recognized the risks associated with temporary work noting the differences in context across developing and developed countries. In the developed world the benefits outweighed the risks. He mentioned risks, in particular in Asia, associated with training temporary workers who leave for other employment, the possibility of losing intellectual property, and the problems of workers in exercising their basic rights. Furthermore, companies do not always understand the risks the workers, for example migrant workers and students, encounter before entering the factories. He emphasized that temporary employees have the right to fundamental human rights and that employers' and workers' organizations share the responsibility to educate temporary workers about their rights.
36. An Employer participant from Finland considered, referring to the issues paper, that many temporary workers were interested in acquiring general skills that could apply to diverse contexts. However, employers expected workers to already possess these general skills and

instead were prepared to offer company-specific training which, in turn, could involve them more directly in the firm's operations. He emphasized that it is the government's responsibility to provide for general skills training.

37. The Workers' group coordinator expressed his surprise at agreeing with many of the points already made and announced four examples from the European Union, Brazil, Philippines and India, to illustrate various concerns of the workers.
38. A Worker participant from France, who also chairs the information and communications technology (ICT) committee of IndustriALL European trade union, mentioned that, while Europe did not have the same issues as Asian countries, the use of temporary contracts presented more risks than opportunities. Several countries permitted very temporary contracts, from zero work hours in the United Kingdom to the situation in Spain where the workers tendered offers, where the lowest bid is taken by the employer. A more positive example could be found in Germany, where the use of *kurzarbeit* linked with training during the recession improved Germany's competitiveness.
39. Moreover, prevalence of short work contracts creates problems, such as insecurity in housing and social protection and less coverage for collective bargaining. He considered the bipartite discussions in France in 2013 to have improved flexibility in the labour market through more use of overtime, teamwork and similar measures. He closed by emphasizing the importance of the EU Directives on fixed-term work (1999) and on temporary agency work (2008).
40. A Worker participant from Brazil, noting the steady expansion of temporary workers, considered that companies were using this practice to pay lower benefits, and also as a means to demobilize union members.
41. A Worker participant from the Philippines noted that precarious forms of work were widespread in his country. The numbers of contractual workers had doubled or tripled in some firms. Temporary workers faced lower wages, lack of benefits and social protection, higher rates of occupational safety and health issues, irregular work hours and income insecurity. Contracted workers were discouraged or prohibited from joining unions. Contractual workers avoided unions for fear of losing their jobs. Less than 10 per cent of the Philippine workforce was unionized as unions have lost their traditional base. Furthermore, companies also are hiring women workers who are seen as less likely to join unions.
42. A Worker participant from India expressed that workers are temporary but jobs are permanent. Many products and jobs had undergone changes and companies preferred to hire temporary workers in order to reduce costs. The companies made profits and the workers were affected by low wages due to a lack of unionization.
43. The Government representative of Malaysia noted that temporary work can benefit those not able to work full time. Malaysia has changed the retirement age to 60 years, and set that temporary and part-time workers employed for more than two years would be entitled to retirement benefits at the new age.
44. The representative of the Government of China, referring to paragraph 52 in the issues paper, clarified that China does not have student workers but instead apprentices. These apprentices are not in the factories to meet labour demand but to learn.
45. Another representative of the Government of China clarified that the dual training system consists of classroom learning and practising in factories. The schools provide the apprentices with insurance for work-related accidents. These apprentices will have work after graduation.

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46. The representative of the Government of the Philippines noted that employment has not only been affected by the fluctuating demand for electronics but also by technological innovations. There was an increased need for the industry to introduce new skills and occupations and for governments and enterprises to develop training to fill skills gaps. The electronics industry has been an employment growth driver which had led to increased job growth but also job losses. The need for improved compliance could be partly addressed by private compliance initiatives and tripartite cooperation.
 47. The Employers' group coordinator considered that demand for electronics was well reflected in figure 7 of the issues paper, with frequent and wide fluctuations. Governments, workers and employers should help to smooth out the sharp swings in demand and to ensure greater reliance on full time labour. He noted that businesses cannot afford to hire labour at the peaks who then sit idle during the troughs, nor can current workforces be expected to work overtime as it was against ILO fundamental principles and United Nations Guiding Principles and not good for health and safety or emotional well-being of workers. But to reject business when demand peaks would also not increase jobs. He reconfirmed the Employers' group's commitment to respecting human rights under the United Nations Guiding Principles and the ILO's fundamental principles but with clear recognition of the reality of demand.
 48. The Workers' group coordinator emphasized that flexibility should always be freely chosen by the worker; while flexible work is often unavoidable, the right of temporary workers to join a union must be ensured. Too often workers are not allowed to join unions or unions are avoided, which weakens their capacities to effectively negotiate.
 49. A Worker participant from France noted that although the industry was characterized by demand fluctuations for some products due to seasonal factors, this did not apply to the whole industry and that temporary work was disproportionately used.
 50. The Employers' group coordinator stressed that his group's position was that temporary workers should not be prevented from joining a trade union in conformance with the local law.

Third point for discussion: What solutions could be identified to address the issues surrounding the use of temporary and other forms of employment to enterprises and workers and how could decent work be promoted, contributing to a more sustainable industry?

51. The Chairperson summarized the preceding discussions: temporary work can be a win-win formula, which can help businesses adjust to fluctuating demand.
52. The Executive Secretary of the meeting presented the third point for discussion, inviting participants to explore innovative solutions, against the background of decent work in the industry. He also informed the Forum that a meeting of experts would take place February 2015 regarding the theme of non-standard forms of employment.
53. The Workers' group coordinator underlined that there is not a single solution to the problem of recourse to temporary and non-standard forms of employment in electronics, but that case studies can be good examples to consider. However, national laws should consider the risks and the benefits of temporary and other forms of employment. He called on six Worker participants to introduce national and international examples.

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- 54.** A Worker participant from Malaysia stated that the best solution to demand fluctuation would be to promote direct employment. In Malaysia, labour agencies were not regulated by law until March 2012: thanks to trade union activity, the new law limited the use of labour contractors in certain sectors. However, the use of agency work breaks the employment relationship and workers could be organized and covered by collective bargaining agreements (CBAs) only if they were employed directly by the user enterprise, and migrant workers could not exercise the freedom of association in practice. Furthermore, agencies had no real control over working conditions.
- 55.** A Worker participant from the Philippines argued that all workers should have regular status since the start of their employment relationship. He cited the recent struggle in NXP, where unions negotiated the regularization of 200 temporary employees. Philippine unions attempted to extend the CBA and grievance mechanisms to these workers, to organize them, and to help them organize workers' associations. He underlined the importance of education on fundamental labour rights. Philippine unions also engaged in dialogue with the Government on the issue of precarious work and advocated for the adoption of the Regular Employment Bill, which would limit labour-only contracting and provide these employees with security of tenure. Finally, he stated that building alliances at the national, regional and international level promoted concerted actions to raise the issue of precarious work and promote decent work. He advocated for negotiating at the local level with the management to address the effects of business cycles.
- 56.** A Worker participant from Indonesia presented six solutions that had been implemented in Indonesia. First, union and management in two large industrial areas negotiated a 30 per cent limit on temporary workers, through mutual communication and respect. Second, many temporary workers were granted higher salaries than permanent workers, to deter enterprises from abusing this type of contract. Third, Indonesian law only allowed employers to outsource certain jobs (not in core sectors such as manufacturing), and many of these workers had greater security through contracts that were at least one year long; in addition, employers were required to provide permanent contracts after two consecutive temporary contracts. Fourth, many temporary workers enjoyed the same working terms and conditions as their permanent counterparts. Fifth, many employers sought to retain workers when demand fell, for example assigning them to other work areas; training them when work is lacking; or keeping them temporarily at home and then rotating them. Sixth, there was an ongoing discussion to create a special shareholder status for workers, which would provide some income when unemployed. In addition, laid-off workers were covered under state- or employer-funded health insurance after the end of their contracts.
- 57.** The Workers' group coordinator, speaking in his capacity as Worker participant from Japan, presented two case studies on in-house minimum wages and the use of guidelines and check-sheets. First, some unions and employers negotiated in-house minimum wages on the basis of the minimum wage established by the Government at the national or local level. Second, guidelines and check-sheets had been developed by his union for use at the local level. Such procedures conferred local responsibility for ensuring decent work conditions in the field.
- 58.** A Worker participant from India identified three solutions implemented in his company to provide decent work and develop a sustainable industry. First, a 2004 CBA established that workers would be recruited at 60 per cent of the wages of existing workers, and raised to par within four years. In 2010 another CBA established that workers would be recruited at 80 per cent of the wages of existing workers, and raised to par within nine years. Second, training programmes enabled workers to carry out different tasks within multi-product enterprises. Third, a company and a union negotiated to give rehiring priority to 40 workers from a closed production plant.

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59. A Worker participant from Switzerland (IndustriALL Global Union) observed that negotiations at the local level were very important. However, the use of temporary employment and agency work often denied workers the opportunity to join unions and bargain collectively and more needed to be done, particularly by governments, to give them such access. She welcomed the emphasis that had been made on skills development, which was an important means of dealing with the consequences of fluctuating demand, although it was largely incompatible with temporary work. While negotiations at the local level could succeed, more needed to be done at the global level to recognize the role of temporary workers and to take them into consideration in overall structures. At a seminar in Boston in 2012, IndustriALL had been able to discuss the issue of temporary workers with the Electronic Industry Citizenship Coalition (EICC). In the seminar, the importance of freedom of association had been recognized, and participants had recognized that companies should review their hiring practices in relation to temporary workers and look critically at the sector's need for such work in correlation with the due diligence established by the UN Guiding Principles on Business and Human Rights. There was a need to work at both the ground and global levels and she welcomed the continuation of dialogue to seek a balance between business requirements and workers' rights.
60. The Employers' group coordinator welcomed the points made by the Worker participants noting that they did not oppose certain forms of flexibility. His group agreed that all workers should have freedom of association and collective bargaining rights, in accordance with local laws; that human rights should be respected regardless of employment status and that all workers should enjoy the same occupational safety and health standards. A key point arising out of the discussion was that workers and employers had to work together to adapt to the market and use all types of forms of work. The discussion should not have a narrow focus on migrant and agency workers, but rather on workers in vulnerable situations. His group welcomed solutions based around skill development and the examples of internal cross-training. Governments, unions and employers all had a responsibility to train the next generation of workers and to ensure the continuing development of the current generation. There was a general consensus around the need to establish strategies to give the flexibility needed by enterprises, while respecting standards. They all had a responsibility to make temporary workers feel part of their enterprises, and to educate them on their rights. National laws should also evolve to adapt to an increasingly fluctuating demand and to take full advantage of all forms of flexible work, while ensuring the respect and enforcement of the fundamental human rights of all workers, regardless of union membership. His group supported the point made by the participant from Indonesia that temporary workers should have the same rights as permanent workers. He agreed that all temporary workers should receive the minimum wage, and that negotiations at the local level were an effective way to address issues. In each of his last three statements, he warned against adopting general rules based on solutions applied in specific contexts. He also requested clarification of the exact nature of the check-sheets mentioned by the Worker participant from Japan.
61. An Employer participant from Portugal stated that flexible legislation should be adopted to enable competitiveness which everyone would know and respect.
62. An Employer participant from Belgium welcomed the Workers' support for freedom of association for contract and other workers. He explained that there were funds in seven countries for training and granting better working conditions for agency workers, for example to help workers obtain loans and driving licences. There was no real erosion of collective bargaining rights; rather an evolution of the market and banning of agency work was not a solution. He urged countries to ratify ILO Convention No. 181 in order to get rid of abuses linked to agency work.
63. The representative of the Government of Egypt underlined that modifying legislation needed time. Moreover, rights such as medical schemes and insurances were not foreseen

by all countries. Therefore, it was not logical to make such schemes mandatory everywhere. Finally, the issue of temporary work was dependent on demand and supply and governments could not oblige companies to change temporary work to permanent work.

64. The representative of the Government of China stressed the importance of a social protection floor for temporary employees, including medical insurance and occupational safety and health (OSH) at the workplace. He also stated that flexible opportunities for the informal sector should be granted, training encouraged and skills and capacity building improved. He finally observed that vocational qualification systems were important, as certifications could increase workers' mobility.
65. The representative of the Government of the Republic of Korea underlined that non-regular workers were increasing in his country, accounting for 6 million or 33 per cent of the total national workforce. He stated that the Republic of Korea has undertaken comprehensive measures to address discrimination against non-regular employees and with reinforcing the social safety net of vulnerable groups. The three main Korean policies were related to: (i) strengthening inspection for workplaces for identifying discrimination cases; (ii) requiring companies with more than 300 workers to improve their status and disclosing the number of workers under each type of contract; and (iii) promoting education and counselling activities and voluntary measures in order to reduce discrimination.
66. The Government group coordinator synthesized the discussions held in the Government group. First, labour relations in electronics should not differ from those of other sectors. Second, a flexible labour market was important and had significant influence on the electronics industry because of high demand fluctuations. Third, besides legislation, there should be a focus on corporate social responsibility (CSR) and the struggle against discrimination. Fourth, skills and vocational training supported the flexibility of the labour force and contract regularization. Fifth, government policies should ensure the stability of the ICT sector and facilitate negotiations.
67. The representative of the Government of the Philippines gave examples from her country. First, strong labour compliance was important: the Philippines had increased the number of labour inspectors and trained them properly in recent years, and compliance with labour laws was incentivized, for example with certificates of compliance or even a presidential certificate of excellence in labour compliance. Second, new laws were being drafted through social dialogue in the National Tripartite Industrial Peace Council, which resulted in faster adoptions. Third, social dialogue continued to be active at national and regional level, through particular initiatives such as the tripartite council for electronics, aimed at discussing specific sectoral issues. Finally the Philippine Government brought more support and capacity building in developing dispute resolution skills.
68. The representative of the Government of China stressed that labour inspection should play an important role. He referred to the Philippine statement and added that China recently initiated wage consultations with social partners.
69. The Workers' group coordinator, speaking in his capacity as Worker participant from Japan, underlined that check-sheets were verifications within the companies, at the field level, to ensure that the right things were done at the right time and place, to maintain good labour relations. They should also be completed by workers and not only by companies. Prodded for more information by the Employers' group coordinator, he explained that the term "check-sheet" was invented in Japan and that they promoted uniform standards for them, focusing on key points including wages and other issues. Many studies had been carried out. The Chairperson intervened stating that he probably referred to what was called "checklists" in the United States.

