

Participation VSB in **ILC2022**

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Introduction

From 27 May to 11 June, Governments', Workers' and Employers' representatives from 187 ILO Member States discussed world of work issues at the International Labor Conference (ILC). This year, occupational safety and health, apprenticeships, as well as the social and solidarity economy were among the items on the agenda of the Conference.

The International Labor Conference (ILC) of the International Labor Organization (ILO) started this week with almost 5,000 governments, employers and workers' representatives registered to take part in hybrid discussions. Almost 3,000 of them are in Geneva.

A Surinamese tripartite delegation participated in this ILC. The Vereniging Surinaams Bedrijfsleven (VSB) was represented by our Deputy Director Mr. Kamlesh Ganesh. The delegation also consisted of Mr. Glenn Piroe, on behalf of the Ministry of Labor and Mr. Heinrich Rozen, on behalf of the trade unions. Mr. Ganesh participated and contributed mainly in the General Discussion Committee: Decent work and the social and solidarity economy (SSE). He was nominated by the International Organization of Employers, and then selected by the General Discussion Committee to contribute in the drafting group of the conclusions on behalf of the Employers group. In this regard he actively contributed to the employers group in preparing discussion points, formulating proposals and amendments to the conclusions of all the discussions that have been held in this Committee.

► Membres employeurs - Employers' members - Miembros empleadores

Mr COOVADIA (Afrique du Sud)

S: Mrs MOABALOBELLO

Mr GANESH (Suriname)

Mrs JANAHI (Bahreïn)

S: Mr ALAYNATI

Mme MBONO (Cameroun)

Sr. FUNES DE RIOJA (Argentine)

S: Sra. SCARIMBOLO
S: Sr. CORDERO

Ms HERZOG (États-Unis d'Amérique)

S: Ms FERGUSON

Mr KYRIAZIS (Grèce)

S: Mr IOANNOU
S: Ms DASKALAKI

Sra. PINTO LOMEÑA (Espagne)

S: Sra. LEHHIT

Figure: Members of the Drafting Committee SSE

The ILC is a defining moment for tripartism & global leadership in a multilateral system, with an opportunity to reshape the economic & social landscape for decades to come. More than 3,000 governments, workers, and employers' representatives from the ILO's 187 Member States joined in Geneva and virtually.

110th ILC General Discussion on Social and Solidarity Economy (SSE)

In March 2021, at its 341st Session, the Governing Body decided to place on the agenda of the 110th Session (2022) of the International Labor Conference (ILC) an item related to decent work and the social and solidarity economy (SSE), for a general discussion.

The Office has prepared a Report to inform this general discussion. The target audience for the Report includes the ILO constituents, namely delegates from governments, workers' and employers' organizations who deliberated on the suggested points of discussion presented at the end of the paper. The resolution and the conclusions that emerged from the committee are expected to inform an office-wide plan of action. The Office Report has developed a proposed definition of the SSE based on the available SSE legislation.

The work of the office is based on the analysis of 23 selected legal acts. This list is not to be considered exhaustive.

Type of legislation: The majority of the legal text are national laws, while the remaining two are decrees (Belgium and Honduras).

Level of legislation: The vast majority (17 out of 23) are laws applicable at national level, while the remaining six are sub-national laws (Italy, Belgium, Canada, Brazil and Argentina).

Regional coverage: Five African countries, nine European countries and nine countries from the Americas have adopted legal texts on the SSE. While there are laws on organizational forms that fall under the SSE, no adopted framework laws on the SSE have been recorded to date in the Asia and Pacific or the Arab States regions.

Specific definition of the SSE: All the legal texts reviewed provided a definition of the SSE. In the case of Luxembourg, the definition is based on principles that should be observed by the SSE units. Some of the legal texts, however, use different terminology: "social enterprise" in the case of Slovakia and Romania, "Madre Tierra" in Bolivia (which goes beyond the SSE framework), or "popular economy" in Brazil.

Values of the SSE: Values of the SSE were explicitly mentioned in specific sections of four Latin American legal texts (Bolivia, Colombia, Honduras and Mexico). The remaining legal texts mention values in the definitions of the SSE and refer to them throughout the text.

Principles of the SSE: Principles are referenced in all the legal texts examined, except for the Slovakian law, which addresses the topic in a more operational way. The Slovakian legislation contains detailed provisions governing the establishment of social economy players, such as registration, subsidies and registry, and incorporates the SSE principles in the definition of Slovakian social enterprises.

Organizational forms that constitute part of the SSE: Most of the legislative texts mention organizational forms that are included in the SSE. In contrast, the Luxembourg legislation does not refer to organizational forms, instead establishing conditions that need to be met by the SSE units.

Policy measures: Some of the legal texts include detailed provisions concerning other aspects related to the SSE. For instance, registration and subsidies (Slovakia); establishment of a national body, such as the Special Purpose Fund (Argentina); the Council of the SSE with special prerogatives (Brazil); the National Institute of Cooperativism (Uruguay). Other legal texts focus only on core issues, leaving more operational elements to be elaborated through implementing regulations or decrees (Spain, Cabo Verde, Mexico). The most recurrent provisions regarding the institutional procedures and mechanisms are requirements for registering the SSE units.



Image: A moment after the last session in the Drafting Committee for SSE

This is the first time a comprehensive discussion on social solidarity economy (SSE) has been held at an ILC. The Committee met from Monday 30 May to Thursday 9 June 2022. The Plan of Work of the Committee was composed of three segments:

1. general discussion in plenary of Committee around the suggested points for discussion;
2. preparation of the draft outcome document (Conclusions) of the Committee by the drafting group; and
3. discussion of amendments to the draft outcome document (Conclusions) in plenary of Committee.

The general discussion was based on Report VI - Decent work and the social and solidarity economy and on the suggested points for discussion. At its final sitting, the Committee adopted an outcome document (Conclusions) that was submitted to the plenary of the Conference for adoption on 11 June.

Decent Work Agenda in general

- Employment and income generation
- Social protection and the provision of social services Rights at work Social dialogue

Selected topics of particular relevance

- Gender equality
- Transition to the formal economy
- Crisis prevention and recovery, and promotion of peace and resilience
- Just digital transition
- Just transition to environmental sustainability

The Office report proposes a universal definition of the SSE for discussion

The proposed definition is:

- Derived from the values, principles and organizational forms of the SSE based on a review of SSE legislation and policy around the world.
- Informed by the most recent conceptual work on SSE statistics and thus readily operationalizable.
- Intended to be flexible and to accommodate diverse situations in different national contexts.
- A separate legal compendium presents and synthesizes the specific articles in the SSE legal texts on the values, principles, organizational forms, definition and policy measures.

The Office Report identifies the set of values and principles characterizing the SSE

The SSE puts into practice a set of values embracing:

- Care for people and the planet
- Egalitarianism
- Interdependence
- Integrity
- Self-governance

A set of SSE principles operationalizes the set of SSE values:

- Social or public purpose
- Prohibition or limitation of profit distribution
- Democratic and participatory governance
- Voluntary cooperation
- Autonomy and independence



Organisation internationale du Travail
Organización Internacional del Trabajo



The ILO Director General had a traditional meet with the delegates from the Caribbean.

Image: DG Guy Ryder and VSB Deputy Director Kamlesh Ganesh

The initial definition of SSE as proposed in the Office Report was:

“The Social and Solidarity Economy (SSE) encompasses institutional units with a social or public purpose, engaged in economic activities based on voluntary cooperation, democratic and participatory governance, autonomy and independence, whose rules prohibit or limit the distribution of profit”

The report presents the situation of the SSE in different regions and highlights laws, policies and measurement issues

Policy and legislation

- Existing and forthcoming policies and laws related to the SSE, including those concerning specific SSE organizational forms

Statistics

- Lack of internationally agreed guidelines on SE statistics
- Statistical initiatives in some countries and regions, including by SSE vertical structures
- Statistical reports on specific SE organizational forms by their international organizations
- Guidelines concerning statistics of cooperatives adopted at the 20th International Conference of Labor Statisticians in 2018
- Conceptual work emerging from the UNTFSSSE to inform future efforts on SSE statistics

Decent work and the SSE: Challenges, opportunities and future directions

- Despite the growing momentum around the SE, significant challenges remain, including with respect to policy, legislation and regulations, financial and support institutions and services, as well as governance, capacity and knowledge-base issues.
- A conducive environment for the SSE should be developed through inclusive and equitable social dialogue.
- Based on the conclusions of the general discussion, the Office is expected to strengthen its services promoting decent work and the SSE for a human-centered future of work in response to Members' realities and needs and in partnership with SSE stakeholders.

