

**Tripartite Meeting on Promoting Social Dialogue on
Restructuring and its Effects on Employment in the
Chemical and Pharmaceutical Industries**

Geneva
24–27 October 2011

**Conclusions on the Tripartite Meeting on
Promoting Social Dialogue on Restructuring
and its Effects on Employment in the Chemical
and Pharmaceutical Industries**

The Tripartite Meeting on Promoting Social Dialogue on Restructuring and its Effects on Employment in the Chemical and Pharmaceutical Industries,

Having met in Geneva from 24 to 27 October 2011,

Adopts this twenty-seventh day of October 2011 the following conclusions:

General considerations

1. Social dialogue between worker representatives¹ and employers is a valuable means to manage the process of restructuring in the chemical and pharmaceutical industries, thereby contributing to equitable outcomes for all concerned parties whether at global, regional, national or the enterprise levels. Such dialogue should take place at the earliest possible stage in conformity with national law and practice, where relevant. Governments can play a supportive role for social dialogue by providing the enabling legal and regulatory environments and mechanisms in accordance with the ILO fundamental principles and rights at work, which enable the social partners to engage in effective dialogue.

¹ 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 for 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.

The employment effects of restructuring in the chemical and pharmaceutical industries

2. The chemical and pharmaceutical industries are facing both challenges and opportunities related to restructuring. Global imbalances in labour demand and labour supply present further difficulties. In some countries, technological innovations have led to a drop in employment, while demographic change, especially ageing populations, and rising labour migration have resulted in a drop in labour supply. There is, in addition, a growing mismatch in sectoral skills requirements and skills supply across countries, with some countries having made more significant investment in education and skills training than others. Restructuring in the chemical and pharmaceutical sectors should not affect the principles and rights at work as defined by the 1998 ILO Declaration.² Furthermore, the chemical and pharmaceutical industries are anticipated to undergo further changes on their way to increasing their contribution to sustainable development. In order to enable the industries to prepare for those changes social dialogue is an important means.

The implementation of the Global Jobs Pact

3. The ILO tripartite constituents believe the Global Jobs Pact, unanimously adopted by the International Labour Conference in 2009, provides a positive social dialogue-based framework for the design and implementation of local, national, or regional measures to assist the chemical and pharmaceutical industries in member States to recover from the global economic and financial crises and it should be promoted and taken into consideration in restructuring processes. Towards this end, the employers and workers should focus on decent work,³ reinforcing competitiveness and employability of workers. Such efforts should, in addition, address occupational safety and health issues.

Skills, qualifications, vocational training and education conducive to sustainable development of the chemical and pharmaceutical industries

4. Shortages of workers with the scientific, technical and production skills required by the chemical and pharmaceutical industries represent a major challenge which demands greater and ongoing investment in education and vocational training to ensure future sustainability.
5. Governments and the social partners have a shared responsibility in ensuring the availability of resources and the design and implementation of programmes to upgrade workers' skills and qualifications to support the continued viability of the industries. Social dialogue, taking into account national law and practice identified in different countries, should play a pivotal role in identifying and fostering education and vocational training

² ILO Declaration on Fundamental Principles and Rights at Work.

³ Decent work is a broad concept, enshrined in the *ILO Declaration on Social Justice for a Fair Globalization*. It was enunciated by the Director-General in 1999 as “opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity”. The Decent Work Agenda encompasses four strategic objectives, with gender equality as a cross-cutting objective: creating jobs, guaranteeing rights at work, extending social protection and promoting social dialogue. The four strategic objectives are inseparable, interrelated and mutually supportive. The failure to promote any one of them would harm progress towards the others.

outcomes that best balance the interests of the industries, their workers and society as a whole.

Attracting young and women workers into the chemical and pharmaceutical industries

6. In order to promote decent work, sustain competitiveness and contribute to the performance and image of the chemical and pharmaceutical industries, the social partners and governments should continue to work on areas such as work–life balance, gender equality, and health and safety. In addition, governments and social partners should work together to provide quality education, lifelong learning and vocational training, thus providing better career development opportunities, which could enhance the attractiveness of the industries to women, along with men. Such action also improves the attractiveness of the industries for young workers.