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70. A Worker participant from Switzerland (IndustriALL Global Union) reminded the Employers that fundamental principles and rights at work (FPRW) are universal, and not restricted by national laws.
71. The Employers' group coordinator responded to five points raised by other participants. First, he supported the use of checklists, but preferred validated audit programmes, which would consider all key human rights along with management systems, ethics and environmental responsibility. Second, he stated that all parties who had ratified human rights Conventions should work to abide by them. The representative of the International Organisation of Employers (IOE) clarified that FPRW were binding on all member States by virtue of their membership in the ILO. The Employers' group coordinator continued with his third point, welcoming the extension of social insurance and other protections to temporary workers by the Governments of China and the Republic of Korea, but not supporting the use of quotas on temporary labour and limits on the duration of temporary labour situations: these were best decided by workers and enterprises rather than through legislation. Fourth, most employers did not mind disclosing the numbers of workers employed in temporary and other forms of work, but others considered it as part of their corporate strategy. Fifth, the group welcomed the ideas from the Philippines, especially the concept of partnerships to encourage corrective action and incentivize excellent performance. That was preferable to only policing, which could stimulate lying, falsifying records, and bribing.

Fourth point for discussion: Recommendations for future actions by the International Labour Organization constituents and the International Labour Office with regards to the sector

72. The Chairperson thanked the participants for the good work done concerning point No. 3 during the morning session before opening point four for discussion on recommendations for future actions.
73. The Employers' group coordinator restated the importance of tripartite negotiations to addressing rights and protection issues affecting temporary workers, and the role of the Private Employment Agencies Convention, 1997 (No. 181), in guiding these initiatives. He recommended that the ILO proactively promote its ratification and implementation. He recommended that the ILO continue its research on flexible work and generating insights through country cases, which show the importance of the cooperation between employers and workers. Training workers in their fundamental rights is a shared responsibility between the three parties, with a role also for the ILO to play. He concluded by encouraging governments to adapt the legislation to facilitate the new challenges in terms of flexibility but also to apply systematically the law.
74. A Worker participant from Switzerland (IndustriALL Global Union) proposed a number of recommendations to be considered. He opened by stating that Governments, Employers, Workers and the Office should continue to promote decent work and sustainable employment in the electronics industry by insisting on trade in the electronics industry to be based on the principles of fairness and equality in order to lift living standards by supporting decent employment growth, improving social protections and providing for fundamental workers' rights, environmental standards, human rights and democracy. He recommended governments to ensure that workers representatives/unions in the country are informed on a regular basis on the number of temporary/agency workers and their positions. Governments and employers should ensure equality of treatment for all workers regarding wages, working conditions, OSH, social security/insurance, and other allowances and benefits, regardless of their employment status. They also should

encourage investment in training and skills to assure sustainable employment and the creation of good-quality jobs. The employers and workers should engage in effective social dialogue/negotiation in order to find alternatives to temporary employment. He stated that the ILO and governments should promote inclusion of labour standards in all trade agreements. In addition, he recommended the ILO to:

- develop an effective implementation of international labour standards relevant to the electronics industry, especially for precarious workers to receive the same protection as directly employed regular workers in respect of the right to organize and to bargain collectively, occupational safety and health, and discrimination;
- strengthen and build capacity of employers and trade unions to assure sustainable industrial production and long-term employment prospects at all levels such as company, industry, national, regional, and international level;
- promote fair and just labour–management negotiation on tackling the issues of precarious work caused by the fluctuating demand;
- conduct research on impact of purchasing practices in the sector on labour rights and temporary employment;
- promote social dialogue and identify and develop mechanisms to improve purchasing practices in order to address temporary employment in the electronics industry;
- urge governments to legislate against companies being able to dismiss workers on open-ended direct employment contracts in order to rehire them on precarious contracts with less favourable working conditions to do the same work.

75. A Worker participant from Indonesia clarified that the flexibility notion in his country was only about the employment period; consequently all workers should have the same benefits.
76. The Government group coordinator summarized the discussion of the governments, and proposed that the ILO organize a similar meeting to discuss the matter in five years and consider preparing guidelines or a handbook on good practices with regard to temporary work in the sector. He added that the ILO should promote ratification of Conventions Nos 175 and 181 and compile good examples of how countries are implementing these Conventions. Employers should provide training opportunities for temporary workers on their rights and benefits. He also indicated that Government representatives from Africa saw the need to have a regional forum on these same topics. Finally, he asked the ILO to help in putting into place a capacity-building programme dealing with the sector.
77. The Employers' group coordinator appreciated the Workers' group's proposal, which was clear and complete, and agreed with some proposals such as those calling for protection of workers and adherence to human rights. However, he disagreed with others, and requested that the Employers' group discuss these among themselves and then to react the next day.
78. The representative of the Government of the Republic of Korea described the work of the national level tripartite dialogue system, launched in 1998, which he said had contributed to reducing social conflicts through discussion and seeking agreement or recommendations on key labour issues. The system will be reformed to better represent unorganized vulnerable workers. Representatives of dispatched or in-house subcontractor workers will be able to participate in labour–management councils and state their opinions.
79. The representative of the Government of the Philippines asked whether the output of the meeting would be forwarded to the expert meeting on non-standard forms of employment.

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80. The Secretary-General explained that the outcomes would be submitted to the Governing Body. The Governing Body would ask the Director-General to take the conclusions into account in future work. The points of consensus would be disseminated but would not be submitted for approval by the meeting of experts.

Discussion of the draft points of consensus

81. At the closing plenary session, the Forum considered document GDFACE/2014/5, which included the suggested points of consensus for points for discussion 1–3, drafted by the Office on the basis of the plenary discussions.
82. The Employers' group coordinator suggested deleting the words "Whereas not all" in the first paragraph. He proposed the following text for the first paragraph: "Electronics products are subject to fluctuations in demand. Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry." A Worker participant from Switzerland (IndustriALL Global Union) suggested that they should look at the title and delete the phrase "whereas not all electronic products are subjects to high fluctuations in demand". The Employers' group coordinator agreed with this suggestion, but proposed that paragraph 1 be entirely deleted. A Worker participant from Switzerland (IndustriALL Global Union) replied that it is a useful statement and should be kept. The Employers' group coordinator indicated that fluctuating demand affects even products that are seen as protected, like vacuum cleaners. However, he would accept the proposed text. The Forum adopted paragraph 1 as follows: "Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry."
83. The Forum adopted the second proposed paragraph with amendments. The word "measures" was replaced with "options". The Workers' group did not agree to change the word "adopt" with "explore" as proposed by the Employers' group, because it did not represent an action. A phrase "the use of temporary and other forms of employment" was added and the paragraph was adopted as follows: "Companies can adopt a number of options to respond to fluctuating demands. Such options include better buyer–supplier coordination to avoid particularly high peaks in demand, the use of temporary and other forms of employment, as well as improved forecasting mechanisms to anticipate demands."
84. The Forum adopted the Workers' proposal to delete the proposed third paragraph.
85. The discussion of the proposed fourth and fifth paragraphs highlighted the differences between the social partners about the perceived risks and benefits of temporary and other forms of employment, and the Forum decided to reconsider them when discussing the proposed measures to promote decent work and contribute to a more sustainable industry.
86. A Worker participant from Switzerland (IndustriALL Global Union) proposed a new text for the proposed fourth paragraph, which would appear after the proposed paragraph 5 and begin with the sentence "Many other options have been negotiated between unions and employer," and proposed replacing the word "alternatives" with the word "options" or with "many other options" that would be used in a new paragraph. The Employers' group coordinator proposed combining paragraphs 4 and 5 and introduced by a sentence that would communicate that "there are a number of options available to deal with fluctuating demands, such as annualized hour schemes and multiskilling". Other options would be established through social dialogue. The Worker participant from IndustriALL Global Union did not agree, stating that it was identical to the second paragraph, although she agreed with the language "social dialogue".

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87. The Employers' group coordinator suggested including hour schemes and multiskilling. A Worker participant from Switzerland (IndustriALL Global Union) said that this was a step backwards, and proposed to address the alternatives through social dialogue. She added that there were negative consequences and the alternatives needed to be looked at. The representative of the IOE disagreed with any document that would say that temporary work was inherently wrong, to which a Worker participant from Switzerland (IndustriALL Global Union) replied that the group had already acknowledged temporary work as an option in paragraph 2, and suggested moving this paragraph to the end of the points of consensus.
88. A Worker participant from Switzerland (IndustriALL Global Union), disagreeing with the Employers' view that temporary work was just another option among many, stated that, for her group, temporary work was not always the worst-case scenario, but had massive implications on the quality of work in the industry; there was therefore a need to consider the alternatives. If they did not do so, the dialogue would not have achieved anything. The negative impacts on workers' rights and working conditions needed to be balanced with the needs of enterprises, through social dialogue. As temporary work was being overused in the electronics industry and had negative consequences, the need to find alternatives through social dialogue had to be reflected in the points of consensus.
89. The Forum adopted the proposed sixth and seventh paragraphs after extensive discussions and amendments, including the insertion of an intermediate paragraph. The Employers' group coordinator began the discussion by proposing that paragraph 6 should be amended to read: "The effects of temporary and other forms of employment on enterprises may present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are a necessity." He proposed inserting a new paragraph after this paragraph, which would read: "Positive benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – ultimately retaining and creating jobs." He also proposed that the beginning of the proposed seventh paragraph should be amended to read: "Negative effects brought by a change in a company's workforce may include ...".
90. A Worker participant from Switzerland (IndustriALL Global Union) noted that, for paragraph 6, the Employers' proposal did not include the wording "for a number of companies", asked whether they intended for it to be deleted, and expressed preference for the original drafting, as it did not hold true in every case. Furthermore, she proposed a subamendment to the beginning of the proposed seventh paragraph to read "brought by *changes* in a company's workforce" instead of "a change". The Employers' group coordinator accepted this, acknowledged that temporary work was not a necessity for all companies, and proposed adding "temporary work arrangements are *often* a necessity for companies". Furthermore, since "negative and positive" had been changed to "benefits and risks", he proposed changing "positive effects" and "negative effects" to "benefits may include" and "risks may include". The Government representative of Poland proposed deleting "ultimately" from the proposed eighth paragraph. The Employers' group coordinator also proposed harmonizing the wording to "temporary and other forms of employment".
91. A Worker participant from Switzerland (IndustriALL Global Union) requested that the resulting wording be displayed on the projectors. The representative of the IOE suggested that all participants should be asked whether they objected to only having English on the projectors. The Workers' group coordinator noted that there were many Worker participants who did not speak English and having the text on screen benefited them. A Government representative of Poland noted that, since the Forum represented the electronics industry, it should use technology in order to facilitate the discussion. Finally, a Worker participant from Switzerland (IndustriALL Global Union) expressed her disappointment in the ILO's language policy. The electronics industry was largely based in

Asia and the Workers' delegation was also largely from Asia, yet there was no interpretation available for any Asian languages. That gave participants who did have interpretation a considerable advantage over the Workers' group.

92. The adopted paragraphs would read as follows:

“The effects of temporary and other forms of employment on enterprises can present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are often a necessity for companies.”

“Benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – creating and retaining jobs.”

“Risks brought by changes in a company's workforce may include: decreased productivity; possible divulgence of trade secrets and resulting threats to a company's intellectual property; as well as high costs for hiring and training of temporary workers.”

93. The Forum discussed whether the text of the proposed eighth and ninth paragraphs should address risks and benefits that temporary and other forms of employment represented for enterprises and workers, and decided to finalize them at a later stage, while taking into account the proposal from the representative of the Government of the Republic of Korea to refer consistently to “temporary and other forms of employment”.