Points for discussion proposed by the Office:

- In line with international labor standards, what should be a universal definition of the social and solidarity economy, taking into account its values, principles, and organizational forms?
- What are the key challenges and opportunities for the social and solidarity economy to advance decent work and sustainable development, to contribute to sustainable economic growth and to achieve more inclusive and sustainable economies and societies? How can the social and solidarity economy further contribute to decent work, full, productive and freely chosen employment and improved living standards for all?
- Taking into account the history and nature of the social and solidarity economy, what is the role of the governments and social partners in promoting its contribution to a human-centered recovery that is inclusive, sustainable, and resilient?
- Building on the century-long experience of the Office in supporting the ILO Constituents, in partnership with the social and solidarity economy actors, what priority actions and measures should the Office take to promote the social and solidarity economy for a human-centered future of work?

The General Conference (GC) of the ILO, adopted the conclusions prepared by the drafting committee on the 10th of June 2022. The GC invited the Governing Body of the International

Labor Office to give due consideration to the conclusions and to guide the International Labor Office in giving effect to them; and requested the Director-General to:

- (a) develop a strategy and action plan on decent work and the social and solidarity economy to give effect to the conclusions, for consideration of the Governing Body at its 346th Session (November 2022)
- (b) communicate the conclusions to relevant international and regional organizations; and
- (c) take into account the conclusions when preparing future programme and budget proposals and mobilizing extra-budgetary resources.

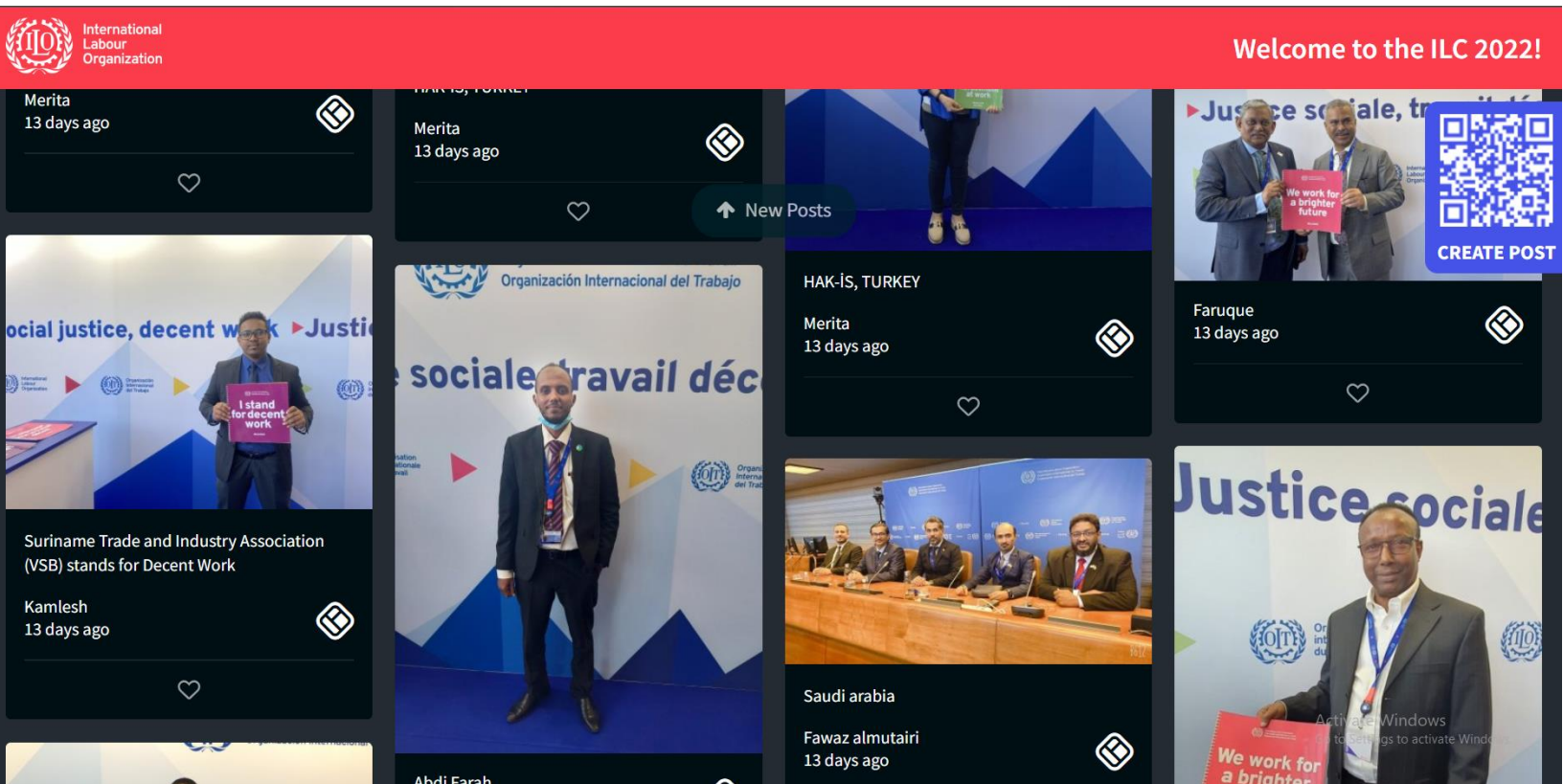


Image: Mr. Ganesh also participated in the social media campaign of the ILO in supporting SDG 8

Context and background

This general discussion was the first comprehensive discussion on the SSE at the ILO. Despite not being a new phenomenon, SSE's momentum and policy importance have grown over the last decades, The ILO Centenary Declaration acknowledges the role of the SSE among the private sector's generators of "decent work, productive employment and improved living standards for all". It was important for Employers to engage in this general discussion as this represented the opportunity to influence and frame the future policy agenda of the ILO regarding SSE. Additionally, the decisions taken will impact ILO's normative and non-normative work and the discussions at national level.

The debates were guided by a set of four questions focusing on:

1. A universal definition of the SSE, considering its values, principles, and organizational forms
2. The key challenges and opportunities for the SSE to advance decent work and sustainable development, and contribute to economic growth.
3. The role of the governments and social partners in promoting the contribution of the SSE.

4. The Office's priority actions and measures to promote the SSE.

The outcomes of this discussion are conclusions and a resolution to provide further guidance for the ILO, in order to improve SSE's contribution to the promotion of decent work and sustainable development.

Structure of the Report

The report of the Office, which served as the basis for discussion in the Committee, is structured around the following five chapters:

- Chapter 1: The contours of the SSE with its values, principles and proposed definition including regional overviews
- Chapter 2: The contribution of the social and solidarity economy to decent work and productive employment
- Chapter 3: The relationship and cooperation between the ILO's tripartite constituents and the SSE in promoting their contribution to a human-centered recovery
- Chapter 4: the Office action on the SSE with current programmes, development cooperation policy and partnerships, and capacity-development activities relating to the SSE
- Chapter 5: The key challenges and opportunities of the social and solidarity economy and future directions

General extensive position of the Employers collective

1. Positive role of the SSE: As communicated during all our discussions, the Report rightly acknowledges the positive role of SSE in contributing to advance decent work and sustainable development. In particular, the Report notes that SSE enterprises generate direct and indirect employment and that SSE enterprises, including those operating across various stages of supply chains, can provide a fair and effective model for national and international trade (Para. 62-63 and 70). In addition, when mentioning key challenges in supply chains, the Report recognises the need to use different strategies for scaling up in order for SSE enterprises to remain sustainable and overcome productivity challenges: *"To ensure their long-term sustainability, SSE units need to diversify their activities and upgrade their processes and products"* (Para. 64-65). In the Report, supply chains and trade are not *per se* the problem, but rather play a central role. Equally, the Report refers to SSE as playing a pivotal role in enhancing the productivity and competitiveness of small enterprises by generating economies of scale (Para. 70). However, while this can be true in some instances, SSE organizations normally tend to have lower productivity rates than average due to their inability to achieve efficient economies of scale. Equally, SSE enterprises also need to operate in a conducive and sustainable environment for business (Para. 144). Lastly, the Report remains balanced when addressing the question of digital platforms (Para. 104-105) and just transition (Para. 106-111), however, special attention will be dedicated to ensure that the discussion about these topics remains as such.