Challenges and opportunities of contract and agency labour in the chemical and pharmaceutical industries

7. Where the use of contract and agency labour becomes necessary, chemical and pharmaceutical firms should at all times ensure that national occupational safety and health laws, regulations and good practice are applied to this category of workers in accordance with the ILO's fundamental principles and rights at work and relevant international labour standards. Contract and agency workers should enjoy the same fundamental rights at work as the firm's directly recruited workers.

Social dialogue to promote an atmosphere conducive to better industrial relations during restructuring in the chemical and pharmaceutical industries

8. Social dialogue plays an essential role in making restructuring processes successful in the chemical and pharmaceutical industries. To be effective in this respect, such dialogue should:
 - be timely, meaning at the earliest possible stage;
 - be based on a relationship of mutual respect in the context of good industrial relations between employers and workers as well as their respective organizations and be carried out in a spirit of cooperation and good faith;
 - consider and address the possible restructuring scenarios and their respective implications for management and the workforce;
 - be based on a full and meaningful exchange of views;
 - be based on all relevant information shared at the earliest possible stage by management with workers and their representatives; and
 - involve employers' and workers' representatives and, where appropriate, the relevant government entities.
9. Good social dialogue practice in the context of restructuring also requires that the agenda and content of the process be clearly defined in consultation between employers, workers and their representatives. Dialogue, to be effective, must be in accordance with the national

law and practice and the relevant ILO principles and standards. Good social dialogue practices which exist in some countries provide valuable models that could be documented and disseminated for the information of sectoral social partners in other countries.

10. Among other aims, restructuring-related social dialogue should seek to expand employment opportunities with decent work conditions and worker employability through greater investments in education, vocational training and lifelong learning for all workers, while at the same time seeking to increase the competitiveness of companies in the industries.
11. The Meeting noted and welcomed a bilateral agreement entitled “Starting Global Social Dialogue in the Chemical Industry (Geneva Declaration)”, adopted in Geneva on 26 May 2011 between the International Chemical Employers’ Labour Relations Committee (LRC) and the International Federation of Chemical, Energy, Mine and General Workers’ Unions (ICEM). The Geneva Declaration is not binding to Governments.

Improving the sustainability of small and medium-sized enterprises, and helping to promote decent work in the chemical and pharmaceutical industries through social dialogue

12. Decent work, as defined by the ILO, is as relevant to small and medium-sized enterprises (SMEs) as it is to any other company in the chemical and pharmaceutical industries. Social dialogue should be undertaken at appropriate levels and in all sizes of enterprise including SMEs, with a view to achieving this goal in the two industries.

ILO’s future activities

13. Taking into account the Governing Body’s decisions at its 310th Session in March 2011⁴ on activities with respect to the chemical and pharmaceutical industries for 2012–13, the following future ILO activities are recommended:
 - In collaboration with governments and employers’ and workers’ organizations, the ILO should undertake activities and programmes to promote, in the chemical and pharmaceutical industries, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up; the ILO Declaration on Social Justice for a Fair Globalization; the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; and the ILO’s Global Jobs Pact.

⁴ ILO actions approved by the Governing Body at its 310th Session in March 2011 (GB.310/STM/1, paras 25–26).

Global Dialogue Forum on initiatives to promote decent and productive work in the chemical industry

A Global Dialogue Forum is proposed to discuss initiatives to promote decent and productive work in the chemical industry. This Forum would examine initiatives to promote social dialogue for improving the performance of the chemical and pharmaceutical industries, in particular of small and medium-sized enterprises.

Taking on board the ILO’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the discussion may assess how corporate social responsibility initiatives and relations with the emerging voluntary initiatives could be promoted at global and national levels in the chemical and pharmaceutical industries.

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- Where appropriate and in consultations with the social partners and governments, the ILO should take follow-up actions and provide in-depth studies on examining the impacts of restructuring and corporate structural change in the chemical and pharmaceutical industries, including the use of contract and agency labour as well as the employment of women and young workers.
 - The ILO should enhance the capacity of the social partners in the industries, and develop and implement relevant joint ideas and tailor-made systems of social dialogue at all levels, on the basis of the principles, Conventions and other instruments of the ILO, enabling social partners to work together constructively and to keep their operations competitive. These activities could be connected to support global level sectoral social dialogue initiatives.
 - The ILO should ensure that appropriate follow-up activities and programmes take place. In this context, promotion of ratification and implementation of relevant ILO occupational safety and health (OSH) Conventions and other instruments and the dissemination and exchange of best practices and experiences learned from OSH should be a priority.