94. A Worker participant from Switzerland (IndustriALL Global Union) proposed deleting the phrase “Whereas temporary work can provide flexibility for workers, an opportunity for entrants to find employment and for other workers to build up their skills”, and maintain the text “a number of challenges are often encountered by workers under temporary contracts”, as part of the proposed ninth paragraph or stand alone. All testimony from the Workers' group had underlined the negative impacts of the “high incidence” of temporary work, which was the title of the section – not the general impact of such work. These examples showed that flexibility in temporary work was important, but workers would rarely prefer temporary to permanent employment. She proposed an additional text to address Employers' concerns as follows: “Where temporary and other forms of employment is agreed upon and justified by the circumstances it can be a tool to deal with fluctuations in demand”. Her group acknowledged the benefits of temporary work for employers, but not that workers saw temporary work as a benefit. The Workers' group coordinator added that the focus of the discussion should be on fluctuating demand in the electronics sector and not the general challenges facing the world of work.

95. The Employer group coordinator could not accept a statement about temporary work that only focused on its challenges, and had provisionally agreed to the new paragraph proposed by the Workers' group on the assumption that those effects were going to be recognized. He argued that voluntary temporary work could be a desirable outcome; other forms of employment, such as internships or part-time employment often provided stepping stones or a means of juggling family and work life. Participants from all groups had recognized that temporary and other forms of employment could offer rewards for workers in some cases and that the tripartite nature of the Forum required reflecting it in the text, without using the term “benefits”. He therefore proposed adding a new paragraph at the start of the section: “Where temporary work is agreed upon and justified by the circumstances, temporary work can provide a number of positive impacts including flexibility for workers and opportunity for finding employment and for other workers to build up their skills”, to be consistent with the previous discussion of both benefits and risks for enterprises. Later, the group proposed a revised text as follows: “Where temporary and other forms of employment are justified by the circumstances, they may provide benefits including flexibility for workers and an opportunity for entrants to find

employment and for other workers to build up their skills.” The group rejected the Workers’ proposal to limit the section to “temporary work”.

96. The Chair proposed to park the two paragraphs and move to the next session on measures. The Employers’ group coordinator asked if this discussion would also cover paragraphs 4 and 5. It was agreed to first discuss paragraphs 10–15.
97. The Forum adopted the proposed paragraph 10 without changes.
98. The Forum adopted the proposed 11th paragraph with the following text proposed by the Employers’ group: “These measures should include social protection, occupational safety and health (OSH), cross- and retraining, and they should ensure non-discrimination.” The Workers’ group preferred this text to the Employers second option to delete the entire paragraph.
99. The Forum adopted the proposed 12th paragraph with amendments. The Employers’ group proposed that it should read as follows: “Long-lasting employment relationships are to be promoted, where possible, and all employment arrangements should be voluntary. All workers, including temporary workers, should have full access to the FPRW. Sharing of available information on market development and demand forecasts with workers and their representatives is particularly helpful for temporary and other forms of workers.” The Workers’ group, in turn, proposed a subamendment where the last sentence would read as follows: “Sharing of available information on market development and demand forecasts with workers and their representatives is particularly helpful for dealing with temporary and other forms of employment”. The Forum adopted the resulting text.
100. The proposed 13th paragraph was adopted with three amendments, but its final wording was suspended. The Employers’ group proposed two amendments: (1) to add “by the Governments” after “should be ensured”; and (2) to add “also” after “corporate social responsibility” in the second sentence of the paragraph. The Government group coordinator proposed adding “important” before “role” of CSR. The Secretary-General of the Forum remarked that the amendments resulted in a factual error, as the paragraph now suggested that it was the responsibility of governments to ensure respect to the UN Guiding Principles for Business and Human Rights. The discussion was deferred.
101. The proposed 14th paragraph was adopted with an amendment proposed by the Employers’ group to replace the phrase “outstanding compliance” with “outstanding efforts”, pointing out that the original phrase was not clear.
102. The proposed 15th paragraph was adopted with three amendments. Two were proposed by the Employers’ and Government groups: to add “competitiveness and productive employment”, and to replace “universities” with “educational institutions”. The third, proposed by the representative of the Government of China, adding “training” after “educational” to highlight the important role of vocational training institutions.
103. The Forum adopted the proposed subparagraph 16(a) with an amendment proposed by a Worker participant from Switzerland (IndustriALL Global Union), to add a reference to the Employment Relationship Recommendation, 2006 (No. 198) at the end. The representative of the IOE suggested rephrasing the reference for clarity, for which the Forum subamended the ending phrase as follows: “those Conventions related to FPRW, and promote Recommendation No. 198”.
104. The Forum adopted the proposed subparagraph 16(b) with an amendment proposed by the Employers’ group, which was later subamended. The initial Employer proposal would have changed the subparagraph as follows: “Promote and conduct training to specific needs in the electronics industry”. The Forum discussed the exact verb that would describe

the recommended action, with a Worker participant from Switzerland (IndustriALL Global Union) supporting the original “adapt” to refer to the work the Office was already doing. The Employers’ group coordinator countered that FPRW were cross-sectoral, to which the Workers proposed drafting the subparagraph as follows: “Conduct training on FPRW specific to the needs in the electronics industry”. The representative of the Government of China proposed changing the subparagraph into: “promote policy coordination and conduct demonstrative/model training”. The Forum did not adopt this proposal, which suggested that the ILO coordinate policies at a global level and conduct model training to set examples for other countries, understanding that it did not fit the purpose of this subparagraph or of the Forum. This text referred to already existing training and not to other training that may or may not be needed. The representative of the government of Egypt agreed with removing the part referring to policy coherence, and suggested to include “conduct tailored model training”. The Chairperson summarized this into the following: “develop tailored training on FPRW”. The Worker participant from the IndustriALL Global Union agreed and added to this sentence proposed: “...specific to the needs in the electronics industry”. The text was adopted as amended.

- 105.** The Forum adopted the proposed subparagraph 16(c) with an amendment proposed by the representative of the Government of the Islamic Republic of Iran to add the following at the end of the sentence: “help the constituents to promote the capacity of gathering quality information in this regard (; and)”.
- 106.** The Forum adopted proposed subparagraph 16(d) with one amendment proposed by a Worker participant from Switzerland (IndustriALL Global Union), to add “and other forms of” before the word “employment”. Asked by the representative of the IOE about the expected outcome of this amendment, a Worker participant from Switzerland (IndustriALL Global Union) stated that it should lead to a better understanding of purchasing practices and the relationship with different forms of employment.
- 107.** The representative of the Government of Cameroon proposed holding regional forums regarding the issues related to consumer countries, at least in Africa, because they were not addressed by the Forum. Upon inquiry by the Employers’ group coordinator on whether the issue was about the impacts on consumers or about the impacts of purchasing practices on the companies and employment, he stressed that there was a domino effect between production and consumption. Many ILO member States were consumer countries, and he asked what would happen if enterprises produced goods, but would not be able to sell them. A Worker participant from Switzerland (IndustriALL Global Union) expressed difficulties understanding how this was related to this Forum and suggested to raise the issue in another ILO forum, and the representative of the IOE explained that there was a separate procedure to request sectoral meetings.
- 108.** To address the previous discussion, the representative of the Government of the Republic of Korea requested a clarification on whether the correct wording was “procurement” or “purchasing”. After some discussion the wording “purchasing” was retained.
- 109.** The Forum adopted the proposed subparagraph 17(a) with an amendment, proposed by the Employers’ group coordinator, to add the words “and policies” after the word “legislation”.
- 110.** The Forum adopted the proposed subparagraph 17(b) with three amendments. First, the Government group coordinator proposed to replace the word “companies” with “social partners”. Second, the Workers’ group coordinator proposed to add the phrase “and respect FPRW” at the end. Third, the Forum deleted the word “national”, after the representative of the Government of China suggested adding “and regional” after “national”. The Workers’ group coordinator suggested to delete “national” so the term could cover all levels of legislation. The latter proposal was adopted.

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- 111.** The Forum adopted the proposed subparagraph 17(c) with one amendment, proposed by the Government group coordinator, to replace “invest” with the words “encourage public and private investments”.
- 112.** The Forum adopted the proposed subparagraph 17(d) with three amendments. The first and second amendments were proposed by the Workers’ group coordinator, to delete the words “agency and” and to add, at the end of the sentence, “and other forms of employment”. The third amendment was proposed by the representative of the Government of the Islamic Republic of Iran, who suggested adding the words “and reliable” after “relevant”.
- 113.** The Forum adopted a new subparagraph 17(e) proposed by the Workers’ group coordinator, which would read: “Improve social protection for workers affected by fluctuating demands.” The Forum also adopted a subamendment proposed by the Employers’ group coordinator, to add at the end of the sentence the words “where needed”.
- 114.** The Forum adopted a new subparagraph 17(f) proposed by the Workers’ group coordinator, which would read: “Enforce legislation through sanctions and provide corrective, developmental and technical advice and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.”
- 115.** The Forum adopted the proposed subparagraph 18(a) with two amendments proposed by the Employers’ group coordinator, replacing the words “equality of” with “equitable”, and deleting the words between “workers” and “regardless”, as the focus of the paragraph was to achieve equitable treatment in a wide number of areas.
- 116.** The Forum adopted the proposed subparagraph 18(b) without amendments.
- 117.** The Forum adopted the proposed subparagraph 18(c) with two amendments, after the Employers’ group coordinator expressed the group’s initial intent to delete it but instead suggested to replace the phrase “develop mechanisms to involve brands in fostering sustainable enterprises in the electronics industry” with a language that the Workers’ group could propose. A Worker participant from Switzerland (IndustriALL Global Union), in response, proposed to replace the phrase “regulating or finding alternatives to temporary work” with “jointly explore options in addition to temporary employment or other forms of employment to address fluctuating demand”, while suggesting that the text deleted from the draft paragraph be addressed later. The second amendment, proposed by the representative of the Government of the Republic of Korea, replaced the word “address” with “respond”. Both amendments were adopted.
- 118.** The Forum did not adopt a proposal by a Worker participant from Switzerland (IndustriALL Global Union) to add a subparagraph 18(d), which would read: “engage in social dialogue on how to deal with fluctuation in demand at workplace level”. The Employers’ group coordinator could not accept the new subparagraph. The representative of the IOE explained that Employers considered that social dialogue referred to the industrial relations between workers and management within the company, but management needed to choose freely how to deal with fluctuation in demand at the workplace, leaving no space for social dialogue at that level. A Worker participant from Switzerland (IndustriALL Global Union) found it hard to understand the Employers’ view since a multitude of collective agreements had been signed in production areas where fluctuating demand was typical. The representative of the IOE underlined that social dialogue on that topic was a condition to be evaluated at the enterprise level and the group welcomed it, but would not make them mandatory at the workplace. He also rejected the Workers’ proposal to change the word “engage” with “encourage” and another by the Government group coordinator to add “where applicable” at the end of the sentence, saying the term “encourage” lacked clarity. He reiterated that this was a decision to be

taken at a certain point in time, and that they could neither recommend nor make that practice mandatory to the world.

119. Turning once again to the proposed 13th paragraph, the Forum agreed to remove the phrase “by the governments” as proposed by the Secretary-General, to place the text in line with the United Nations Guiding Principles for Business and Human Rights. The following text was adopted: “The respect for FPRW, as well as for the UN Guiding Principles for Business and Human Rights, should be ensured throughout the supply chains in the electronics industry. Corporate social responsibility measures can also play an important role in promoting decent work.”

120. Turning once again to the proposed fourth and fifth paragraphs, the Forum adopted them with several amendments. First, the paragraphs were moved to the section on measures to promote decent work and contribute to a more sustainable industry. After a lengthy discussion, the paragraph was adopted as:

“If temporary or other forms of employment present challenges, alternative options should be explored, including:

- (a) annualized hours schemes, under which workers might work more hours during certain periods and be compensated by reduced hours and time off during other periods;
- (b) multiskilling: workers are trained in multiple disciplines that allow them to perform a larger variety of tasks, thus allowing production to take place with a smaller workforce without creating production bottlenecks.

Other options may be identified through social dialogue to address these issues.”

121. Turning once again to the proposed eighth and ninth paragraphs, the Forum adopted a single, combined paragraph with an alternative phrasing, plus a new language to replace the proposed ninth paragraph. Initially, however, they disagreed.

122. The Chairperson invited the parties to reach an agreement, and the Employers’ group coordinator stated that there needed to be some wording which expressed that there were situations in which temporary and other forms of employment had social benefits. He argued that the wording proposed by the Workers in the previous discussion would be open to too much interpretation, and that all employment relationships needed to be voluntary. After a lengthy discussion over temporary employment, when could it be considered voluntary and when justified. A Worker participant from Switzerland (IndustriALL Global Union) proposed deleting the paragraphs 6–9.

123. The Secretary-General of the Forum said that the option to go back to the original wording proposed by the Office was available, which the Employers’ group coordinator accepted if small amendments were made. A Worker participant from Switzerland (IndustriALL Global Union) acknowledged that temporary employment could be positive but said it was negative most of the time. The Employers’ group coordinator stated that he just wanted the wording to say that there were some benefits of temporary work.

124. After a lengthy discussion, agreement was reached on a revised proposed eighth paragraph, which would include wording from the proposed ninth paragraph as follows: “A number of challenges are often encountered by workers under temporary contracts. These include a lack of employment security and protection of work–life balance, less favourable working conditions and difficulties for them to exercise their rights at work. Among temporary workers, those more vulnerable include migrant workers, women workers and young workers.” A new drafting that would replace the proposed ninth paragraph was agreed to

read as follows: “Temporary and other forms of work, in certain situations, can provide flexibility for workers and an open opportunity for entrants to find employment and for workers to build up their skills.” The Forum adopted these two paragraphs with this wording.

