



Personal Contribution to the Helsinki Process

Jobs and Decent Work at the Heart of the Helsinki Process

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“The best anti-poverty program is employment and the best road to economic empowerment and social well-being lies in decent work”. UN Secretary General, Kofi Annan, September 2004.

The acceleration of international offshoring¹ and the relocation of industrial and service sector activities have heightened the sense of job insecurity amongst many groups of workers. Offshoring is only one factor amongst many in explaining the lack of job growth or job losses in some industrialised countries. Lack of reliable data also makes serious analysis difficult. But the threat by some employers of relocating activities to other countries, together with hype by many commentators about the scale of changes taking place, is creating a breakdown of confidence in the long-term relationship between companies and their employees. This is not just a “North-South” issue – trade unions in Malaysia, Indonesia, Philippines and elsewhere have all reported the increased pressure on labour standards through many companies threatening to relocate their production in China. The risk is that globalisation is seen as a threat to decent work, not as an opportunity to raise living standards.

The response must not be for national borders to be closed permanently to flows of physical capital or goods. But neither can we accept passively the working of economists’ “relative price effect” in terms of labour, leading to a “race to the bottom” in employment standards.

There is a need for a “whole of government” policy response in the industrialised countries to the employment consequences of offshoring that also encompasses international institutions. Governments must guarantee core workers’ rights on a global basis. A specific focus is needed on stopping the proliferation of labour rights abuses in export processing zones and supply chains. OECD governments must encourage dialogue and negotiations between trade unions and businesses, supported by targeted regional and industrial policies along with active labour market policies to help those communities whose jobs may be affected by change. The OECD Guidelines for Multinational Enterprises should be observed as a benchmark for good practice in managing change. Trade unions and forward-looking employers are negotiating these issues both at the national and international level through the sectoral Global Union Federations leading to the conclusion of global framework agreements. The focus of such agreements must be to achieve early negotiations to maintain sustainable employment, avoid compulsory lay-offs, and promote internal firm-level redeployment and up-skilling, whilst at the same time ensuring both that workers rights are respected and developed everywhere and that companies recognise and negotiate with trade unions in their different locations. Governments have a role to support the outcome of negotiations and to ensure that advance notice is given of change. Sufficient time must be allowed for the socially acceptable management of change. It is also important to promote socially inclusive flanking policies at the national level, with an active role for the social partners. When trade measures are used to allow time for adjustment they should be within the framework of the WTO Agreement on Safeguards.

¹ Offshoring is defined as the transfer, through foreign direct investment or sub-contracting, of all or part of the production of goods and services to another country with the intention to re-import them to the home country.

The Helsinki Process should provide the facilities to put in place partnerships to achieve change in this area.

Three proposed priorities for the “employment dimension” of the Helsinki Process follow up would be to help establish partnerships for action in the following areas:

- An initiative involving governments, trade unions, business and civil society, to promote the realization of decent work for all by extending labour and social protection to those needing it. The purpose would be to improve the application of the most relevant labour standards for workers performing work on an informal basis;
- A dialogue between trade unions and business to consider the obligations of enterprises with regard to the labour practices (including those defined by the OECD Guidelines on Multinational Enterprises) of other enterprises (customers, suppliers and supply chains, temporary work agencies, etc);
- An initiative between various parties (unions, business, local authorities, central government) to identify effective and socially responsible adjustment policies (this could take the form of a policy coherence initiative as called for by the ILO World Commission).