

**Tripartite Meeting on the Production of Electronic  
Components for the IT Industries: Changing Labour  
Force Requirements in a Global Economy**

Geneva  
16-18 April 2007

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## **Conclusions on the production of electronic components for the IT industries: Changing labour force requirements in a global economy**

The Tripartite Meeting on the Production of Electronic Components for the IT Industries: Changing Labour Force Requirements in a Global Economy,

Having met in Geneva from 16 to 18 April 2007.

Adopts this eighteenth day of April 2007 the following conclusions:

- 1.** The IT sector has been among the most dynamic and innovative in the globalized economy, creating millions of jobs and wealth worldwide. The rapid change experienced in the sector due to globalization, technological and product innovation, productivity gains, price fluctuations, evolution in supply chains and skill requirements influence global growth, competitiveness, investment decisions and regulatory mechanisms, employment and conditions of work in and around IT industries.
- 2.** The effect of change has been mixed for firms and workers, but the present background report and Meeting organized by the ILO offers opportunities to articulate solutions to problems identified by the tripartite constituents at various levels – international, national, and enterprise – through social dialogue.
- 3.** Among issues to be carefully considered in addressing challenges for a healthy and dynamic sector capable of maintaining a high growth profile are the extent to which workers' voices are heard in the decision-making process on change and the content and implementation of voluntary employer initiatives on industrial sustainability, codes of conduct and corporate social responsibility (CSR), taking into account that management has the final responsibility to develop and sustain the enterprise.
- 4.** Stakeholder engagement should reflect the reality of the industry, including and as appropriate to the issue, a wide range of IT industry stakeholders and their interests – large,

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medium and small enterprises, their shareholders, workers' representatives,<sup>1</sup> customers and suppliers and, as appropriate, NGOs.

## **Recent developments and social dialogue**

5. The tripartite constituents re-emphasize the importance of and their commitment to social dialogue as defined by the ILO.<sup>2</sup> Social dialogue exists in a climate where the core principles of freedom of association and collective bargaining as set out in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up, 1998 are fully respected. The core aspect of social dialogue, especially on terms and conditions of employment, rests on negotiation between employers' and workers' representatives.
6. Timeliness, industrial competitiveness, sustainable and continued employment and employability, and timing should be considered, among other issues, in the social dialogue process. The social partners are encouraged to share best practices and lessons learned to strengthen social dialogue.
7. Capacity building for meaningful social dialogue is crucial. Governments, employers' and workers' organizations and the Office all have a role to play in building capacity among their constituents and through tripartite or bipartite mechanisms.
8. Governments have particular roles to play in the social dialogue process, notably to help establish legal and/or institutional frameworks for social dialogue, act as moderator and/or guarantor of agreements concluded between the social partners and assist in provision of compensatory training and welfare adjustments for enterprises and workers affected by change.

## **Adherence to recognized standards throughout supply chains**

9. Long-term relationships between customers and suppliers are challenging in a fast-paced and highly competitive IT industry. In order to embark on long-term relationships, it is paramount that suppliers can rely on a productive and motivated workforce. Therefore, companies are interested in retaining such a workforce and benefiting from the resulting improvements to competitiveness, as are workers who strive to benefit from long-term employment relationships and good working conditions.

<sup>1</sup> Throughout this text when the term "workers' representatives" is used, it refers to Article 3 of the Workers' Representatives Convention, 1971 (No. 135), which reads as follows: "For the purpose of this Convention the term 'workers' representatives' means persons who are recognized as such under national law or practice, whether they are: (a) trade union representatives, namely, representatives designated or elected by trade unions or by the members of such unions; or (b) elected representatives, namely, representatives who are freely elected by the workers of the undertaking in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned."

<sup>2</sup> The ILO broadly defines social dialogue to include all forms of information exchange, consultation, negotiation and collective bargaining between representatives of governments, employers and workers, and between the social partners themselves, on all issues of common interest.