- 125.** The Forum did not adopt a new subparagraph 18(e) proposed by a Worker participant from Switzerland (IndustriALL Global Union) which contained language identical to the conclusions of the Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Sector. The text would have read as follows: “promote social dialogue and identify and develop mechanisms to involve buyers in improving working conditions, productivity and competitiveness”. She also proposed inserting after paragraph 13 a new paragraph which would read: “Production in the electronics sector is truly globalized and therefore social dialogue can profit from participation of international actors, such as buyers.” The representative of the IOE stated that the text of a previous Global Dialogue Forum was not binding for subsequent meetings, and the Employers’ group coordinator rejected the proposed amendments. A Worker participant from Switzerland (IndustriALL Global Union) stated that the Workers would continue to work with buyers on supply chain issues in the electronics industry but would also like it to be acknowledged in the Forum. The representative of the Government of the Republic of Korea questioned why language agreed in other ILO forums, such as the global dialogue forum for the textiles industry, could not be agreed for the electronics sector. The Employers’ group coordinator responded that his organization, the EICC, looked forward to working with the unions, on a voluntary basis, to find strategies to engage buyers in the entire supply chain to resolve issues concerning temporary employment; but that the concept of buyers should not be included in this document.
- 126.** The Forum adopted the points of consensus as amended.
- 127.** The Employers’, Workers’ and Government group coordinators, the Secretary-General and Chairperson of the Forum all expressed their satisfaction with the adoption of the points of consensus and praised the impressive level of cooperation achieved throughout the meeting.

Points of consensus ¹

Measures taken by enterprises to adapt to fluctuating demands

- 128. Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry.
- 129. Companies can adopt a number of options to respond to fluctuating demands. Such options include better buyer-supplier coordination to avoid particularly high peaks in demand, the use of temporary and other forms of employment, as well as improved forecasting mechanisms to anticipate demands.

Effects of a high incidence of temporary and other forms of employment on enterprises

- 130. The effects of temporary and other forms of employment on enterprises can present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are often a necessity for companies.
- 131. Benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – creating and retaining jobs.
- 132. Risks brought by changes in a company's workforce may include: decreased productivity; possible divulgence of trade secrets and resulting threats to a company's intellectual property; as well as high costs for hiring and training of temporary workers.

Effects of a high incidence of temporary and other forms of employment on workers

- 133. A number of challenges are often encountered by workers under temporary contracts. These include a lack of employment security and protection of a work-life balance, less favourable working conditions and difficulties for them to exercise their rights at work. Among temporary workers, those more vulnerable include migrant workers, women workers and young workers.
- 134. Temporary and other forms of employment, in certain situations, provide flexibility for workers and an opportunity for entrants to find employment and for workers to build up their skills.

¹ These points of consensus were adopted by the Global Dialogue Forum on 11 December 2014. In accordance with established procedures, they will be submitted to the Governing Body of the ILO for its consideration.

Measures to promote decent work and contribute to a more sustainable industry

135. Measures aimed at adapting the electronics industry to fluctuations in demand should strive to balance industry concerns for sustainability and the needs of workers. Social dialogue, which includes collective bargaining, is paramount to promoting decent work and to develop and implement sustainable measures supported by employers as well as workers.
136. These measures should include social protection, occupational safety and health (OSH), cross- and retraining; and they should ensure non-discrimination.
137. If temporary or other forms of employment present challenges, alternative options should be explored, including:
- (a) annualized hours schemes, under which workers might work more hours during certain periods and be compensated by reduced hours and time off during other periods;
 - (b) multiskilling: workers are trained in multiple disciplines that allow them to perform a larger variety of tasks, thus allowing production to take place with a smaller workforce without creating production bottlenecks.

Other options may be identified through social dialogue to address these issues.

138. Long-lasting employment relationships are to be promoted, where possible, and all employment arrangements should be voluntary. All workers, including temporary workers, should have full access to fundamental principles and rights at work (FPRW). Sharing of available information on market developments and demand forecasts with workers and their representatives is particularly helpful for dealing with temporary and other forms of employment.
139. The respect for FPRW, as well as for the UN Guiding Principles for Business and Human Rights, should be ensured throughout the supply chains in the electronics industry. Corporate social responsibility measures can also play an important role in promoting decent work.
140. Labour inspection is central to workplace compliance. Governments should not only enforce legislation through sanctions, they should also provide corrective, developmental and technical advice and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.
141. Governments have an important role in creating an enabling environment for sustainable enterprises. Governments could encourage competitiveness and productive employment in the industry by helping companies to prioritize research and development and by the establishment of dual training systems and links between educational and training institutions and enterprises.

Recommendations for future action by the International Labour Organization and its Members

In view of the discussion at the Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics the following future action was recommended.

142. The Office should:

- (a) promote ratification and effective implementation of relevant international labour standards, including the Part-Time Work Convention, 1994 (No. 175), and the Private Employment Agencies Convention, 1997 (No. 181), as well as those Conventions related to FPRW; and promote the Employment Relationship Recommendation, 2006 (No. 198);
- (b) develop tailored training on FPRW specific to the needs in the electronics industry;
- (c) compile and disseminate case studies and good practices on fair measures to adapt to fluctuations in demand jointly developed by workers and employers; develop their capacity to implement such measures at all levels; help the constituents to promote the capacity of gathering quality information in this regard; and
- (d) conduct research on the impact of purchasing practices in the electronics sector on labour rights and temporary and other forms of employment.

143. Governments should:

- (a) engage social partners in improving labour legislation and policies to better meet the needs of companies and workers in the sector;
- (b) build the capacity of social partners to better understand and comply with legislation and respect FPRW;
- (c) encourage public and private investments in education, training and skills development to promote decent work and productive employment;
- (d) share relevant and reliable labour market information with employer and worker organizations on issues such as the use of temporary and other forms of employment;
- (e) improve social protection for workers affected by fluctuating demands, where needed; and
- (f) enforce legislation through sanctions and provide corrective, developmental and technical advice, and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.

144. Employer and worker organizations in the electronics industry should:

- (a) promote equitable treatment for all workers, regardless of their employment status;
- (b) raise awareness and build capacity on FPRW and promote respect of these principles and rights throughout the supply chains;
- (c) jointly explore options in addition to temporary or other forms of employment to respond to fluctuating demands; and
- (d) promote long-lasting employment relationships, where possible.

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Liste des participants
Lista de participantes

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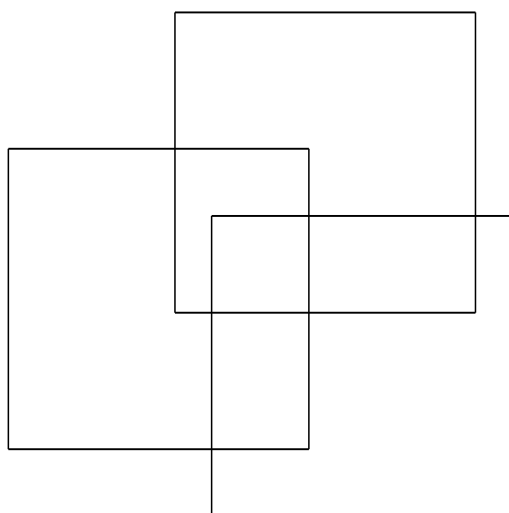
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Final report of the discussion

**Global Dialogue Forum on the Adaptability of Companies to Deal
with Fluctuating Demands and the Incidence of Temporary and
Other Forms of Employment in Electronics**
(Geneva, 9–11 December 2014)



GDFACE/2014/9

INTERNATIONAL LABOUR ORGANIZATION

Sectoral Policies Department

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Geneva, 2015

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Introduction

1. The Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics was held at the International Labour Office in Geneva from 9 to 11 December 2014. The Governing Body of the ILO had proposed the convening of the Forum at its 317th Session (March 2013) ¹ and approved the Forum's composition at its 320th Session (March 2014). ² The Office had prepared an issues paper ³ and suggested points for discussion, which would serve as a basis for the Forum's deliberations.
2. The purpose of the Forum was for tripartite participants to assess the reasons for companies to choose temporary and other forms of employment, as well as the impact of these forms of employment on the enterprise and the workers.
3. The Chairperson of the Forum was Mr Douglas L. Sun, First Secretary, (United States). The Government group coordinator was Mr Jarzewski (Poland). The Employers' and Workers' group coordinators were respectively Mr Grayson and Mr Yagi. The Secretary-General of the Forum was Ms Alette van Leur, Director of the Sectoral Policies Department (SECTOR), the Executive Secretary was Mr David Seligson, and the coordinator of secretariat services was Ms May Mi Than Tun.
4. The Forum was attended by 49 participants, including 28 Government representatives and advisers from 18 member States, as well as ten Worker and seven Employer participants, and four observers from intergovernmental organizations (IGOs) and international non-governmental organizations (INGOs).
5. The Secretary-General of the Forum introduced the Chairperson. The Chairperson explained that electronic products were widely used, and that large factories employed thousands of workers in the sector. The Forum aimed to reach consensus for future actions at global, national and local level.
6. The Secretary-General of the Forum underlined that the Forum took place seven years after the last Forum on the matter. Personal lives had become increasingly dependent on electronics during that time. The Forum had the aim of proposing solutions on how companies can adjust to the fluctuation in electronic demand. In order to facilitate the discussion, four points for discussions had been established. Following the Forum, two official documents would be produced: a report of points of consensus, including recommendations for future actions to be undertaken by the ILO and its Members, and the record of the discussion.
7. The Forum adopted the proposed points of discussion and the draft timetable without objections.

¹ GB.317/POL/5.

² GB.320/POL/5.

³ ILO: *Ups and downs in the electronics industry: Fluctuating production and the use of temporary and other forms of employment*. http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/meetingdocument/wcms_317267.pdf.

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8. The Executive Secretary of the Forum presented the issues paper. The paper was meant to facilitate the discussion by providing a glimpse of the industry. The first chapter was focused on key features, such as the fact that it was a large employer, innovative, fast-changing, and with many new products. Electronic products were ubiquitous, for instance in motor vehicles. In 2010 China was the first producer of electronics, whereas the United States contributed the largest value added, followed by China and Japan; however, supply chains were more diverse than these lists suggested, with large producers and manufacturers. The second chapter addressed how companies responded to real production fluctuations, such as coordination between buyers and suppliers, annualized schemes, and temporary and other work arrangements. Non-standard forms of employment differed also from region to region. Five country case studies – China, Japan, Malaysia, Mexico and Hungary – showcased the current opportunities and challenges in the sector, such as employment creation for governments; flexibility, cost, quality, and employee turnover for enterprises; and flexibility, employment security, wages, rights, and collective bargaining for workers. The third chapter questioned whether recourse to temporary employment was a stepping stone for permanent employment: some workers preferred temporary work for its flexibility, even if their careers were at risk; and women were more likely to stay in temporary employment. Furthermore, these forms of labour were less covered by collective bargaining. ILO instruments such as the Part-Time Work Convention, 1994 (No. 175); the Private Employment Agencies Convention, 1997 (No. 181); and the Employment Relationship Recommendation, 2006 (No. 198), offered some responses to these challenges.
 9. The Employers' group coordinator welcomed the discussion on the new reality of the electronic industry, since innovations and rapid changes in production processes had a great impact on employment. Agreements, laws and workers' skills would need to be updated to keep pace with competitiveness. Terms such as non-standard and precarious work were not adequate and the Forum should focus on the new industrial realities to reach consensus, so the issues paper would only be a starting point for discussion. While Chapters 1 and 2 gave a frame of the industrial situation in the electronics industry, Chapter 3 was not as impartial as desirable, as it seemed to favour the workers. Employers were dealing with many challenges in the sector and therefore needed to have a flexible and resilient workforce; temporary employment could represent a key step for economic progress. Keeping companies sustainable was important in order to provide employment in places where unemployment rates were high.
 10. The Workers' group coordinator said both unions and workers took strong action against precariousness and expressed great concern with regards to temporary work as a response to fluctuations. The numbers of workers in temporary contracts seemed to be higher than the issues paper suggested. In some cases, workers were not granted the right to join unions, which was unacceptable. Products with high fluctuations, such as iPhones and PCs, were just a small part of the industry; many other products, such as air conditioners, copy and fax machines, did not suffer from such large fluctuations. He reminded the Forum of the Declaration of Philadelphia's axiom that labour was not a commodity and pointed to success stories, like multiskilling and seasonal shifts of workers, which could reduce problems arising from high fluctuation. Finally, he noted that migrant workers were sometimes in forced labour and were denied the right to join unions, which could lead to tragedies.
 11. The Government group coordinator greeted the report but wished it had focused more on African countries. He said the industry was globalized and that new technologies had a big impact on employment trends and might also cause unemployment. He said the consumers' perspective and the employers' perspective were different but both focused on learning skills and sharing experiences. Additionally, it was important to promote the idea of the social responsibility of business and national capacity.