2. SSE as a potential "third sector": The Office's Report depicts a narrative portraying the SSE as a "third way" that could be a possible alternative to the public-private sectors: *"measures reflecting the assumption that either the public sector or the private sector is the only viable model of enterprise have also held back the development of the SSE" [...]* *"A conducive policy environment must reinforce the conditions for safeguarding the principles of the SSE, including the autonomy and independence of the SSE from public and private sector actors"*. (Para 145). This narrative continues with the assumption that SSE enterprises would be more, if not the only ones, fostering a unique set of values (e.g., care for people and the planet, accountability) and promoting sustainability, inclusiveness and resilience: *"the SSE is a pillar of a balanced society and a human-centered future of work. Respecting SSE values and principles requires putting workers' rights and the needs, aspirations and rights of all people at the heart of policies and enterprise-level practices"* (Para. 4 and 142). This biased vision disregards the important contribution of traditional public private enterprises in this regard and puts aside the following elements:

- While the Report presents two different interpretations on whether the SSE belongs to the private sector or not, it seems to lack nuance and favor the interpretation that SSE is distinct from both the public and private sectors. However, in line with the first Report's interpretation (i.e., referring to all non-public entities) and the Centenary Declaration, Employers should acknowledge that the SSE is part of the "private sector". The legal status of SSE enterprises, the sector of activity to which they belong, the way they are administered or the destination of their production does not make them belong to a different class. They all belong to the category of enterprises operating in the market and are part of the private sector (according to the Employers-group), regardless of whether or not they are profit-seeking. Rather to become a "third sector" and create mutually exclusive categories, SSE enterprises can be both part of the private sector and part of the social economy, one not exclusive of the other. Moreover, both the cooperatives and mutuals societies, which accounts for more than 50% of the SSE, are in most countries lawfully considered as employers and part of the private sector. Additionally, among SSE enterprises, cooperatives constitute the backbone of the SSE in many regions (Para. 49), and this should have been better stated and reflected in the Report.

- The SSE is a widespread phenomenon across the world, but its number of enterprises remains largely a minority. Its evolutive presence and economic contribution depends to a larger extent on the national, local and even sectoral context. As such, there is no one-size-fits-all approach, and we can by no means consider the SSE as a mainstream phenomenon as many countries have neither SSE legislations nor official recognition of this concept. Equally, we should not overestimate the SSE's presence globally and its economic contribution. For instance, as a matter of comparison, the private sector contributes to approximately 80 percent of the GDP in the G10, of which, 5 per cent are generated by cooperatives.

- One of the main objectives of this General Discussion was to find an agreed tripartite definition that will establish the clear contours of SSE. The lack of an universal definition on what the SSE was and is composed of, as well as the lack of data available, makes it even more difficult to support the assumption of a potential "third sector". For instance, the Reports only refers to the 20 countries that have adopted legislation on the SSE since 2001 (Para. 12), which does not give a clear picture of the SSE's presence globally. Equally, to illustrate the size of the SSE in different regions, the report wrongly tends to generalize and associate the findings about cooperatives to the entire SSE which can lead to a fallacious representation of its true size and economic contribution. More comprehensive data should be provided so as to be able to address this complex and multifaceted economy. This was highlighted by the Surinamese representation delegation during the deliberations in the Employers Drafting Committee.

- Traditional enterprises share similar values with SSE, such as sustainability, non-discrimination, cooperation, accountability, etc. The difference is that companies' core values that promote public good are embedded in management processes and other initiatives that are a feature of the Corporate Social Responsibility (CSR) and other initiatives. Moreover, both SSE enterprises and for profit enterprises must operate so as to be viable and sustainable (Para. 4). As such, they recognize the economic and social aspirations of individuals inside and outside the organization on whom the enterprise depends, as well as the impact on the natural environment. The extensive efforts companies have been undertaking to lead by example and to have business models and operating processes that promote sustainability, human rights, gender equality, diversity and resilience through CSR and other initiatives should not be disregarded. However, the fact that SSE enterprises are part of the private sector does not prevent them from being differentiated from for-profit companies when it comes to their primary purpose, which is the contribution to public good over profit-maximization. This defining feature of SSE enterprises should nonetheless not overshadow the fact that traditional enterprises seek to achieve both objectives, which drives sustainable and inclusive economic growth and improved living standards for all.

- Rather than creating mutually exclusive categories between SSE and the traditional public-private sector, the report should have focused instead on how SSE' role as generator of economic growth, decent work, productive employment, and improved living standards for all can be better supported and promoted.

3. Avoid the catch-all approach: The reports include organizational forms of SSE enterprises

which do not have agreed or universal definition nor data on these forms (such as “social enterprise” or “self-help group”). As mentioned in paragraph 18 “Many SSE laws include context-specific forms of organization as part of the SSE”. Therefore, in order to be able to agree on a universal definition, priority should be given to those characteristics that are recognised by all and that make the SSE distinctive. We should avoid the inclusion of specific values, principles or organizational forms that are not agreed upon and focusing on the essential characteristics of the SSE.



Image: a captured moment during the plenary session SSE

4. Caveats: Throughout the Report, the reference to “institutional units” to define SSE enterprises creates unclarity and uncertainty as this language is not able to capture units operating in informal settings. To refer to enterprises operating in the informal sector, “economic units” should be preferred as this language is already present in numerous ILS (Recommendation No. 204 on informality). However, all economic units operating in the SSE are enterprises. “SSE enterprises” should, according to the Employers-Group be used as priority language for the formal economy. Equally, when referring to the overview of SSE in the Arab States, the Report under Para. 42 mentions the fact that “cooperatives in the region are often dominated by, or dependent on, the State”. This creates an inconsistency with the suggested core SSE principle

of autonomy and independence (Para. 15), therefore raising the question of whether SSE enterprises that do not meet this criterion can be considered as effectively part of the SSE. Lastly, when depicting the presence of SSE in Europe and Central Asia (Para. 54), the Report refers to the fact that in some European countries the concept of circular economy is used to speak about SSE. While this might be the case, this creates confusion as it mixes a model of production (circular economy) with a subset of the private sector economy (SSE).

5. The Report's proposed definition of the SSE (below): The SSE is characterized by a plurality of organizational forms and terminologies, whose evolutive existence very much depends on the national, local, and sectoral context. We need a universal definition of SSE that takes into account this diversity but at the same time strikes a balance between being too detailed and too broad. This discussion was supposed to allow recognition that the legitimate quest for profit drives the virtuous circle of sustainable and inclusive economic growth, redistribution of profits and improved living standards for all.

6. Shared values with SSE and limitations: While the Report highlights the diverse values and principles of the SSE under Para. 14, it misses the point of outlining two key characteristics of SSE. The first one is the local-oriented nature of the SSE enterprises which, in most of the cases, are locally grounded and often run to solve local problems. This distinctive feature recognised by the OECD explains why SSE enterprises are widespread in developing countries because they are usually one means, but not the only one, to allow individuals to organize themselves (usually in informal settings) and can provide an effective first step towards normalization. However, this very local-oriented outreach and the fact that maximizing profits is not always sought, makes it difficult and limits SSE enterprises to further grow, thrive and expand. This has been pointed out by several experts: *"SSE organizations have within their aims, membership structure and financing arrangements characteristics that contribute to their success and resilience—but ultimately hinder their growth"*. Secondly, the Report also fails to stress the need for SSE enterprises to aspire to the principle to be economically viable and sustainable, as written in the Quebec law. SSE enterprises must be financially sustainable otherwise it will require a constant flow of subsidies from taxpayers or charitable givers, which are difficult to guarantee indefinitely. This should be clearly included as a defining principle, due to the fact that the Report also considers SSE enterprises as sustainable enterprises (Para. 4).

7. Contrary to what the Report suggests, there is no systematic contradiction between SSE enterprises scaling up within the market and transitioning to new business models, and still aligning with core SSE values and objectives. The suggestion that SSE enterprises could never keep their core values and principles if they transition towards for-profit business forms shows a biased vision: *"while SSE units can grow, they may choose to forgo strategies for scaling up that may undermine their values and principles"* (Para. 143). An alleged mutually exclusive path of business models between SSE enterprises and companies puts aside not only the fact that companies and SSE enterprises share many values although under different management processes (e.g., CSR). This also disregards the fact that successful SSE enterprises wishing to thrive, grow and expand at national and international level might need to adapt their business model to remain sustainable in the long-term. SSE enterprises calling up within the market and willing to diversify and operate internationally does not prevent them from keeping their core values. Rather than portraying successful SSE enterprises transitioning to new business models as negative outliers, the Report should have provided examples to show to what extent SSE enterprises and traditional companies can complement each other and further contribute to decent work, sustainable development, inclusive and sustainable economic growth and improved living standards for all.