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10. The Meeting considers that due to the global nature of the industry, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy<sup>3</sup> and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up, 1998 and the instruments that underpin them are particularly relevant for the sector. Respect for these instruments can help create an environment that will foster the Decent Work Agenda in conjunction with the ILO programme to provide companies with expert advice on the realization of international standards. Governments have a specific role to play in translating ratified international instruments into national law. National laws are the legal basis for working conditions as well as regulations and collective bargaining agreements, where applicable. Without prejudice to the obligation of governments to ensure compliance with Conventions they have ratified, in countries in which the fundamental ILO core Conventions are not complied with, all parties should refer to them for guidance in their social policy.
  11. In addition, the Meeting recognizes the importance of occupational safety and health standards and the need for them to be implemented to mitigate risks and create safe workplaces, throughout the sector.
  12. The enforcement of the law is the exclusive responsibility of the government. However, due to the globalized nature of the industry, in connection with the fact that legal systems differ in the degree they offer protection for workers' rights, CSR voluntary activities (such as the Global e-Sustainability Initiative and the Electronic Industry Code of Conduct) as well as International Framework Agreements are examples of positive collaboration. These initiatives promote adherence to laws and regulations using contractual agreements, assessments, auditing, corrective action (which could include the termination of contracts as a last resort) and reporting mechanisms, as well as training and education. Although different points of view exist on how and to what extent workers and their representatives are currently involved in these activities, the Meeting agrees that their involvement is of primary importance.
  13. The Meeting also notes the efforts made to involve stakeholders and suggests that these could be continued and expanded.
  14. The Meeting notes as a very positive development current voluntary efforts being made towards transparency of supply chains.

### **Lifelong learning to remain competitive**

15. As a guiding principle, the Meeting recognized the ILO Human Resources Development Recommendation, 2004 (No. 195) that calls on governments, employers and workers to

<sup>3</sup> In particular, paragraph 20 of the Declaration is relevant. It reads: "To promote employment in developing countries, in the context of an expanding world economy, multinational enterprises, wherever practicable, should give consideration to the conclusion of contracts with national enterprises for the manufacture of parts and equipment, to the use of local raw materials and to the progressive promotion of the local processing of raw materials. Such arrangements should not be used by multinational enterprises to avoid the responsibilities embodied in the principles of this Declaration."

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renew their commitment to lifelong learning.<sup>4</sup> The Meeting also recognized that long-term employment can facilitate lifelong learning.

16. Lifelong learning is a shared responsibility and each of the tripartite constituents has a different and important role to play. It should be seen as an investment, it needs to be attractive, accessible, incentives are essential and the acquired skills need to be certified. If implemented on time, it can increase employee adaptability and avoid retrenchment through redeployment, helping to maintain the competitiveness of the industry.
17. The Meeting recognized that remaining competitive in such a rapidly changing industry was a challenging task and that it is more important to train for long-term competencies than specific skills. Skills development policies and curricula and training programmes need to be developed. The Meeting encouraged the participants to develop better comprehension, and promote partnership and to open novel avenues of cooperation.
18. Lifelong learning is also fundamental to continuously update training to deal with occupational safety and health risks and nurture a preventative safety culture.

### **Priority areas for ILO action**

19. The ILO should continue to expand its efforts in the framework of Decent Work Country Programmes to improve working conditions in the sector by making use of social dialogue and fostering respect of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up, 1998.
20. The ILO should further investigate industry-specific occupational safety and health risks and continue to promote occupational health and safety standards relevant to the IT sector.
21. The Office should continue to provide technical assistance to member States in regard to labour inspection, so that they can improve effectiveness and efficiency and make use of specific labour inspection training tools or other ILO guidance relevant to the sector.
22. The ILO should identify and promote best practices on improving working conditions, occupational safety and health as well as lifelong learning. It should encourage enterprises to share information on these issues with each other as well as with their suppliers and contractors.

<sup>4</sup> Paragraph 6 of Recommendation No. 195 was particularly relevant. “(1) Members should establish, maintain and improve a coordinated education and training system within the concept of lifelong learning, taking into account the primary responsibility of government for education and pre-employment training and for training the unemployed, as well as recognizing the role of the social partners in further training, in particular the vital role of employers in providing work experience opportunities. (2) Education and pre-employment training include compulsory basic education incorporating basic knowledge, literacy and numeracy skills and the appropriate use of information and communication technology.”