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12. A representative from GoodElectronics stated that people sometimes forgot that employees were human beings and that employment relationships should not respond solely to fluctuations, because both parties would lose. Many temporary workers suffered from exploitation. Fluctuating demand could be handled by overtime and other means rather than through temporary or multiple short-term contracts, or using agency labour. The increase in temporary employment meant a reduction in the bargaining power of unions. Also, workers should not be discriminated against in terms of remuneration, and enterprises should comply with international labour standards. The Forum should also discuss the issues affecting student workers, internal migrant and immigrant workers, who were exposed to exploitation. Outsourcing work led to injustices, and employers should provide workers with adequate social protection.

First point for discussion: How do enterprises adapt to fluctuating demands which may be caused, among other things, by technological innovation, shorter product cycles and fast-changing customer demands?

13. The Executive Secretary presented the first point for discussion. He said parties may wish to discuss the characteristics of the industry and different ways to deal with fluctuating demands.
14. The Workers' group coordinator noted that opening remarks on the first point for discussion were going to be made by four Worker participants, which would address four distinct issues. The Worker participant from Malaysia would discuss a national migration programme; the Worker participant from the Philippines would discuss the dual training system; the Worker participant from India would present the negotiation between workers and employers; and the Worker participant from Indonesia would speak about multi-skilled workers.
15. A Worker participant from Malaysia stated that contract manufacturers had responded to fluctuating demands through outsourcing, which had caused an influx of migrant workers to Malaysia. These workers were afraid they would be deported if they joined the local union, since this had occurred when a company learned that some workers had joined the union. This had a chilling effect on union organizing.
16. A Worker participant from the Philippines informed the Forum of the use of the dual training system. The system had the effect of extending contracts to 18 months, but there was no technology transfer because the tasks were limited to assembling products. Students received 50 per cent of the salaries, and the difference was paid to the universities. Student work increased conditions of exploitation and raised important safety and health concerns. Some companies employed 16- and 17-year-old students, or did not provide personal protective equipment (PPE). The system also weakened trade unions' bargaining power.
17. A Worker participant from India said that his union in Siemens had signed a contract to reduce wages in Siemens for four years in response to reduced demand. Training and flexible working hours were important ingredients to address the challenges, and the workers received the original wages after the four-year period.
18. A Worker participant from Indonesia presented a case where multiskilling allowed a company to change products and models in a flexible way. The union-management project introduced a third line of production that increased workers' skills so less than ten workers

could perform the work that 50 workers previously had. The agreement provided added benefits for achieving production goals, kept worker morale high, allowed workers to enjoy their work and prevented conflicts.

19. The Worker group coordinator, speaking as the Worker participant from Japan, shared the case of a Japanese manufacturer of air conditioners. Since people purchased most air conditioners in spring, the trade union and companies reached an agreement to increase working hours in peak seasons and reduce them in trough seasons.
20. The Employers' group coordinator stated that the group's intervention would focus on collective issues of adapting to fluctuations; however, enterprises were not monoliths but experience demands differently. Tier 1 enterprises bore the brunt of the fluctuations, but they worked with other types of manufacturers. There were a number of temporary workers in this industry, which needed different types of protection. He was pleased to learn of the different experiences presented by the Worker participants.
21. An Employer participant from Finland stated that employers have little flexibility because national laws and European Union regulations were very strict. However, trade unions were showing more flexibility, particularly at the company level, in adapting to workplace conditions. In Finland, very few workers were on temporary contracts, but it was important to have the flexibility to employ temporary workers. However, cheap labour was not always profitable labour.
22. An Employer participant from Portugal presented the example of Portugal, which had very restrictive labour laws but had become more flexible in the last five years as a result of the crisis. Both parties understood that flexibility was a question of survival and that they needed to be prepared to react quickly to market changes.
23. The Employers' group coordinator, speaking as Employer participant from the United States, stated that companies recognize that better communication and coordination across the supply chain was a key tool. His organization, the Electronic Industry Citizenship Coalition (EICC), provided a forum for this.
24. The Government group coordinator stated that the industry had globalized, in which process the new technologies may have caused unemployment. Governments had to consider the consumers' perspective as well as promoting social responsibility.
25. The Government representative of China asserted that the electronics enterprises should study the markets, the needs of customers and technological change; should focus on research and development to develop improved products; and develop expertise and skills because it was an intelligence-intensive industry.
26. The Government representative of Malaysia reiterated that skill training is important in order to deal with fluctuations. He stated the need to study the unemployment scheme and added that, in Malaysia, they are currently studying the policies relating to foreign workers and the possibilities of having better policies for them, like expanding the safety net. However, he clarified that the law does allow foreign workers to join existing unions, but not to form new unions.
27. The Government representative of Cameroon stated that African countries are mostly consumers of electronic products, although some countries, for example South Africa, Algeria and Morocco, have also manufacturing of electronics. Governments needed to also regulate the quality of products and ensure the health and safety of both workers and consumers. He suggested that the Office organize a forum on these consumer-driven issues, or regional forums in Africa and other regions. Even from a consumer point of view, there were jobs-related issues like training and the maintenance of products.

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28. The Chairperson thanked the representative from Cameroon for this statement and suggested to him to bring up this proposal in the fourth point of discussion.
 29. The Employer participant from Portugal stated that one of the reasons for the good results in this sector in Portugal is the dual training system: after the training many students join the industry and become permanent employees of the companies.
 30. A Worker participant from Indonesia described the case of JVC, a car audio company, where the number of workers fluctuated by 200 between 2008 and 2014. Based on this, an estimate of 200 temporary workers could be set as a maximum to address fluctuations in demand. He argued that ways must be found to set limits on the scale of temporary workers that can be hired.
 31. The Workers' group coordinator considered that the use of temporary workers can increase companies' profits in the short term but not in the long run.
 32. The Employers' group coordinator noted the need for better forecasting of demand and communicating this more effectively down the supply chain to inform temporary workers in advance of their work prospects.

Second point for discussion: Adaptation to fluctuating demands often manifests itself in high incidence of temporary and other forms of employment. What are the effects of this situation on the enterprises? What are the effects on the workers?

33. The Executive Secretary outlined some of the issues that could be discussed, such as the pros and cons of temporary and other forms of work, the differences across regions and countries and gender dimensions of temporary work.
34. The Employers' group coordinator asserted that temporary work needed to be looked at as a benefit, risk and necessity. Temporary work helped in the retention of full-time jobs and benefits. Noting the diverse situations of firms and differences in regions, he saw having flexibility to respond to fluctuating demand as important for profitability. Temporary work also can bring young skilled people into the workforce, and may lead to permanent positions. Temporary work also brings to firms specialized expertise or work done by women who may seek only part-time hours due to responsibilities at home with their families.
35. He recognized the risks associated with temporary work noting the differences in context across developing and developed countries. In the developed world the benefits outweighed the risks. He mentioned risks, in particular in Asia, associated with training temporary workers who leave for other employment, the possibility of losing intellectual property, and the problems of workers in exercising their basic rights. Furthermore, companies do not always understand the risks the workers, for example migrant workers and students, encounter before entering the factories. He emphasized that temporary employees have the right to fundamental human rights and that employers' and workers' organizations share the responsibility to educate temporary workers about their rights.
36. An Employer participant from Finland considered, referring to the issues paper, that many temporary workers were interested in acquiring general skills that could apply to diverse contexts. However, employers expected workers to already possess these general skills and

instead were prepared to offer company-specific training which, in turn, could involve them more directly in the firm's operations. He emphasized that it is the government's responsibility to provide for general skills training.

37. The Workers' group coordinator expressed his surprise at agreeing with many of the points already made and announced four examples from the European Union, Brazil, Philippines and India, to illustrate various concerns of the workers.
38. A Worker participant from France, who also chairs the information and communications technology (ICT) committee of IndustriALL European trade union, mentioned that, while Europe did not have the same issues as Asian countries, the use of temporary contracts presented more risks than opportunities. Several countries permitted very temporary contracts, from zero work hours in the United Kingdom to the situation in Spain where the workers tendered offers, where the lowest bid is taken by the employer. A more positive example could be found in Germany, where the use of *kurzarbeit* linked with training during the recession improved Germany's competitiveness.
39. Moreover, prevalence of short work contracts creates problems, such as insecurity in housing and social protection and less coverage for collective bargaining. He considered the bipartite discussions in France in 2013 to have improved flexibility in the labour market through more use of overtime, teamwork and similar measures. He closed by emphasizing the importance of the EU Directives on fixed-term work (1999) and on temporary agency work (2008).
40. A Worker participant from Brazil, noting the steady expansion of temporary workers, considered that companies were using this practice to pay lower benefits, and also as a means to demobilize union members.
41. A Worker participant from the Philippines noted that precarious forms of work were widespread in his country. The numbers of contractual workers had doubled or tripled in some firms. Temporary workers faced lower wages, lack of benefits and social protection, higher rates of occupational safety and health issues, irregular work hours and income insecurity. Contracted workers were discouraged or prohibited from joining unions. Contractual workers avoided unions for fear of losing their jobs. Less than 10 per cent of the Philippine workforce was unionized as unions have lost their traditional base. Furthermore, companies also are hiring women workers who are seen as less likely to join unions.
42. A Worker participant from India expressed that workers are temporary but jobs are permanent. Many products and jobs had undergone changes and companies preferred to hire temporary workers in order to reduce costs. The companies made profits and the workers were affected by low wages due to a lack of unionization.
43. The Government representative of Malaysia noted that temporary work can benefit those not able to work full time. Malaysia has changed the retirement age to 60 years, and set that temporary and part-time workers employed for more than two years would be entitled to retirement benefits at the new age.
44. The representative of the Government of China, referring to paragraph 52 in the issues paper, clarified that China does not have student workers but instead apprentices. These apprentices are not in the factories to meet labour demand but to learn.
45. Another representative of the Government of China clarified that the dual training system consists of classroom learning and practising in factories. The schools provide the apprentices with insurance for work-related accidents. These apprentices will have work after graduation.

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46. The representative of the Government of the Philippines noted that employment has not only been affected by the fluctuating demand for electronics but also by technological innovations. There was an increased need for the industry to introduce new skills and occupations and for governments and enterprises to develop training to fill skills gaps. The electronics industry has been an employment growth driver which had led to increased job growth but also job losses. The need for improved compliance could be partly addressed by private compliance initiatives and tripartite cooperation.
 47. The Employers' group coordinator considered that demand for electronics was well reflected in figure 7 of the issues paper, with frequent and wide fluctuations. Governments, workers and employers should help to smooth out the sharp swings in demand and to ensure greater reliance on full time labour. He noted that businesses cannot afford to hire labour at the peaks who then sit idle during the troughs, nor can current workforces be expected to work overtime as it was against ILO fundamental principles and United Nations Guiding Principles and not good for health and safety or emotional well-being of workers. But to reject business when demand peaks would also not increase jobs. He reconfirmed the Employers' group's commitment to respecting human rights under the United Nations Guiding Principles and the ILO's fundamental principles but with clear recognition of the reality of demand.
 48. The Workers' group coordinator emphasized that flexibility should always be freely chosen by the worker; while flexible work is often unavoidable, the right of temporary workers to join a union must be ensured. Too often workers are not allowed to join unions or unions are avoided, which weakens their capacities to effectively negotiate.
 49. A Worker participant from France noted that although the industry was characterized by demand fluctuations for some products due to seasonal factors, this did not apply to the whole industry and that temporary work was disproportionately used.
 50. The Employers' group coordinator stressed that his group's position was that temporary workers should not be prevented from joining a trade union in conformance with the local law.

Third point for discussion: What solutions could be identified to address the issues surrounding the use of temporary and other forms of employment to enterprises and workers and how could decent work be promoted, contributing to a more sustainable industry?

51. The Chairperson summarized the preceding discussions: temporary work can be a win-win formula, which can help businesses adjust to fluctuating demand.
52. The Executive Secretary of the meeting presented the third point for discussion, inviting participants to explore innovative solutions, against the background of decent work in the industry. He also informed the Forum that a meeting of experts would take place February 2015 regarding the theme of non-standard forms of employment.
53. The Workers' group coordinator underlined that there is not a single solution to the problem of recourse to temporary and non-standard forms of employment in electronics, but that case studies can be good examples to consider. However, national laws should consider the risks and the benefits of temporary and other forms of employment. He called on six Worker participants to introduce national and international examples.