8. According to the report (Para. 68), the difficult ability to access credit or capital via the traditional banking system put SSE enterprises at a competitive disadvantage vis-à-vis for-profit enterprises. This oversimplistic view only focuses on the barriers emanating from the very nature of SSE enterprises and disregards barriers in accessing credit that can also stem from an inadequate national ecosystem. Hence, the report hardly addresses the root and underlying

problems of the lack of access to finance for SSE enterprises which is due to the state's governance gaps including the lack of a legal and policy environment to enable sustainable enterprises, informality, corruption, lack of effective financial institutions, etc. These problems are also shared by traditional enterprises, in particular MSMEs and only the state's action can solve them.

9. The positive presentation of SSE enterprises restructuring through transition to worker ownership (Workers' Buyouts, WBO) which have been implemented to help preserve jobs wrongly promotes worker ownership as the panacea for business failures (Para. 72). The risks and limitations associated with such examples should be clearly outlined and should not distract from the underlying causes such as the lack of government support and an enabling environment for sustainable business as well as the lack of productivity, efficiency, competitiveness of these SSE enterprises that can explain such failures. Moreover, it is mentioned that in case of bankruptcy of an enterprise, *"having the pertinent regulation and financing mechanisms for transition to worker ownership could facilitate the transition process for businesses facing challenges to their continuity in times of crisis."* This is an implicit suggestion for a preferential treatment for enterprises wishing to switch their business model to a SSE one, which goes against the principle of equal treatment in line with Recommendation No. 193.

10. In the section addressing the rights at work, the report states that *"SSE units can help tackle workers' rights deficits relating to freedom of association and collective bargaining, forced labour, child labour and discrimination in their operations, in members' and users' operations and across supply chains."* (Para. 82) but does not provide any further explanations or possible solutions. Similarly, concerning the question of job quality and decent work deficits in SSE, a strong statement is made on Para. 85, referring in the footnote to Recommendation No. 198, to provide all workers, regardless of whether there is the existence of an employment relationship, with *"the protection to which they are entitled, including with regard to the fundamental principles and rights at work, adequate OSH conditions, employment status, working hours, remuneration and access to social protection."* While job quality and decent work deficits in SSE enterprises cannot go unattended, some of these conditions should be tied to the existence of an employment relationship and examined with caution following a case-by-case approach. .

11. Although characterized as an important lever for moving to formalization, the Report does not stress enough how the SSE can practically help to formalize informal workers. Rather, it depicts SSE enterprises operating in the informal sector as the only way for Covid-19 support and recovery, without pointing out the role of the private sector during the pandemic nor the urgent need to tackle the root causes of informality. In addition, the informal economy is much broader than just informal employment, and includes lack of legal recognition of the person (no birth certificate), lack of legal recognition of private property (land, houses, assets), lack of legal recognition of commercial activity (business licenses), lack of legal standing in courts, etc. The SSE can play an important role to help reduce informality, however, the key defining characteristic of the informal economy is the lack of legal recognition of all these things – and the only entity that can provide legal recognition or a proper framework, is the state. Also, the positive impact of SSE on formalization must not be overlooked and put aside other existing relevant ways to reduce informality.

12. The relationship between workers and the SSE is not nuanced enough and portrays both as sharing similar values, principles, common history and structures, while remaining silent on evident linkages between the SSE and employers.. Some employers organizations also have members that are SSE enterprises. In Para. 118, the Report states that *"many SSE units have successfully built strategic coalitions to build worker power, visibility and influence, leading to improved rights and protections as a result of locally, nationally and globally focused advocacy and dialogue (macro level)"*. While the notion of "worker power" is not usual ILO language and far from being balanced, this statement also overshadows the key advances offered by social dialogue and tripartism.

13. Chapter 5 on the key challenges and opportunities of SSE and future directions of the Office's work does not provide all the elements with regard to the challenges faced by SSE enterprises. While calling for further SSE legislations, the Report remains silent regarding State's (in)action, especially on the lack of implementation of SSE legislation or related ILS such as Recommendation No. 193. Equally relevant, the independence of SSE enterprises from state's control and dependence and possible solutions are barely outlined in the report while there seems to exist a delicate balance between state support for the SSE sector and too much state involvement, which threatens the autonomous nature of SSE organizations. Lastly, similar to what private sector entities are facing, challenges and solutions to high levels of informality, governance gaps, corruption, excessive bureaucracy, lack of sustainable environment for enterprises, are not addressed in the report despite hindering SSE's effective development and growth.

14. While a strong case is made in the Report (Para. 142) for the potential of SSE in sustainable and rights based development, the evidence based on the performance and sustainability of SSE remains highly underdeveloped and potential limits are unaddressed. The Report should have informed on possible ways for policymakers to support the generation of (i) knowledge based on mapping of the diverse experiences of SSE in different regions, and (ii) better understanding of the nature of the challenges that arise from both the internal dynamics and the external relations of SSE actors with states, market actors and institutions.

15. The notion of level playing field for SSE and other enterprises can be relevant as long as SSE enterprises are treated in accordance with national law and practice and on terms no less favorable than those accorded to other forms of enterprise in line with Recommendation No. 193. SSE enterprises and traditional enterprises should be on an equal footing: there should be a level-playing field to ensure SSE enterprises do not compete unfairly notably with Micro, small and medium enterprises (MSMEs).

16. Although para. 64 calls for SSE enterprises to "*invest in training and in improving skills, know-how, processes and equipment*", the issue of skills development is poorly covered in the report and should have been further developed. Skill levels are unlikely to be the same within all SSE units (as in any enterprise). However, since some SSE enterprises are also subject to productivity and competitiveness constraints, there is a need to focus on skills development to strengthen the efficiency and sustainability of these SSE enterprises. In addition, whereas the need for skills matching market needs might not be entirely applicable to all SSE enterprises alike, they are nonetheless facing the same rapid changes in technology, demography, globalization and climate changes affecting the world of work. These changes have been putting pressure on all enterprises, be they from the SSE or not. Through their local-oriented activities and innovative solutions, the SSE can play an important role in attracting part of the inactive workforce and fostering its reintegration into employment to address skills and labor shortages. Therefore, the Office should focus on developing the appropriate skills in the SSE, in line with the Centenary Declaration.

Key priorities for Employers projected during the discussions

- It was important to acknowledge the positive role of SSE in contributing to advance decent work and sustainable development. Notably, the SSE has positively contributed to crisis mitigation and recovery, may have increased formalization and can promote a better inclusion of vulnerable groups. Through its local oriented activity and innovative solutions, the SSE can also have an important role in attracting part of the inactive workforce and fostering its reintegration into employment, as well as to address skills and labor shortages. This General Discussion on SSE must provide a framework conducive for the SSE as leverage to promote some of the Employer's priority areas for action. It should also provide a simple framework to define the contours of the SSE phenomenon, starting from an agreed universal definition, as well as provide an enabling environment for the SSE that complement the ILO's work in promoting sustainable enterprises.

- The discussion should not have led to proposals resulting in additional challenges and

burdens for employers. The issue of SSE participating in social dialogue was raised in the discussion. SSE enterprises can be part of enterprise organizations that group them together, as is the case of cooperatives in many countries. These types of companies are clustered in sectoral organizations, which then form part of organizations at the national level, which are integrated into the apex employers' organizations. Cases of countries recognizing some SSE enterprises as social partners with relative collective bargaining power at sectoral level are rare (e.g., in Italy, Malta, Sweden). As social partners, we welcomed the active participation of SSE enterprises in the institutional dialogue on issues that affect their interests. It is important that the social economy is more present in the spaces where these public policies are designed. However, it should be remembered that the institutional dialogue that could be held with the representatives of SSE should not be confused with the social dialogue, which is the exclusive responsibility of social partners. Moreover, the extension of Social Protection to the informal sector without the existence of policy measures favoring the formalization of employment, and the sustainability of the social protection systems should be avoided.

- Measures to promote SSE should not be at the expense of unfair competition for traditional businesses, which would lead to market distortions and favorable treatment of SSE enterprises. Traditional enterprises and notably micro, small and medium companies (MSMEs) should not be inadvertently disadvantaged or discouraged by measures to promote SSE enterprises such as direct (e.g., subsidies) or indirect economic support. While subsidies for SSE enterprises may be justified in certain situations, their impact should however be assessed at the micro-level and take into consideration the effects on competition in the markets in which those actors may operate. The notion of playing-level field or equal treatment may be relevant as long as SSE enterprises are treated in accordance with national law and practice and on terms no less favorable than those granted to other forms of enterprises, in particular MSMEs, in line with Recommendation No. 193.

