

## **DECLARATION ON THE EMPLOYER STRATEGY FOR THE PROMOTION OF THE GLOBAL COMPACT IN AFRICA**

*(Tunis, 10-12 May 2001)*

Participants to the High Level Symposium on the Global Compact met in Tunis from *10-12 May, 2001* on the joint initiative of the ILO, IOE, PEC and UTICA. Representatives of other partners such as the Executive Office of the UN Secretary General, UNEP, the Italian Cooperation and the UNIVERSITAS and EURADA network also participated in this Symposium and made a valuable contribution.

The presentations were of a very high standard and the ensuing and enriching discussions enabled the participants to adopt the following conclusions.

### **THE GLOBAL COMPACT—THE COMMITMENT OF AFRICAN EMPLOYERS**

The appeal of the Secretary General of the United Nations, Kofi Annan, to employers for the promotion of the Global Compact, based on the nine principles concerning Human Rights, Labour Standards and the Environment, has generated much interest among employers' organisations and large multinationals in many countries.

However, there is a need to transform these declared intentions into concrete and effective action.

In spite of the fact that globalisation helps in the acceleration of growth, it is sometimes accompanied by growing inequalities. As a result, an anti-globalisation movement has emerged questioning the benefits of free enterprise and free trade to national economies. But the principles of the Global Compact cannot attract such apprehensions since its significance is derived from the objective of contributing to the improvement of human welfare worldwide. It is also in the interest of employers for the conduct of their own profitable businesses.

The generation of profit should be sustainable. The enterprise should consequently benefit from a business - friendly environment and should contribute to the creation of such an environment as well.

Moreover, empirical evidence shows that more than 50 per cent of the profitability of enterprises is attributable to human and social capital and the environment in which they operate. In return, enterprises generate positive externalities that increase social capital or negative externalities, e.g. pollution and poor working conditions. The Global Compact provides enterprises the opportunity to further strengthen the positive externalities and mitigate the negative externalities.

We are living in an era of rapid technological and economic change which makes human capital the critical factor of production and the principal determinant of profit. It also reinforces the virtuous circle of local growth.

The principles underlying the Global Compact should be understood as a necessary mechanism to enhance the human and social capital of developing countries. The involvement of employers in the Global Compact should not be construed as a constraint or a cost but an investment for sustainable development. In this respect, Africa appears to be the continent that deserves priority for action to foster its human development since it lags behind in the development process.

## MAIN PRINCIPLES OF THE STRATEGY

The social role of employers is further reinforced as a result of rapid economic and technological change, similar to the advent of the industrial era.

African employers' organisations endorse and embrace the Global Compact as it is a voluntary initiative rather than a rigid regulation. It rightly proposes acceptable principles and does not aim at fixing standards or imposing rigid codes. Adherence to the Global Compact by employers should be voluntary; it will thus have a wider scope to introduce initiatives that will take into account divergent circumstances. It is mainly through collection, analysis and dissemination of good practices that it can be promoted.

This transformation will take different forms depending on specific cultural values and on the levels of socio-economic development of each country. It should be flexible and gradual and can be based on a policy of social dialogue that involves all the social partners in particular.

## OPERATIONAL PLAN

Employers' organisations are best placed to play a crucial role in reaching out to the majority of enterprises in Africa. One of the priority areas will therefore be to strengthen their capacity to put into practice the principles of the Global Compact.

The Global Compact offers them a unique opportunity to build alliances with new partners in order to develop and improve their services to enterprises.

The proposed plan has two components: the overall framework composed of the development of a proper structure and an action plan.

## THE OVERALL FRAMEWORK

The implementation of the strategy should be based on the development of a network at two levels:

- Enterprises adhering to the Global Compact voluntarily; they should be trained and supported by the national employers' organisations.
- Partners such as the IOE, PEC, ILO and other core UN agencies involved in the Global Compact—UNEP, UNHCR and UNDP—as the driving force.

These organisations will play the role of service providers to enterprises on good practices, and will support initiatives taken by employers' organisations and other networks in consultation with other social partners.

## THE ACTION PLAN

It should be based on networking among all actors regardless of size to facilitate dissemination and sharing of information.

- The employers' organisations can experiment in training activities in line with the principles of the Global Compact and endeavour to improve to the maximum the human and social capital by linking, for example, employment, training, health and safety in partnerships with workers, governments, education authorities and relevant stakeholders of the civil society.

All experiences on the promotion of the Global Compact should be collected, analysed and disseminated and their adaptation should be encouraged. Intensive promotion of good practices should be done. It will encourage training and an information flow.

- The ILO, IOE, PEC and other partners such as UNEP, UNHCR, and UNDP in collaboration with employers' organisations should undertake to coordinate existing information and training activities related to the nine Global Compact principles. Building upon existing processes and structures, these activities should engage current and potential members on the functioning of the system, good practices and incentives regarding initiatives taken by local employers in order to promote the Global Compact. All this should be done in accordance with the new paradigm of human development, which is beneficial to Africa and employers in general. Employers' organisations will in this way become the engine of a cultural transformation and the development of panafricanism which will promote inter-firm relations as well as inter- African trade flows.

The core activities initiated in this context by employers' organisations should fall under the principles of the Global Compact.

In this framework, emphasis should be placed on the necessity to promote Decent Work through the implementation of the Global Compact, the strengthening of local development initiatives and the integration of the informal sector into the economy.

In this way, a better cooperation of large enterprises with the informal sector and SMEs, for example, in the form of subcontracting, can be promoted in order to foster a new relationship based on partnerships.

Finally, participants expressed their gratitude and appreciation to the Tunisian Government which gave its full support to the organisation of the Symposium as well as their congratulations to the organisers, namely the ILO, IOE, PEC, and UTICA.