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54. A Worker participant from Malaysia stated that the best solution to demand fluctuation would be to promote direct employment. In Malaysia, labour agencies were not regulated by law until March 2012: thanks to trade union activity, the new law limited the use of labour contractors in certain sectors. However, the use of agency work breaks the employment relationship and workers could be organized and covered by collective bargaining agreements (CBAs) only if they were employed directly by the user enterprise, and migrant workers could not exercise the freedom of association in practice. Furthermore, agencies had no real control over working conditions.
55. A Worker participant from the Philippines argued that all workers should have regular status since the start of their employment relationship. He cited the recent struggle in NXP, where unions negotiated the regularization of 200 temporary employees. Philippine unions attempted to extend the CBA and grievance mechanisms to these workers, to organize them, and to help them organize workers' associations. He underlined the importance of education on fundamental labour rights. Philippine unions also engaged in dialogue with the Government on the issue of precarious work and advocated for the adoption of the Regular Employment Bill, which would limit labour-only contracting and provide these employees with security of tenure. Finally, he stated that building alliances at the national, regional and international level promoted concerted actions to raise the issue of precarious work and promote decent work. He advocated for negotiating at the local level with the management to address the effects of business cycles.
56. A Worker participant from Indonesia presented six solutions that had been implemented in Indonesia. First, union and management in two large industrial areas negotiated a 30 per cent limit on temporary workers, through mutual communication and respect. Second, many temporary workers were granted higher salaries than permanent workers, to deter enterprises from abusing this type of contract. Third, Indonesian law only allowed employers to outsource certain jobs (not in core sectors such as manufacturing), and many of these workers had greater security through contracts that were at least one year long; in addition, employers were required to provide permanent contracts after two consecutive temporary contracts. Fourth, many temporary workers enjoyed the same working terms and conditions as their permanent counterparts. Fifth, many employers sought to retain workers when demand fell, for example assigning them to other work areas; training them when work is lacking; or keeping them temporarily at home and then rotating them. Sixth, there was an ongoing discussion to create a special shareholder status for workers, which would provide some income when unemployed. In addition, laid-off workers were covered under state- or employer-funded health insurance after the end of their contracts.
57. The Workers' group coordinator, speaking in his capacity as Worker participant from Japan, presented two case studies on in-house minimum wages and the use of guidelines and check-sheets. First, some unions and employers negotiated in-house minimum wages on the basis of the minimum wage established by the Government at the national or local level. Second, guidelines and check-sheets had been developed by his union for use at the local level. Such procedures conferred local responsibility for ensuring decent work conditions in the field.
58. A Worker participant from India identified three solutions implemented in his company to provide decent work and develop a sustainable industry. First, a 2004 CBA established that workers would be recruited at 60 per cent of the wages of existing workers, and raised to par within four years. In 2010 another CBA established that workers would be recruited at 80 per cent of the wages of existing workers, and raised to par within nine years. Second, training programmes enabled workers to carry out different tasks within multi-product enterprises. Third, a company and a union negotiated to give rehiring priority to 40 workers from a closed production plant.

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59. A Worker participant from Switzerland (IndustriALL Global Union) observed that negotiations at the local level were very important. However, the use of temporary employment and agency work often denied workers the opportunity to join unions and bargain collectively and more needed to be done, particularly by governments, to give them such access. She welcomed the emphasis that had been made on skills development, which was an important means of dealing with the consequences of fluctuating demand, although it was largely incompatible with temporary work. While negotiations at the local level could succeed, more needed to be done at the global level to recognize the role of temporary workers and to take them into consideration in overall structures. At a seminar in Boston in 2012, IndustriALL had been able to discuss the issue of temporary workers with the Electronic Industry Citizenship Coalition (EICC). In the seminar, the importance of freedom of association had been recognized, and participants had recognized that companies should review their hiring practices in relation to temporary workers and look critically at the sector's need for such work in correlation with the due diligence established by the UN Guiding Principles on Business and Human Rights. There was a need to work at both the ground and global levels and she welcomed the continuation of dialogue to seek a balance between business requirements and workers' rights.
60. The Employers' group coordinator welcomed the points made by the Worker participants noting that they did not oppose certain forms of flexibility. His group agreed that all workers should have freedom of association and collective bargaining rights, in accordance with local laws; that human rights should be respected regardless of employment status and that all workers should enjoy the same occupational safety and health standards. A key point arising out of the discussion was that workers and employers had to work together to adapt to the market and use all types of forms of work. The discussion should not have a narrow focus on migrant and agency workers, but rather on workers in vulnerable situations. His group welcomed solutions based around skill development and the examples of internal cross-training. Governments, unions and employers all had a responsibility to train the next generation of workers and to ensure the continuing development of the current generation. There was a general consensus around the need to establish strategies to give the flexibility needed by enterprises, while respecting standards. They all had a responsibility to make temporary workers feel part of their enterprises, and to educate them on their rights. National laws should also evolve to adapt to an increasingly fluctuating demand and to take full advantage of all forms of flexible work, while ensuring the respect and enforcement of the fundamental human rights of all workers, regardless of union membership. His group supported the point made by the participant from Indonesia that temporary workers should have the same rights as permanent workers. He agreed that all temporary workers should receive the minimum wage, and that negotiations at the local level were an effective way to address issues. In each of his last three statements, he warned against adopting general rules based on solutions applied in specific contexts. He also requested clarification of the exact nature of the check-sheets mentioned by the Worker participant from Japan.
61. An Employer participant from Portugal stated that flexible legislation should be adopted to enable competitiveness which everyone would know and respect.
62. An Employer participant from Belgium welcomed the Workers' support for freedom of association for contract and other workers. He explained that there were funds in seven countries for training and granting better working conditions for agency workers, for example to help workers obtain loans and driving licences. There was no real erosion of collective bargaining rights; rather an evolution of the market and banning of agency work was not a solution. He urged countries to ratify ILO Convention No. 181 in order to get rid of abuses linked to agency work.
63. The representative of the Government of Egypt underlined that modifying legislation needed time. Moreover, rights such as medical schemes and insurances were not foreseen

by all countries. Therefore, it was not logical to make such schemes mandatory everywhere. Finally, the issue of temporary work was dependent on demand and supply and governments could not oblige companies to change temporary work to permanent work.

64. The representative of the Government of China stressed the importance of a social protection floor for temporary employees, including medical insurance and occupational safety and health (OSH) at the workplace. He also stated that flexible opportunities for the informal sector should be granted, training encouraged and skills and capacity building improved. He finally observed that vocational qualification systems were important, as certifications could increase workers' mobility.
65. The representative of the Government of the Republic of Korea underlined that non-regular workers were increasing in his country, accounting for 6 million or 33 per cent of the total national workforce. He stated that the Republic of Korea has undertaken comprehensive measures to address discrimination against non-regular employees and with reinforcing the social safety net of vulnerable groups. The three main Korean policies were related to: (i) strengthening inspection for workplaces for identifying discrimination cases; (ii) requiring companies with more than 300 workers to improve their status and disclosing the number of workers under each type of contract; and (iii) promoting education and counselling activities and voluntary measures in order to reduce discrimination.
66. The Government group coordinator synthesized the discussions held in the Government group. First, labour relations in electronics should not differ from those of other sectors. Second, a flexible labour market was important and had significant influence on the electronics industry because of high demand fluctuations. Third, besides legislation, there should be a focus on corporate social responsibility (CSR) and the struggle against discrimination. Fourth, skills and vocational training supported the flexibility of the labour force and contract regularization. Fifth, government policies should ensure the stability of the ICT sector and facilitate negotiations.
67. The representative of the Government of the Philippines gave examples from her country. First, strong labour compliance was important: the Philippines had increased the number of labour inspectors and trained them properly in recent years, and compliance with labour laws was incentivized, for example with certificates of compliance or even a presidential certificate of excellence in labour compliance. Second, new laws were being drafted through social dialogue in the National Tripartite Industrial Peace Council, which resulted in faster adoptions. Third, social dialogue continued to be active at national and regional level, through particular initiatives such as the tripartite council for electronics, aimed at discussing specific sectoral issues. Finally the Philippine Government brought more support and capacity building in developing dispute resolution skills.
68. The representative of the Government of China stressed that labour inspection should play an important role. He referred to the Philippine statement and added that China recently initiated wage consultations with social partners.
69. The Workers' group coordinator, speaking in his capacity as Worker participant from Japan, underlined that check-sheets were verifications within the companies, at the field level, to ensure that the right things were done at the right time and place, to maintain good labour relations. They should also be completed by workers and not only by companies. Prodded for more information by the Employers' group coordinator, he explained that the term "check-sheet" was invented in Japan and that they promoted uniform standards for them, focusing on key points including wages and other issues. Many studies had been carried out. The Chairperson intervened stating that he probably referred to what was called "checklists" in the United States.

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70. A Worker participant from Switzerland (IndustriALL Global Union) reminded the Employers that fundamental principles and rights at work (FPRW) are universal, and not restricted by national laws.
71. The Employers' group coordinator responded to five points raised by other participants. First, he supported the use of checklists, but preferred validated audit programmes, which would consider all key human rights along with management systems, ethics and environmental responsibility. Second, he stated that all parties who had ratified human rights Conventions should work to abide by them. The representative of the International Organisation of Employers (IOE) clarified that FPRW were binding on all member States by virtue of their membership in the ILO. The Employers' group coordinator continued with his third point, welcoming the extension of social insurance and other protections to temporary workers by the Governments of China and the Republic of Korea, but not supporting the use of quotas on temporary labour and limits on the duration of temporary labour situations: these were best decided by workers and enterprises rather than through legislation. Fourth, most employers did not mind disclosing the numbers of workers employed in temporary and other forms of work, but others considered it as part of their corporate strategy. Fifth, the group welcomed the ideas from the Philippines, especially the concept of partnerships to encourage corrective action and incentivize excellent performance. That was preferable to only policing, which could stimulate lying, falsifying records, and bribing.

Fourth point for discussion: Recommendations for future actions by the International Labour Organization constituents and the International Labour Office with regards to the sector

72. The Chairperson thanked the participants for the good work done concerning point No. 3 during the morning session before opening point four for discussion on recommendations for future actions.
73. The Employers' group coordinator restated the importance of tripartite negotiations to addressing rights and protection issues affecting temporary workers, and the role of the Private Employment Agencies Convention, 1997 (No. 181), in guiding these initiatives. He recommended that the ILO proactively promote its ratification and implementation. He recommended that the ILO continue its research on flexible work and generating insights through country cases, which show the importance of the cooperation between employers and workers. Training workers in their fundamental rights is a shared responsibility between the three parties, with a role also for the ILO to play. He concluded by encouraging governments to adapt the legislation to facilitate the new challenges in terms of flexibility but also to apply systematically the law.
74. A Worker participant from Switzerland (IndustriALL Global Union) proposed a number of recommendations to be considered. He opened by stating that Governments, Employers, Workers and the Office should continue to promote decent work and sustainable employment in the electronics industry by insisting on trade in the electronics industry to be based on the principles of fairness and equality in order to lift living standards by supporting decent employment growth, improving social protections and providing for fundamental workers' rights, environmental standards, human rights and democracy. He recommended governments to ensure that workers representatives/unions in the country are informed on a regular basis on the number of temporary/agency workers and their positions. Governments and employers should ensure equality of treatment for all workers regarding wages, working conditions, OSH, social security/insurance, and other allowances and benefits, regardless of their employment status. They also should

encourage investment in training and skills to assure sustainable employment and the creation of good-quality jobs. The employers and workers should engage in effective social dialogue/negotiation in order to find alternatives to temporary employment. He stated that the ILO and governments should promote inclusion of labour standards in all trade agreements. In addition, he recommended the ILO to:

- develop an effective implementation of international labour standards relevant to the electronics industry, especially for precarious workers to receive the same protection as directly employed regular workers in respect of the right to organize and to bargain collectively, occupational safety and health, and discrimination;
- strengthen and build capacity of employers and trade unions to assure sustainable industrial production and long-term employment prospects at all levels such as company, industry, national, regional, and international level;
- promote fair and just labour–management negotiation on tackling the issues of precarious work caused by the fluctuating demand;
- conduct research on impact of purchasing practices in the sector on labour rights and temporary employment;
- promote social dialogue and identify and develop mechanisms to improve purchasing practices in order to address temporary employment in the electronics industry;
- urge governments to legislate against companies being able to dismiss workers on open-ended direct employment contracts in order to rehire them on precarious contracts with less favourable working conditions to do the same work.

75. A Worker participant from Indonesia clarified that the flexibility notion in his country was only about the employment period; consequently all workers should have the same benefits.
76. The Government group coordinator summarized the discussion of the governments, and proposed that the ILO organize a similar meeting to discuss the matter in five years and consider preparing guidelines or a handbook on good practices with regard to temporary work in the sector. He added that the ILO should promote ratification of Conventions Nos 175 and 181 and compile good examples of how countries are implementing these Conventions. Employers should provide training opportunities for temporary workers on their rights and benefits. He also indicated that Government representatives from Africa saw the need to have a regional forum on these same topics. Finally, he asked the ILO to help in putting into place a capacity-building programme dealing with the sector.
77. The Employers' group coordinator appreciated the Workers' group's proposal, which was clear and complete, and agreed with some proposals such as those calling for protection of workers and adherence to human rights. However, he disagreed with others, and requested that the Employers' group discuss these among themselves and then to react the next day.
78. The representative of the Government of the Republic of Korea described the work of the national level tripartite dialogue system, launched in 1998, which he said had contributed to reducing social conflicts through discussion and seeking agreement or recommendations on key labour issues. The system will be reformed to better represent unorganized vulnerable workers. Representatives of dispatched or in-house subcontractor workers will be able to participate in labour–management councils and state their opinions.
79. The representative of the Government of the Philippines asked whether the output of the meeting would be forwarded to the expert meeting on non-standard forms of employment.

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80. The Secretary-General explained that the outcomes would be submitted to the Governing Body. The Governing Body would ask the Director-General to take the conclusions into account in future work. The points of consensus would be disseminated but would not be submitted for approval by the meeting of experts.