- The SSE is characterized by a plurality of organizational forms and terminologies, whose evolutive existence very much depends on the national, local, and sectoral context. We need a universal definition of the SSE that takes into account this diversity but at the same time strikes a balance between being too detailed and too broad. Equally, the agreed definition should capture the possible evolutive nature of the SSE that could change over time and country. To be able to agree on a universal definition, priority should be given to those characteristics that are recognised by all and that make the SSE distinctive. We have been avoiding the inclusion of specific values, principles or organizational forms that are not agreed upon and focused on the essential characteristics of the SSE. This discussion should have also allowed us to recognise the legitimate quest for profit as positive driver of for sustainable and inclusive economic growth, redistribution of profits and improved living standards for all.

- Further clarification is needed regarding national SSE size, impact, limitations and potential. While acknowledging that the SSE's momentum and policy importance have grown over the past years and including during the Covid-19 pandemic, the general discussion should not overestimate the social values and economic contribution of SSE. The SSE remains a minority phenomenon across the world and limited in terms of economic contribution. Moreover, most traditional businesses share many of the values with the SSE, although under different forms such as Corporate Social Responsibility (CSR). The assumption in the report that SSE may be more beneficial for achieving social justice or sustainable development than other types of enterprises is disputable. Unlike many SSE enterprises, which do not seek to maximize profit but focus on public good, a majority of companies do both. It must also be acknowledged that there is no contradiction between SSE enterprises scaling up within the market and transitioning to new business models, and still aligning with core SSE values and objectives.

- SSE should be part of the "private sector" (i.e., referring to all non-public entities). The inclusion of SSE in the private sector should not, however, overshadow that the main objective of SSE enterprises differs from for-profit enterprises, as they prioritize social impact over profit maximization, whereas businesses seek to achieve both. Rather than becoming a potential "third



Image: a captured moment during the plenary session SSE

sector”, SSE enterprises should be recognised as part of both the private sector and the social and solidarity economy, one not being exclusive of the other. In addition, the distinction between for-profit and not-for-profit organizations within the SSE should be clearly reflected (e.g., distinction between cooperatives – the most organized segment of the SSE, and for example foundations or insertion enterprises).

- While SSE enterprises and traditional enterprises, including MSMEs, have some similarities, they also face similar challenges related to governance gaps. These root causes such as lack of an enabling policy and legal environment for sustainable enterprises, high levels of informality, legal uncertainty, poor rule of law, weak implementation, corruption, excessive bureaucracy, only state’s action can solve them.

- Among the several priorities, the Office’s future work should mainly focus on integrating SSE into:

- (1) Foster the conditions and support the development of enabling environments for sustainable enterprises, including SSE enterprises. This involves responding to the needs of ILO constituents with increased technical and legal advisory services, research, capacity building, including through the Decent Work Country Programmes and the Enabling Environment for

Sustainable Enterprises (ESEE) Program. The ESEE tool can provide crucial support to constituents. There is an urgent need to accelerate its implementation.

- (2) Support constituents in devising coherent and comprehensive policy frameworks that promote productivity for all enterprises, including SSE enterprises, creation of employment opportunities, skills development, entrepreneurship, equal access to quality education, and the enhancement of gender equality and diversity.

- (3) Better integrate the SSE into relevant ILO work outcomes, outputs and indicators and reactivate ILO-wide coordination, including with ACT/EMP and ACTRAV, in close cooperation with employers’ and workers’ organizations at HQ and field level.

(4) Use the potential of SSE to contribute to economic growth, decent work and sustainable development by integrating this approach of sustainable enterprises into relevant ILO projects, programmes and activities, in particular those related to strengthening the capacity of employers' and workers' organizations to contribute to institutional development of enterprises and workers' skills through existing social partner channels.

(5) Support constituents in developing comprehensive national strategies and targeted and efficient programmes for transitioning SSE enterprises out of informality and expanding the formal economy (by following and implementing Recommendation No. 204 and related ILO guidance). Addressing the informal economy as a whole is a fundamental prerequisite to tackle other urgent needs, including inequality, social protection and decent work gaps.

(6) Promote membership of SSE enterprises in employers' organizations so that they can benefit from services and advice that contribute to enterprise development and enhance their visibility.

(7) Develop the training offer to support the development of management skills of SSE enterprises, so that they better respond to the needs of the labor market, to improve their level of productivity and competitiveness, as well as the quality of the goods and services they produce, in collaboration with the Turin Center, and in close coordination with ACT/EMP and ACTRAV.

(8) Continue to promote SSE through ILO development cooperation projects, including on the abolition of forced labour and elimination of child labour, women's economic empowerment, inclusion of vulnerable groups, promotion of youth employment, transition to the formal economy, crisis response and resilience.

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Our Conclusions

This general discussion was an opportunity to address the important issue of decent work and the social and solidarity economy twenty years after the adoption of Convention 193. The SSE is not a new phenomenon.

In fact, one of the first decisions of the Board of Directors of the ILO in March 1920 was to create the COOP Unit, emphasizing the positive role played by cooperatives as the main recognized form of SSE entities. Closer to home, the 2019 ILO Centenary Declaration recognizes the important role of the SSE. In particular, the declaration calls on the ILO to “support the role of the private sector as as the main source of economic growth and job creation by promoting a enabling environment for entrepreneurship and sustainable enterprises, especially micro, small and medium-sized enterprises as well as cooperatives and the social and solidarity economy, in order to to generate decent work, achieve full and productive employment and improve levels of life for all”.

Our group welcomes the reference to this central text in the conclusions. Since the start of this general discussion, our Group has recalled the need to ensure enabling environment for the SSE that complements the work of the ILO in promoting sustainable businesses. The conclusions rightly recognize the need to provide a framework favorable to the SSE as a lever to stimulate productivity levels, the development skills, entrepreneurship, the creation of quality jobs for all and a safe and healthy working environment, as well as the importance of support measures for disadvantaged groups and people in vulnerable situations. Our group also welcomes the reference made to the need to promote and strengthen the complementarity between the SSE and traditional businesses. This complementarity can indeed lead to a dynamic to contribute to the achievement of a sustainable and inclusive economic growth, employment and decent work for all.

The reference to sustainable enterprises throughout the conclusions, and in particular to MSMEs, makes it possible to recall the importance of these complementarities and synergies for the objective which is the ours, that of strengthening the SSE and the economy as a whole. The SSE does not operate as an alternative or in isolation of the private and public sectors. At contrary, companies, entities and organizations operating in the SSE have a defined set of values and principles, many of which are shared by the rest of the private sector and entities public, sometimes in other forms such as corporate social responsibility or public-private partnerships. One of the added values of this discussion and the resulting conclusions is to better guide the work of the Office to provide an enabling environment for SSE that complements the work of the ILO in promoting sustainable enterprises. The objective was not to create a new ILO strategy or action plan for the SSE. It was also a question of avoiding tending towards orientations which would certainly call for measures. in favor of the SSE that can create unfair competition to the detriment of companies traditional businesses, and in particular micro, small and medium-sized enterprises (MSMEs).

All delegates happily recognized that the SSE is a multi-faceted concept, encompassing many economic entities, definitions, values, principles and forms which often depend on the national context. This discussion was useful for clarify what is meant by SSE and find a consensual definition that recognizes this diversity. The universal definition on which all the constituents have agreed makes specific reference to important elements, and in particular:

- the need for SSE entities and enterprises to aspire to economic viability and long-term sustainability;
- recognition of the fact that SSE entities and enterprises operate in all sectors of the economy;
- its role in helping to move from the informal to the formal economy;
- the need to take into account the national context.

Employers also appreciate that all groups have come together on the opportunities that the SSE can offer, in particular through innovative solutions, to ensure decent work, meeting the needs of disadvantaged groups and people in vulnerable situations, helping to the transition from informality to formality, and ultimately strengthen economic growth inclusive and sustainable. The conclusions also

reflect a balanced approach to the need for SSE entities to be productive in order to contribute to economic growth, sustainable development and decent work for all. As for all the others businesses, the productivity of SSE entities must also be encouraged and strengthened. We also welcomed the convergence of our Commission on the recognition of the fact that the SSE entities face unique challenges, in addition to the difficulties they share with other many micro, small and medium-sized enterprises linked in particular to the shortcomings of governance.

Finally, we are pleased to note that the conclusions recognize the respect and promotion of the tripartite structure of social dialogue. As social partners, we we are of course delighted with the active participation of SSE companies in the dialogue institution on issues that directly affect their interests. We also welcome favorably a sharing of knowledge and experiences between social partners and entities of the SSE. It should be remembered, however, that social dialogue is the exclusive responsibility of the social partners. Employers' organizations may consider extending membership to SSE entities that wish to become members and provide them with adequate support services. The integration of SSE companies into employers' organizations can provide avenues of potential progress and create synergies to fight more effectively against certain systemic problems such as informality.