Discussion of the draft points of consensus

81. At the closing plenary session, the Forum considered document GDFACE/2014/5, which included the suggested points of consensus for points for discussion 1–3, drafted by the Office on the basis of the plenary discussions.
82. The Employers' group coordinator suggested deleting the words "Whereas not all" in the first paragraph. He proposed the following text for the first paragraph: "Electronics products are subject to fluctuations in demand. Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry." A Worker participant from Switzerland (IndustriALL Global Union) suggested that they should look at the title and delete the phrase "whereas not all electronic products are subjects to high fluctuations in demand". The Employers' group coordinator agreed with this suggestion, but proposed that paragraph 1 be entirely deleted. A Worker participant from Switzerland (IndustriALL Global Union) replied that it is a useful statement and should be kept. The Employers' group coordinator indicated that fluctuating demand affects even products that are seen as protected, like vacuum cleaners. However, he would accept the proposed text. The Forum adopted paragraph 1 as follows: "Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry."
83. The Forum adopted the second proposed paragraph with amendments. The word "measures" was replaced with "options". The Workers' group did not agree to change the word "adopt" with "explore" as proposed by the Employers' group, because it did not represent an action. A phrase "the use of temporary and other forms of employment" was added and the paragraph was adopted as follows: "Companies can adopt a number of options to respond to fluctuating demands. Such options include better buyer–supplier coordination to avoid particularly high peaks in demand, the use of temporary and other forms of employment, as well as improved forecasting mechanisms to anticipate demands."
84. The Forum adopted the Workers' proposal to delete the proposed third paragraph.
85. The discussion of the proposed fourth and fifth paragraphs highlighted the differences between the social partners about the perceived risks and benefits of temporary and other forms of employment, and the Forum decided to reconsider them when discussing the proposed measures to promote decent work and contribute to a more sustainable industry.
86. A Worker participant from Switzerland (IndustriALL Global Union) proposed a new text for the proposed fourth paragraph, which would appear after the proposed paragraph 5 and begin with the sentence "Many other options have been negotiated between unions and employer," and proposed replacing the word "alternatives" with the word "options" or with "many other options" that would be used in a new paragraph. The Employers' group coordinator proposed combining paragraphs 4 and 5 and introduced by a sentence that would communicate that "there are a number of options available to deal with fluctuating demands, such as annualized hour schemes and multiskilling". Other options would be established through social dialogue. The Worker participant from IndustriALL Global Union did not agree, stating that it was identical to the second paragraph, although she agreed with the language "social dialogue".

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87. The Employers' group coordinator suggested including hour schemes and multiskilling. A Worker participant from Switzerland (IndustriALL Global Union) said that this was a step backwards, and proposed to address the alternatives through social dialogue. She added that there were negative consequences and the alternatives needed to be looked at. The representative of the IOE disagreed with any document that would say that temporary work was inherently wrong, to which a Worker participant from Switzerland (IndustriALL Global Union) replied that the group had already acknowledged temporary work as an option in paragraph 2, and suggested moving this paragraph to the end of the points of consensus.
88. A Worker participant from Switzerland (IndustriALL Global Union), disagreeing with the Employers' view that temporary work was just another option among many, stated that, for her group, temporary work was not always the worst-case scenario, but had massive implications on the quality of work in the industry; there was therefore a need to consider the alternatives. If they did not do so, the dialogue would not have achieved anything. The negative impacts on workers' rights and working conditions needed to be balanced with the needs of enterprises, through social dialogue. As temporary work was being overused in the electronics industry and had negative consequences, the need to find alternatives through social dialogue had to be reflected in the points of consensus.
89. The Forum adopted the proposed sixth and seventh paragraphs after extensive discussions and amendments, including the insertion of an intermediate paragraph. The Employers' group coordinator began the discussion by proposing that paragraph 6 should be amended to read: "The effects of temporary and other forms of employment on enterprises may present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are a necessity." He proposed inserting a new paragraph after this paragraph, which would read: "Positive benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – ultimately retaining and creating jobs." He also proposed that the beginning of the proposed seventh paragraph should be amended to read: "Negative effects brought by a change in a company's workforce may include ...".
90. A Worker participant from Switzerland (IndustriALL Global Union) noted that, for paragraph 6, the Employers' proposal did not include the wording "for a number of companies", asked whether they intended for it to be deleted, and expressed preference for the original drafting, as it did not hold true in every case. Furthermore, she proposed a subamendment to the beginning of the proposed seventh paragraph to read "brought by *changes* in a company's workforce" instead of "a change". The Employers' group coordinator accepted this, acknowledged that temporary work was not a necessity for all companies, and proposed adding "temporary work arrangements are *often* a necessity for companies". Furthermore, since "negative and positive" had been changed to "benefits and risks", he proposed changing "positive effects" and "negative effects" to "benefits may include" and "risks may include". The Government representative of Poland proposed deleting "ultimately" from the proposed eighth paragraph. The Employers' group coordinator also proposed harmonizing the wording to "temporary and other forms of employment".
91. A Worker participant from Switzerland (IndustriALL Global Union) requested that the resulting wording be displayed on the projectors. The representative of the IOE suggested that all participants should be asked whether they objected to only having English on the projectors. The Workers' group coordinator noted that there were many Worker participants who did not speak English and having the text on screen benefited them. A Government representative of Poland noted that, since the Forum represented the electronics industry, it should use technology in order to facilitate the discussion. Finally, a Worker participant from Switzerland (IndustriALL Global Union) expressed her disappointment in the ILO's language policy. The electronics industry was largely based in

Asia and the Workers' delegation was also largely from Asia, yet there was no interpretation available for any Asian languages. That gave participants who did have interpretation a considerable advantage over the Workers' group.

92. The adopted paragraphs would read as follows:

“The effects of temporary and other forms of employment on enterprises can present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are often a necessity for companies.”

“Benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – creating and retaining jobs.”

“Risks brought by changes in a company's workforce may include: decreased productivity; possible divulgence of trade secrets and resulting threats to a company's intellectual property; as well as high costs for hiring and training of temporary workers.”

93. The Forum discussed whether the text of the proposed eighth and ninth paragraphs should address risks and benefits that temporary and other forms of employment represented for enterprises and workers, and decided to finalize them at a later stage, while taking into account the proposal from the representative of the Government of the Republic of Korea to refer consistently to “temporary and other forms of employment”.

94. A Worker participant from Switzerland (IndustriALL Global Union) proposed deleting the phrase “Whereas temporary work can provide flexibility for workers, an opportunity for entrants to find employment and for other workers to build up their skills”, and maintain the text “a number of challenges are often encountered by workers under temporary contracts”, as part of the proposed ninth paragraph or stand alone. All testimony from the Workers' group had underlined the negative impacts of the “high incidence” of temporary work, which was the title of the section – not the general impact of such work. These examples showed that flexibility in temporary work was important, but workers would rarely prefer temporary to permanent employment. She proposed an additional text to address Employers' concerns as follows: “Where temporary and other forms of employment is agreed upon and justified by the circumstances it can be a tool to deal with fluctuations in demand”. Her group acknowledged the benefits of temporary work for employers, but not that workers saw temporary work as a benefit. The Workers' group coordinator added that the focus of the discussion should be on fluctuating demand in the electronics sector and not the general challenges facing the world of work.

95. The Employer group coordinator could not accept a statement about temporary work that only focused on its challenges, and had provisionally agreed to the new paragraph proposed by the Workers' group on the assumption that those effects were going to be recognized. He argued that voluntary temporary work could be a desirable outcome; other forms of employment, such as internships or part-time employment often provided stepping stones or a means of juggling family and work life. Participants from all groups had recognized that temporary and other forms of employment could offer rewards for workers in some cases and that the tripartite nature of the Forum required reflecting it in the text, without using the term “benefits”. He therefore proposed adding a new paragraph at the start of the section: “Where temporary work is agreed upon and justified by the circumstances, temporary work can provide a number of positive impacts including flexibility for workers and opportunity for finding employment and for other workers to build up their skills”, to be consistent with the previous discussion of both benefits and risks for enterprises. Later, the group proposed a revised text as follows: “Where temporary and other forms of employment are justified by the circumstances, they may provide benefits including flexibility for workers and an opportunity for entrants to find

employment and for other workers to build up their skills.” The group rejected the Workers’ proposal to limit the section to “temporary work”.

96. The Chair proposed to park the two paragraphs and move to the next session on measures. The Employers’ group coordinator asked if this discussion would also cover paragraphs 4 and 5. It was agreed to first discuss paragraphs 10–15.
97. The Forum adopted the proposed paragraph 10 without changes.
98. The Forum adopted the proposed 11th paragraph with the following text proposed by the Employers’ group: “These measures should include social protection, occupational safety and health (OSH), cross- and retraining, and they should ensure non-discrimination.” The Workers’ group preferred this text to the Employers second option to delete the entire paragraph.
99. The Forum adopted the proposed 12th paragraph with amendments. The Employers’ group proposed that it should read as follows: “Long-lasting employment relationships are to be promoted, where possible, and all employment arrangements should be voluntary. All workers, including temporary workers, should have full access to the FPRW. Sharing of available information on market development and demand forecasts with workers and their representatives is particularly helpful for temporary and other forms of workers.” The Workers’ group, in turn, proposed a subamendment where the last sentence would read as follows: “Sharing of available information on market development and demand forecasts with workers and their representatives is particularly helpful for dealing with temporary and other forms of employment”. The Forum adopted the resulting text.
100. The proposed 13th paragraph was adopted with three amendments, but its final wording was suspended. The Employers’ group proposed two amendments: (1) to add “by the Governments” after “should be ensured”; and (2) to add “also” after “corporate social responsibility” in the second sentence of the paragraph. The Government group coordinator proposed adding “important” before “role” of CSR. The Secretary-General of the Forum remarked that the amendments resulted in a factual error, as the paragraph now suggested that it was the responsibility of governments to ensure respect to the UN Guiding Principles for Business and Human Rights. The discussion was deferred.
101. The proposed 14th paragraph was adopted with an amendment proposed by the Employers’ group to replace the phrase “outstanding compliance” with “outstanding efforts”, pointing out that the original phrase was not clear.
102. The proposed 15th paragraph was adopted with three amendments. Two were proposed by the Employers’ and Government groups: to add “competitiveness and productive employment”, and to replace “universities” with “educational institutions”. The third, proposed by the representative of the Government of China, adding “training” after “educational” to highlight the important role of vocational training institutions.
103. The Forum adopted the proposed subparagraph 16(a) with an amendment proposed by a Worker participant from Switzerland (IndustriALL Global Union), to add a reference to the Employment Relationship Recommendation, 2006 (No. 198) at the end. The representative of the IOE suggested rephrasing the reference for clarity, for which the Forum subamended the ending phrase as follows: “those Conventions related to FPRW, and promote Recommendation No. 198”.
104. The Forum adopted the proposed subparagraph 16(b) with an amendment proposed by the Employers’ group, which was later subamended. The initial Employer proposal would have changed the subparagraph as follows: “Promote and conduct training to specific needs in the electronics industry”. The Forum discussed the exact verb that would describe

the recommended action, with a Worker participant from Switzerland (IndustriALL Global Union) supporting the original “adapt” to refer to the work the Office was already doing. The Employers’ group coordinator countered that FPRW were cross-sectoral, to which the Workers proposed drafting the subparagraph as follows: “Conduct training on FPRW specific to the needs in the electronics industry”. The representative of the Government of China proposed changing the subparagraph into: “promote policy coordination and conduct demonstrative/model training”. The Forum did not adopt this proposal, which suggested that the ILO coordinate policies at a global level and conduct model training to set examples for other countries, understanding that it did not fit the purpose of this subparagraph or of the Forum. This text referred to already existing training and not to other training that may or may not be needed. The representative of the government of Egypt agreed with removing the part referring to policy coherence, and suggested to include “conduct tailored model training”. The Chairperson summarized this into the following: “develop tailored training on FPRW”. The Worker participant from the IndustriALL Global Union agreed and added to this sentence proposed: “...specific to the needs in the electronics industry”. The text was adopted as amended.

105. The Forum adopted the proposed subparagraph 16(c) with an amendment proposed by the representative of the Government of the Islamic Republic of Iran to add the following at the end of the sentence: “help the constituents to promote the capacity of gathering quality information in this regard (; and)”.
106. The Forum adopted proposed subparagraph 16(d) with one amendment proposed by a Worker participant from Switzerland (IndustriALL Global Union), to add “and other forms of” before the word “employment”. Asked by the representative of the IOE about the expected outcome of this amendment, a Worker participant from Switzerland (IndustriALL Global Union) stated that it should lead to a better understanding of purchasing practices and the relationship with different forms of employment.
107. The representative of the Government of Cameroon proposed holding regional forums regarding the issues related to consumer countries, at least in Africa, because they were not addressed by the Forum. Upon inquiry by the Employers’ group coordinator on whether the issue was about the impacts on consumers or about the impacts of purchasing practices on the companies and employment, he stressed that there was a domino effect between production and consumption. Many ILO member States were consumer countries, and he asked what would happen if enterprises produced goods, but would not be able to sell them. A Worker participant from Switzerland (IndustriALL Global Union) expressed difficulties understanding how this was related to this Forum and suggested to raise the issue in another ILO forum, and the representative of the IOE explained that there was a separate procedure to request sectoral meetings.
108. To address the previous discussion, the representative of the Government of the Republic of Korea requested a clarification on whether the correct wording was “procurement” or “purchasing”. After some discussion the wording “purchasing” was retained.
109. The Forum adopted the proposed subparagraph 17(a) with an amendment, proposed by the Employers’ group coordinator, to add the words “and policies” after the word “legislation”.
110. The Forum adopted the proposed subparagraph 17(b) with three amendments. First, the Government group coordinator proposed to replace the word “companies” with “social partners”. Second, the Workers’ group coordinator proposed to add the phrase “and respect FPRW” at the end. Third, the Forum deleted the word “national”, after the representative of the Government of China suggested adding “and regional” after “national”. The Workers’ group coordinator suggested to delete “national” so the term could cover all levels of legislation. The latter proposal was adopted.