Image : A moment after the closing of the last plenary session

Report on the Committee on a Framework for Quality Apprenticeships (*standard-setting, 1st discussion*)

Introduction

The ILO has undertaken a two-year standard-setting discussion (over two ILCs) on apprenticeships. The discussions are among tripartite constituents (Governments, Employers, and Workers). These negotiations are taking place in June 2022 and June 2023. This is referred to as a 'double discussion'. In this regard, tripartite constituents are expected to participate in the 'standard-setting process,' where constituents will decide whether to have a Convention, Recommendation, or a Convention supplemented by a Recommendation. Conventions are instruments upon ratification that create legal obligations. Recommendations are not open to ratification but guide policy, legislation, and practice.

Therefore, it is essential for Employers globally to participate and contribute with their views in shaping the ILO approach on the topic, as decisions made at the ILO in Geneva may have legal implications at the national level or must follow non-binding international guidance.

In the ILO's 'Yellow Report,' the ILO Office proposes a 'Recommendation' for constituents' consideration.

These are the stages in a double discussion:

(a) The Office prepares a report on law and practice in different countries and a questionnaire. The report and questionnaire request governments to consult the most representative organizations of employers and workers before finalizing their replies and are communicated to governments at least 18 months before the relevant session of the Conference (Standing Orders, article 39(1)).

(b) To be reflected in the report, governments' replies must reach the ILO Office not less than 11 months before the relevant session (SO, article 39(2)). In the case of federal countries and countries where it is necessary to translate questionnaires into the national language, the period of seven months allowed for the preparation of replies shall be extended to eight months if the government concerned so requests.

(c) The Office prepares a further report on the basis of replies received, indicating the principal questions for consideration by the Conference. This report is communicated to governments normally not less than four months before the relevant session (SO, article 39(3)).

(d) These reports are considered by the Conference – usually in committee – and if the Conference decides the matter is suitable for a Convention or Recommendation, it adopts conclusions and either chooses to include the question on the agenda of its following session or asks the Governing Body to include it on the agenda of a later session (SO, article 39(4)(a), (b)).

(e) On the basis of both the replies and the first Conference discussion, the Office drafts Conventions or Recommendations and communicates them to governments within two months of the end of the Conference session (SO, article 39(6)).

(f) Governments are again asked to consult the most representative organizations of employers and workers and have three months to suggest amendments and make comments (SO, article 39(6)).

(g) On the basis of further government replies, a final report containing the amended text of

Conventions or Recommendations is communicated to governments at least three months before the session of the Conference at which they are to be discussed (SO, article 39(7)).

(h) The Conference decides whether to base its second discussion on the Conventions or Recommendations drafted by the Office and how to consider them – usually in committee in the first place. Each clause of a Convention or Recommendation is placed before the Conference for adoption, and the drafts thus adopted are referred to the Drafting Committee for preparation of final texts. Texts of instruments approved by the Drafting Committee are submitted to the Conference for final adoption in accordance with article 19 of the Constitution

(i) The Conference may, if it rejects a Convention contained in the report of a committee, refer it again to the committee for transformation into a Recommendation (SO, article 40(6)).

Background

The ILO has previously adopted instruments prescribing standards for the regulation of apprenticeships. However, the most recent of those instruments, the Vocational Training Recommendation, 1962 (No. 117), was superseded in 1975 by the [Human Resources Development Convention, 1975 \(No. 142\)](#), and the [Human Resources Development Recommendation, 1975 \(No. 150\)](#). The latter instrument has superseded the [Human Resources Development Recommendation, 2004 \(No. 195\)](#). Convention No. 142 and Recommendation No. 195 address vocational training in the broader context of human resources development and recognise the importance of providing for lifelong learning. The instruments, however, do not explicitly address apprenticeships. The ILO's Standards Review Mechanism Tripartite Working Group, established as part of the ILO Standards Initiative, concluded that there is a 'regulatory gap' at the international level concerning the topic of apprenticeships. It has not been addressed in later international labor standards, including Recommendation No.195, the latest normative instrument on human resources development.

Accordingly, the Governing Body (GB) of the ILO discussed a proposal to adopt new international labor standard/s on apprenticeships. At its 334th Session, in October–November 2018, the GB requested the Office to place a standard-setting item over a two-year discussion, with an expected outcome to be adopted in 2022 (now postponed to 2023 because of the pandemic).

Position for Employers

General Comments

Before perusing the rest of this document, it would be pertinent to highlight and stress the importance of apprenticeships to employers. This has been emphasized at all ILO major events, ILC, various ILO GB sessions, and other international meetings where education, youth, skills development, and training/capacity building appear.

Therefore, the IOE, OECD, and ILO created the Global Apprenticeships Network (GAN) in 2013 as an outcome of the B20 process. Its mission is to promote apprenticeships, and work-based learning, create job opportunities for youth and ensure skills for business. Businesses are generally keen to push for more apprenticeships through companies rather than TVET institutions. TVET institutions can fill in gaps, but businesses should lead apprenticeship systems (not schools).

To fully integrate ILO reforms, the ILO Office needs to get advice from the Employers, the only constituent with the most experience and views to share. Governments and Workers must understand that the needs of enterprises of different sizes operating in different geographical areas, economic sectors, and social frameworks vary. To get full support from Employers, the instrument must not only be 'balanced' and have a promotional approach and tone. A 'promotional approach' will encourage and attract companies to offer more apprenticeships, whereas a rigid and inflexible 'regulatory approach' will deter companies from taking part in apprenticeship systems.

Specific Comments

IOE recommended that Employers consider a 'Recommendation' as not all workplace issues need to be dealt with through a 'Convention.' This will ensure a 'promotional approach' to implementing effective apprenticeship systems rather than a regulatory one.

The 'Yellow Report' appears as Report IV (2) on the ILO Conference website. Please click [here](#) to access the report.

The 'Proposed Conclusions', used as a basis for discussions, can be found on pages 137 to 142 of the report. Interestingly, the ILO Office has proposed a 'Recommendation' based on the responses received from constituents. The Employers' Group strongly urged the ILO Office proposal for a Recommendation.

As a matter of information, IOE does not support setting up a "Convention" on apprenticeships for many reasons:

- It is important to understand that a Convention on this topic would mean subjecting national law and practice on apprenticeships to the regular scrutiny of the ILO Supervisory Mechanism. Once a government ratifies an ILO Convention, it has a legal obligation to respect all the provisions in the instrument in law and practice and report to the ILO Supervisory Mechanism. Cases of non-compliance by any tripartite constituents will be taken up with the Committee of Experts on the Application of Conventions and Recommendations (CEACR). The CEACR is a group of 20 legal experts from around the world mandated to provide an impartial and technical, non-binding assessment of the application of the Convention in law and practice. A technical report is produced by the CEACR and published annually. Their observations will be assessed by the International Labor Conference Committee on the Application Standards (CAS). The CAS examines on a tripartite basis country cases of non-compliance and invites governments to defend the cases. Then the CAS draws up conclusions that could result in ILO missions or technical interventions.
- Conventions should be high-impact standards that seek to address fundamental workplace issues on which there can be a broad consensus on applicable policies or principles. An example is the Convention on the Elimination of the Worst Forms of Child Labour (No. 182). Experience has shown that excessively detailed Conventions do not enjoy high ratification, impact, or credibility levels. Conventions should, therefore, be limited to issues on which there is agreement that international regulation is essential. The contents of Conventions should be confined particularly to regulating essential and unchanging principles and minimum standards. The current practice of adopting both a Convention and an accompanying Recommendation on a given subject has contributed to the proliferation of Conventions that remain increasingly unratified. At the same time, it has weakened the status, which often has become "dustbins" for all of the problematic issues raised in Convention debates.
- A Convention adds another layer of complexity - ratifying governments may need to create or amend existing laws, which will take time. While unfortunately, in parallel, problems of skills gaps, skills mismatches, and shortage of skills continue to be perpetuated.

The proposed conclusions should be balanced if the instrument is to receive full support from Employers. It is not about the rights of apprentices and obligations for employers, inappropriate special protection for apprenticeships, equal treatment of apprentices with workers regarding annual leave, wages, etc. Such an instrument would result in giving off counterproductive signals and it could do more damage than good in that it deters Employers from engaging in apprenticeships.

IOE believes that Employers should advocate and lobby strongly to adopt a stand-alone, autonomous, and short Recommendation with broad, non-prescriptive, and flexible language that highlights the importance of apprenticeship for employment promotion, especially in times of crisis. The Recommendation should provide helpful guidance and be flexible enough to consider national, sectoral, and business realities.