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- 111.** The Forum adopted the proposed subparagraph 17(c) with one amendment, proposed by the Government group coordinator, to replace “invest” with the words “encourage public and private investments”.
- 112.** The Forum adopted the proposed subparagraph 17(d) with three amendments. The first and second amendments were proposed by the Workers’ group coordinator, to delete the words “agency and” and to add, at the end of the sentence, “and other forms of employment”. The third amendment was proposed by the representative of the Government of the Islamic Republic of Iran, who suggested adding the words “and reliable” after “relevant”.
- 113.** The Forum adopted a new subparagraph 17(e) proposed by the Workers’ group coordinator, which would read: “Improve social protection for workers affected by fluctuating demands.” The Forum also adopted a subamendment proposed by the Employers’ group coordinator, to add at the end of the sentence the words “where needed”.
- 114.** The Forum adopted a new subparagraph 17(f) proposed by the Workers’ group coordinator, which would read: “Enforce legislation through sanctions and provide corrective, developmental and technical advice and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.”
- 115.** The Forum adopted the proposed subparagraph 18(a) with two amendments proposed by the Employers’ group coordinator, replacing the words “equality of” with “equitable”, and deleting the words between “workers” and “regardless”, as the focus of the paragraph was to achieve equitable treatment in a wide number of areas.
- 116.** The Forum adopted the proposed subparagraph 18(b) without amendments.
- 117.** The Forum adopted the proposed subparagraph 18(c) with two amendments, after the Employers’ group coordinator expressed the group’s initial intent to delete it but instead suggested to replace the phrase “develop mechanisms to involve brands in fostering sustainable enterprises in the electronics industry” with a language that the Workers’ group could propose. A Worker participant from Switzerland (IndustriALL Global Union), in response, proposed to replace the phrase “regulating or finding alternatives to temporary work” with “jointly explore options in addition to temporary employment or other forms of employment to address fluctuating demand”, while suggesting that the text deleted from the draft paragraph be addressed later. The second amendment, proposed by the representative of the Government of the Republic of Korea, replaced the word “address” with “respond”. Both amendments were adopted.
- 118.** The Forum did not adopt a proposal by a Worker participant from Switzerland (IndustriALL Global Union) to add a subparagraph 18(d), which would read: “engage in social dialogue on how to deal with fluctuation in demand at workplace level”. The Employers’ group coordinator could not accept the new subparagraph. The representative of the IOE explained that Employers considered that social dialogue referred to the industrial relations between workers and management within the company, but management needed to choose freely how to deal with fluctuation in demand at the workplace, leaving no space for social dialogue at that level. A Worker participant from Switzerland (IndustriALL Global Union) found it hard to understand the Employers’ view since a multitude of collective agreements had been signed in production areas where fluctuating demand was typical. The representative of the IOE underlined that social dialogue on that topic was a condition to be evaluated at the enterprise level and the group welcomed it, but would not make them mandatory at the workplace. He also rejected the Workers’ proposal to change the word “engage” with “encourage” and another by the Government group coordinator to add “where applicable” at the end of the sentence, saying the term “encourage” lacked clarity. He reiterated that this was a decision to be

taken at a certain point in time, and that they could neither recommend nor make that practice mandatory to the world.

119. Turning once again to the proposed 13th paragraph, the Forum agreed to remove the phrase “by the governments” as proposed by the Secretary-General, to place the text in line with the United Nations Guiding Principles for Business and Human Rights. The following text was adopted: “The respect for FPRW, as well as for the UN Guiding Principles for Business and Human Rights, should be ensured throughout the supply chains in the electronics industry. Corporate social responsibility measures can also play an important role in promoting decent work.”

120. Turning once again to the proposed fourth and fifth paragraphs, the Forum adopted them with several amendments. First, the paragraphs were moved to the section on measures to promote decent work and contribute to a more sustainable industry. After a lengthy discussion, the paragraph was adopted as:

“If temporary or other forms of employment present challenges, alternative options should be explored, including:

- (a) annualized hours schemes, under which workers might work more hours during certain periods and be compensated by reduced hours and time off during other periods;
- (b) multiskilling: workers are trained in multiple disciplines that allow them to perform a larger variety of tasks, thus allowing production to take place with a smaller workforce without creating production bottlenecks.

Other options may be identified through social dialogue to address these issues.”

121. Turning once again to the proposed eighth and ninth paragraphs, the Forum adopted a single, combined paragraph with an alternative phrasing, plus a new language to replace the proposed ninth paragraph. Initially, however, they disagreed.

122. The Chairperson invited the parties to reach an agreement, and the Employers’ group coordinator stated that there needed to be some wording which expressed that there were situations in which temporary and other forms of employment had social benefits. He argued that the wording proposed by the Workers in the previous discussion would be open to too much interpretation, and that all employment relationships needed to be voluntary. After a lengthy discussion over temporary employment, when could it be considered voluntary and when justified. A Worker participant from Switzerland (IndustriALL Global Union) proposed deleting the paragraphs 6–9.

123. The Secretary-General of the Forum said that the option to go back to the original wording proposed by the Office was available, which the Employers’ group coordinator accepted if small amendments were made. A Worker participant from Switzerland (IndustriALL Global Union) acknowledged that temporary employment could be positive but said it was negative most of the time. The Employers’ group coordinator stated that he just wanted the wording to say that there were some benefits of temporary work.

124. After a lengthy discussion, agreement was reached on a revised proposed eighth paragraph, which would include wording from the proposed ninth paragraph as follows: “A number of challenges are often encountered by workers under temporary contracts. These include a lack of employment security and protection of work–life balance, less favourable working conditions and difficulties for them to exercise their rights at work. Among temporary workers, those more vulnerable include migrant workers, women workers and young workers.” A new drafting that would replace the proposed ninth paragraph was agreed to

read as follows: “Temporary and other forms of work, in certain situations, can provide flexibility for workers and an open opportunity for entrants to find employment and for workers to build up their skills.” The Forum adopted these two paragraphs with this wording.

- 125.** The Forum did not adopt a new subparagraph 18(e) proposed by a Worker participant from Switzerland (IndustriALL Global Union) which contained language identical to the conclusions of the Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Sector. The text would have read as follows: “promote social dialogue and identify and develop mechanisms to involve buyers in improving working conditions, productivity and competitiveness”. She also proposed inserting after paragraph 13 a new paragraph which would read: “Production in the electronics sector is truly globalized and therefore social dialogue can profit from participation of international actors, such as buyers.” The representative of the IOE stated that the text of a previous Global Dialogue Forum was not binding for subsequent meetings, and the Employers’ group coordinator rejected the proposed amendments. A Worker participant from Switzerland (IndustriALL Global Union) stated that the Workers would continue to work with buyers on supply chain issues in the electronics industry but would also like it to be acknowledged in the Forum. The representative of the Government of the Republic of Korea questioned why language agreed in other ILO forums, such as the global dialogue forum for the textiles industry, could not be agreed for the electronics sector. The Employers’ group coordinator responded that his organization, the EICC, looked forward to working with the unions, on a voluntary basis, to find strategies to engage buyers in the entire supply chain to resolve issues concerning temporary employment; but that the concept of buyers should not be included in this document.
- 126.** The Forum adopted the points of consensus as amended.
- 127.** The Employers’, Workers’ and Government group coordinators, the Secretary-General and Chairperson of the Forum all expressed their satisfaction with the adoption of the points of consensus and praised the impressive level of cooperation achieved throughout the meeting.

Points of consensus ¹

Measures taken by enterprises to adapt to fluctuating demands

- 128. Short product cycles and fast-changing, sometimes seasonal, consumer demands, are a reality for parts of the electronics industry.
- 129. Companies can adopt a number of options to respond to fluctuating demands. Such options include better buyer-supplier coordination to avoid particularly high peaks in demand, the use of temporary and other forms of employment, as well as improved forecasting mechanisms to anticipate demands.

Effects of a high incidence of temporary and other forms of employment on enterprises

- 130. The effects of temporary and other forms of employment on enterprises can present both benefits and risks. As one measure to address fluctuation, temporary and other forms of work arrangements are often a necessity for companies.
- 131. Benefits may include the ability to right-size workforce to demand, bring new workers with new skills into the enterprise and stay competitive – creating and retaining jobs.
- 132. Risks brought by changes in a company's workforce may include: decreased productivity; possible divulcation of trade secrets and resulting threats to a company's intellectual property; as well as high costs for hiring and training of temporary workers.

Effects of a high incidence of temporary and other forms of employment on workers

- 133. A number of challenges are often encountered by workers under temporary contracts. These include a lack of employment security and protection of a work-life balance, less favourable working conditions and difficulties for them to exercise their rights at work. Among temporary workers, those more vulnerable include migrant workers, women workers and young workers.
- 134. Temporary and other forms of employment, in certain situations, provide flexibility for workers and an opportunity for entrants to find employment and for workers to build up their skills.

¹ These points of consensus were adopted by the Global Dialogue Forum on 11 December 2014. In accordance with established procedures, they will be submitted to the Governing Body of the ILO for its consideration.

Measures to promote decent work and contribute to a more sustainable industry

135. Measures aimed at adapting the electronics industry to fluctuations in demand should strive to balance industry concerns for sustainability and the needs of workers. Social dialogue, which includes collective bargaining, is paramount to promoting decent work and to develop and implement sustainable measures supported by employers as well as workers.
136. These measures should include social protection, occupational safety and health (OSH), cross- and retraining; and they should ensure non-discrimination.
137. If temporary or other forms of employment present challenges, alternative options should be explored, including:
- (a) annualized hours schemes, under which workers might work more hours during certain periods and be compensated by reduced hours and time off during other periods;
 - (b) multiskilling: workers are trained in multiple disciplines that allow them to perform a larger variety of tasks, thus allowing production to take place with a smaller workforce without creating production bottlenecks.

Other options may be identified through social dialogue to address these issues.

138. Long-lasting employment relationships are to be promoted, where possible, and all employment arrangements should be voluntary. All workers, including temporary workers, should have full access to fundamental principles and rights at work (FPRW). Sharing of available information on market developments and demand forecasts with workers and their representatives is particularly helpful for dealing with temporary and other forms of employment.
139. The respect for FPRW, as well as for the UN Guiding Principles for Business and Human Rights, should be ensured throughout the supply chains in the electronics industry. Corporate social responsibility measures can also play an important role in promoting decent work.
140. Labour inspection is central to workplace compliance. Governments should not only enforce legislation through sanctions, they should also provide corrective, developmental and technical advice and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.
141. Governments have an important role in creating an enabling environment for sustainable enterprises. Governments could encourage competitiveness and productive employment in the industry by helping companies to prioritize research and development and by the establishment of dual training systems and links between educational and training institutions and enterprises.

Recommendations for future action by the International Labour Organization and its Members

In view of the discussion at the Global Dialogue Forum on the Adaptability of Companies to Deal with Fluctuating Demands and the Incidence of Temporary and Other Forms of Employment in Electronics the following future action was recommended.

142. The Office should:

- (a) promote ratification and effective implementation of relevant international labour standards, including the Part-Time Work Convention, 1994 (No. 175), and the Private Employment Agencies Convention, 1997 (No. 181), as well as those Conventions related to FPRW; and promote the Employment Relationship Recommendation, 2006 (No. 198);
- (b) develop tailored training on FPRW specific to the needs in the electronics industry;
- (c) compile and disseminate case studies and good practices on fair measures to adapt to fluctuations in demand jointly developed by workers and employers; develop their capacity to implement such measures at all levels; help the constituents to promote the capacity of gathering quality information in this regard; and
- (d) conduct research on the impact of purchasing practices in the electronics sector on labour rights and temporary and other forms of employment.

143. Governments should:

- (a) engage social partners in improving labour legislation and policies to better meet the needs of companies and workers in the sector;
- (b) build the capacity of social partners to better understand and comply with legislation and respect FPRW;
- (c) encourage public and private investments in education, training and skills development to promote decent work and productive employment;
- (d) share relevant and reliable labour market information with employer and worker organizations on issues such as the use of temporary and other forms of employment;
- (e) improve social protection for workers affected by fluctuating demands, where needed; and
- (f) enforce legislation through sanctions and provide corrective, developmental and technical advice, and create incentives for outstanding efforts, for example, through mechanisms fostering tripartite collaboration.

144. Employer and worker organizations in the electronics industry should:

- (a) promote equitable treatment for all workers, regardless of their employment status;
- (b) raise awareness and build capacity on FPRW and promote respect of these principles and rights throughout the supply chains;
- (c) jointly explore options in addition to temporary or other forms of employment to respond to fluctuating demands; and
- (d) promote long-lasting employment relationships, where possible.

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