A Recommendation that clarifies the need for more ILO guidance on ways to promote productive employment and help move away from the traditional worker/workplace protection approach would be useful. This could help shift the balance amongst ILO standards towards standards with a solid promotional approach. Indeed, 'Apprenticeships' is a topic that is likely to be influenced by new developments in the context of the future of work. A Recommendation would be helpful as it would facilitate its revision and keep it up to date. Recommendations are more easily revised, updated, or replaced and are more suited to an international social environment.

Beyond a Recommendation, Employers are of the view that effective implementation of apprenticeships can be better achieved through these complementary tools and guidance:

- An ILO non-normative promotional approach such as the adoption of ILO codes of practice or guidelines
- Dialogue, encouragement, and technical advice
- Effective coordination at the local level with strong links to those at the national level

Scaling up best practices

- Peer-to-peer learning (such as through university twinning initiatives)
- Research projects and surveys to collect disaggregated data and statistics (especially from rural areas) and inform each tripartite constituent respectively with knowledge products
- Effective and sustainable cost-sharing approaches
- Enhancing capabilities of implementing partners
- Strengthening the SKILLS Branch of the ILO

Furthermore, in general, Employers strongly supports learning and believes that its barriers should be removed, and its promotion enhanced through various means, such as:

- Ensuring all children can access quality basic education.
- Barriers such as distance, road infrastructure and access should be reviewed and remedied where possible.
- Heads of organizations or people of influence should lead the way by also showing others that they are learning, no matter the age.
- Using technology or digital means learning new skills.
- Creating a culture and enabling an environment to foster creativity, innovation, productivity, and enhance human/social skills at the workplace and home.
- Encouraging adults to continue to upskill, reskill and learn throughout their working lives.

Employers Comments on the Proposed Conclusions

Positive aspects of the Proposed Conclusions

- ILO Office proposes a Recommendation. This is widely welcomed.
 - There is recognition of the important role of social partners. The proposed conclusions highlighted that: 'Representative employers' and workers' organizations should be involved in the design, implementation, monitoring and evaluation of quality apprenticeship systems, policies and programmes.'
 - Has references to address and help apprentices in the informal economy (Section V, para 25).
- There is also language in the draft to foster international cooperation in this space, mainly to exchange and promote good practices (Section V, para 26).
- Various important elements are missing but could benefit from strong inputs from the Employers' Group.

Potentially contentious issues of the Proposed Conclusions

- Various other groups may want to attempt a more detailed definition of apprenticeships and elaborate on the current broader definition.

Employers view: Almost every country's apprenticeship system has a different legal definition of apprenticeships. It would be a futile exercise to define one agreed definition at the global level. *Apprenticeship is a subject closely linked to each country's education and training system.* It would be difficult to duplicate an apprenticeship system from one country and bring it to another.

- Various other groups may want to classify apprentices and trainees as employees,

Employers view: This should be left to the national legal systems. It would be futile to decide when countries have different labor provisions *for* apprentices and trainees *globally*. The national labor law should be the first reference *point* on their rights and benefits, including *remuneration* or compensation, social protection, *holidays with pay, etc.* *The international instrument should not rush ahead of (and undermine) sovereign nations. If apprentices are automatically categorized as employees, there would be no need to have this double discussion to see the 190 ILO Conventions ensure employees' rights and protection.* More importantly, Employers would suggest *having* a separate category for apprenticeships (a special status *that* is different *from* employees). The expectations from the apprentices themselves, the businesses they learn from, and expectations from the State should all be clear, and this can be clarified in the domestic law. Assuming apprentices 'deserve' the same status as employees – similar entitlements, benefits, and protections, will perpetuate further stigmatization of the category.

- Workers might refer to the [White Report \(Report IV \(1\)\)](#) and highlight the issue of the 'social and economic impacts of unpaid and poorly paid traineeships' and that apprenticeships may be used 'as a way to obtain cheap labor' and undertake work destined for workers. Employers may be accused of 'escaping obligations.'

Employers view: This is precisely *why apprentices* in some countries are not categorized as 'employees'- the objective of an apprenticeship system is to promote learning at the workplace, and they are remunerated with compensation - 'stipend' or 'allowance,' not a 'wage.' *The dual role of apprenticeships needs to be reflected – effective school-to-work transition as well as a successful and well-respected way of developing skills by combining structured training with work.*

What employers want out of this standard-setting exercise

The Covid-19 pandemic evolved faster than most expected, and various companies made significant efforts to ensure that apprentices and trainees were safe by taking diligent measures.

Employers would want a Recommendation that states vital principles for the attractiveness and the successful functioning of apprenticeship systems. An autonomous Recommendation with broad, non prescriptive, and flexible language highlighting the importance of apprenticeship for employment promotion, especially in times of crisis, would add value. The wording in the Recommendation should be cautiously constructed so that apprenticeships continue to be a buoyant labor market tool to promote not only youth employment but also jobseekers and workers of all ages who, due to changes in the labor market or job requirements, find themselves in need of retraining or upskilling. Furthermore, the Recommendation should emphasize that in regulating quality apprenticeships, Member States must consider the potential apprenticeships have to improve the productivity and competitiveness of enterprises.

The instrument should include language and wording on the following points:

- The need to look at 'future' promotional models of apprenticeships, considering the technological advancements in many countries. And that some systems also include adult apprenticeships, not just the youth, including how informal apprentices can be recognised to enable them to move into formal employment at a later stage.
- Ensuring it enables employers to exercise flexibility in promoting apprenticeships (therefore, setting a minimum/maximum age, fixed apprenticeship duration, etc., would not be helpful as each industrial sector or nature of work differs). Setting the minimum age to 18, for instance, will put up barriers to learning for many younger learners and deprive them of employability opportunities in the future. It would be necessary to have as much flexibility as possible in this legal instrument, as

countries will not reform their education or training systems. They are already strongly linked to national governance systems, the history of States, cultural practices, etc.

- How human and social skills can be embedded as part of apprenticeship systems, including promoting a culture of learning and a mindset for change.
- Fund-sharing modalities which are reasonable and sustainable for tripartite constituents, including incentives, especially for MSMEs.
- Ensuring clear roles and responsibilities in the apprenticeship ecosystem.
- Governments to invest in TVET systems that meet the demands of the labor market by:



Image: A moment during the daily Employers meeting of the IOE

1. coordinating with national statistics offices, employer organizations, public employment services, and other stakeholders (including cooperating with recruitment agencies through employer organizations) on skills anticipation.
 2. using technology or other means to facilitate dialogue with employer organizations and to provide more seats for employers at the policy-making meetings.
 3. promoting foundational skills and activating hidden human and social skills. ▪ training career counselors to provide the right career advice and guidance to students, including learning pathways via apprenticeships.
 4. regularly updating curricula with relevant technical skills needed.
 5. Any existing laws on apprenticeships should be simple to implement, transparent, consistent, predictable and provide SMEs with clear incentives.
 6. In countries where apprenticeship levies apply, transparency on how governments spend the funds would encourage companies to buy-into apprenticeship systems.
 7. Recognising that apprenticeships can also start their own business after completing their apprenticeship (and hence have the opportunity to join employer organizations as a member).
 8. ILO to promote the business case to new employers and trade unions unfamiliar with apprenticeship systems.
 9. ILO to use data analytics on the positive impact of apprenticeships and scale up successful programmes through ILO technical cooperation.
 10. Enhancing cooperation with traditional and non-traditional partners to foster learning, such as UN agencies, Global Apprenticeship Network, academia, research institutes, think tanks, students, and others to ensure policy coherence.
 11. Recognising the key role that apprenticeships can play in enabling young people to acquire the relevant competencies to facilitate their transition from education to the world of work.
- Apart from providing a solution to youth unemployment, apprenticeships can benefit job

seekers and workers of all ages who need retraining or upskilling due to changes in the labor market or job requirements.

12. Recognising that apprenticeships also can improve the productivity and competitiveness of enterprises.

13. Recognising the benefits of making apprenticeships more attractive for enterprises, particularly MSMEs

General Affairs Committee (CAG) - Inclusion of safe and healthy working conditions in the ILO's framework of fundamental principles and rights at work

The General Affairs Committee (CAG) was also conducted in a hybrid mode with an opening session Monday, 30 May.

The General Affairs Committee presented reports to the ILC Plenary on two issues:

- (i) A report on the amendments to the Code of the Maritime Labor Convention, 2006, on which a record vote was scheduled for Monday 6 June. The amendments are subject to the adoption of any amendments by the Special Tripartite Committee of the Maritime Labor Convention, 2006 at the second part of its fourth meeting in May 2022; and
- (ii) A report on the inclusion of safe and healthy working conditions in the ILO's framework of fundamental principles and rights at work through an amendment to paragraph 2 of the ILO Declaration on Fundamental Principles and Rights at Work, 1998, which contains a proposal for the adoption of a resolution amending the 1998 Declaration.



Image: A moment during the second round of discussions in the General Affairs Committee

OSH as an ILO Fundamental Principle and right at Work:

Concerning the first item, a draft resolution was prepared by the Office to serve as a basis for discussions, following Governing Body (GB) discussions and informal tripartite consultations. While the draft text was amended, it focused on four main pending issues:

- a preambular paragraph on shared responsibility
- the formulation of the text of the new OSH fundamental principle and right at work (draft operative paragraph 1),
- the identification of OSH fundamental convention(s) (draft operative paragraph 3)
- and the wording of the saving clause (draft operative paragraph 5).

The General Affairs Committee (CAG) was made up of a limited number of members: 28 Governments, 14 Workers and 14 Employers mirroring the number of members of the ILO Governing Body.

Key issues for Employers

On the inclusion of safe and healthy working conditions in the ILO's framework of fundamental principles and rights at work through an amendment to paragraph 2 of the ILO Declaration on Fundamental Principles and Rights at Work, 1998, the Employers have highlighted, in particular, the following four issues:

1. Preambular paragraph on shared responsibility/commitment

Since the outset of this discussion, the Employers have insisted on the importance that any recognition of the fundamental principle on OSH should also recognise the shared and complementary responsibilities that governments, employers, and workers have in this regard. The Employers, therefore, insisted that text be inserted in the preamble of the draft Resolution that adequately expresses that governments, employers and workers have rights, responsibilities, and duties to make OSH a reality.

2. Formulation of the principle on OSH

The purpose of including OSH amongst the fundamental principles in the 1998 Declaration would be to clarify that countries that have not ratified the fundamental OSH Convention(s) still have an obligation "*to respect, to promote and to realize, in good faith*" the principle related to OSH contained in the ILO Constitution, including the Declaration of Philadelphia.

In that regard, the Employers in the GB argued that any principle related to OSH has to be derived from the ILO Constitution. Without a clear anchoring of the principle in the ILO Constitution, there can be no obligation for member States from the ILO Constitution to respect, promote, and realize in good faith the principle on OSH.

The Office proposed 3 formulations for the OSH principle:

- "*Safe and healthy working conditions*" – based on the ILO Centenary Declaration, 2019
- "*Safe and healthy working environment*" – based on ILO Conventions 187 and 155
- "*Adequate protection for the life and health of workers in all occupations*" – based on the ILO Constitution/Declaration of Philadelphia

The Employers in the GB strongly argued that the third option (i.e. the constitutional language on "*adequate protection for the life and health of workers in all occupations*") should be retained as it makes clear that the ILC is not creating a new principle on OSH but solemnly affirming the existing OSH principle in the ILO Constitution. In addition, it could be argued that the constitutional

principle is a common denominator that can bring tripartite constituents together as all ILO member States, in joining the ILO, have accepted the ILO Constitution, including this formulation.

3. Selection of the fundamental OSH Convention(s)

The discussion on which OSH Convention(s) should be recognised as fundamental focused on whether either Convention 155 (C. 155) or (C. 187) Convention 187 or both should be recognised as fundamental.

The Employers' Group has argued that only C. 187, the most modern standard on OSH, should be recognised as fundamental. Having only C. 187 recognised as fundamental does not exclude adding another one in the future should another OSH Convention, perhaps a newly adopted one, be recognised as fundamental. A distinct feature of C. 187, which could be seen as giving it the character of a fundamental Convention, is that it provides a framework for all ILO OSH standards. On the other hand, C. 155 is far too detailed and is, therefore, more comparable to the other (technical) ILO Conventions on OSH than to C. 187. This is evident from the following:

- The Preamble of C. 187 refers to C. 155, R. 164 “and other instruments of the International Labor Organization relevant to the promotional framework for occupational safety and health”.
- The Annex of R. 197 lists C. 155 as one of many ILO Conventions on OSH.
- Para. 2(a) of R. 197 refers to C. 155 in connection with C. 81 and C. 129. The two latter are priority Conventions but not fundamental Conventions.

Document GB.288/3/1 of Nov 2003 similarly suggests a special/elevated status of C. 187 vis-à-vis other existing OSH Conventions, including C. 155, when it states: “*A new instrument establishing a promotional framework in the area of OSH should be developed on a priority basis. In its function as an overarching instrument with promotional rather than prescriptive content, it would also contribute to increasing the impact of existing up-to-date ILO instruments and to a continuous improvement of national OSH systems including legislation, supporting measures and enforcement.* ...”

Different from C. 187, C. 155 also lacks some elements that are considered essential for making progress in OSH.

- o The need to address OSH comprehensively via a national policy, a national system and a national programme on OSH
- o The need for a dynamic approach whereby OSH needs to be continuously improved.
- o The need to promote an OSH culture in which all concerned parties cooperate.

C. 155, while perhaps considered modern when it was adopted more than 40 years ago, is a rather prescriptive instrument which requires strict implementation and allows only limited exemptions of sectors and categories of workers. The informal economy can probably not be excluded, which will inevitably create application problems for many countries, particularly developing countries.

In conclusion, it can be said that C. 187, which follows a modern comprehensive approach, comes closest to the existing fundamental Conventions.

What also needs to be recalled is that the recognition of an OSH Convention as fundamental will create a strong expectation to ratify it:

- o This is reflected in the 1998 Declaration, which establishes an obligation for the ILO to support its Members, among others, “*by offering technical cooperation and advisory services to promote the ratification and implementation of the fundamental Conventions*”.

o More importantly, there will be an expectation to ratify outside the ILO. Free trade agreements and trade incentive schemes are likely to refer to the ratification or application of the new fundamental OSH Convention, thus adding it to the other fundamental Conventions. In this way, developing countries will have to ratify and apply the Convention to benefit from free trade agreements and trade incentive schemes. If countries do not comply with the new OSH Convention, as determined by ILO supervisory bodies, free trade agreements may be suspended, and trade incentives may be withdrawn. This important aspect should be considered when selecting an OSH Convention as fundamental and deciding whether more than one OSH Convention should be selected, particularly by developing countries.

4. Saving clause

The outcome of this discussion has significant repercussions for Governments and Employers, also outside the ILO. Major trading states, regional groups, and international or regional banks may pressure developing countries to ratify the new fundamental OSH Convention(s) and fully implement it (them) by establishing respective requirements in trade agreements, trade incentive schemes, loan or investment agreements. International trade unions and NGOs may also pressure multinational companies to introduce and enforce new rules on OSH for their suppliers in developing countries. In this case, companies may be publicly pressured through social media and consumers to comply with these new standards.

The Employers have argued from the outset that the importance of mitigating any potential direct and indirect impact of the inclusion of the OSH principle on trade cannot be denied. In that regard, the Employers group and several governments have requested that a comprehensive saving clause be included in any ILC resolution to dissipate any doubt about the impact of the ILC decision on existing trade agreements and/or arrangements.

End Result of the discussions

Delegates attending the International Labour Conference (ILC) have adopted a resolution to add the principle of a safe and healthy working environment to the International Labour Organization's (ILO) Fundamental Principles and Rights at Work.

Delegates adopted the measure at the [Conference's plenary sitting](#) on Friday 10 June.

Until now there have been four categories of Fundamental Principles and Rights at Work:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour;
- the elimination of discrimination in respect of employment and occupation.

The decision by the Conference means that Occupational Safety and Health will become the fifth category.

The Fundamental Principles and Rights at Work were adopted in 1998 as part of the ILO Declaration on Fundamental Principles and Rights at Work. Under the Declaration, ILO Member States, regardless of their level of economic development, commit to respect and promote these principles and rights, whether or not they have ratified the relevant

Conventions.

Each of the fundamental principles is associated with the most relevant ILO Conventions. The new fundamental Conventions will be the [Occupational Safety and Health Convention, 1981 \(No.155\)](#) , and the [Promotional Framework for Occupational Safety and Health Convention, 2006 \(No. 187\)](#) .

The Conference also approved eight amendments to the [Maritime Labour Convention, 2006 \(MLC, 2006\)](#), which focuses on the rights and working conditions of seafarers. These amendments had been negotiated and adopted in May 2022 by seafarers', shipowners' and governments' representatives during the [fourth meeting \(Part II\) of the Special Tripartite Committee of the MLC, 2006](#) .

