**Where do the UN Global Compact labour principles come from?**

The International Labour Organization (ILO) is the United Nations agency that was established for the purpose of setting international labour standards. Increasing concerns about the social impact of globalization led the members of the ILO – representatives of government, employers and workers at the international level – to recognize in 1995 that there were four categories of labour standards that should be considered as fundamental because they protect basic workers’ rights. These categories are:

- 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; and
- The elimination of discrimination in respect of employment and occupation.

The process culminated in 1998 with the adoption of the ILO Declaration on Fundamental Principles and Rights at Work. This Declaration affirms that all ILO member States, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, to promote and to realize the principles concerning these fundamental rights. Although only member States ratify conventions, conventions and recommendations contain principles and valuable guidance which may also be relevant to business and improving workplace practices beyond legal compliance.

**Principle 3**

**What does freedom of association mean?**

Freedom of association implies a respect for the right of all employers and all workers to freely and voluntarily establish and join groups for the promotion and defense of their occupational interests.

Employers should not interfere in workers’ decision to associate, try to influence their decision in any way, or discriminate against either those workers who choose to associate or those who act as their representatives.

**What does collective bargaining mean?**

The right of workers to bargain freely with employers is an essential element in freedom of association. Collective bargaining is a voluntary process through which employers and workers discuss and negotiate their relations, in particular terms and conditions of work. Participants include employers themselves or their organizations, and trade unions or, in their absence, representatives freely designated by the workers.

**Why are freedom of association and effective recognition of the right to collective bargaining important?**

Freedom of association enables workers and employers to join together to protect better not only their own economic interests, but also their civil freedoms such as the right to life, to security, to integrity, and to personal and collective freedom.
Collective bargaining is a constructive forum for addressing working conditions and terms of employment and relations between employers and workers, or their respective organizations. It is often more effective and more flexible than state regulation. It can help in anticipating potential problems and can advance peaceful mechanisms for dealing with them and finding solutions that take into account the priorities and needs of both employers and workers. Sound collective bargaining benefits both management and workers, and the peace and stability it promotes benefit society more generally.

**What subjects can be covered by collective bargaining?**

Collective bargaining can extend to all terms and conditions of work and employment, and may regulate the relations between employers and workers as well as between the organizations of employers and workers. It is for the parties engaged in collective bargaining to decide what will be covered by their negotiations. Some of the subjects of collective bargaining identified by the ILO’s Committee on Freedom of Association include: wages, benefits and allowances, working time, annual leave, selection criteria in case of redundancy, the coverage of collective agreement, and granting of trade union facilities.

**At what level(s) should collective bargaining take place?**

Collective bargaining can take place at the enterprise level, at the sectoral or industry level, and at the national or central level. It is up to the parties themselves to decide at what level they want to bargain. According to the ILO’s Committee on Freedom of Association, the determination of the bargaining level is essentially a matter to be left to the discretion of the parties.

**Principle 4**

**What does “forced labour” mean?**

Forced or compulsory labour is any work or service that is exacted from any person under the menace of penalty, and for which that person has not offered himself or herself voluntarily. Providing wages or other compensation to a worker does not necessarily indicate that the labour is not forced or compulsory. By right, labour should be freely given and employees should be free to leave, subject to previous notice of reasonable length.

While companies operating legally do not normally employ such practices, forced labour can become associated with enterprises through their business links with others, including contractors and suppliers. As a result, all managers should be aware of the forms and causes of forced labour, as well as how it might occur in different industries.

**Is it OK for a company to withhold the passports of migrant workers working in their factory?**

The key element in many situations of forced labour is coercion – forcing people to work when they do not freely consent. Migrant workers may be coerced through withholding of their passports or identity documents. The employer may be holding the workers’ identity documents for safekeeping. In such
cases, the workers must have access at all times to the documents, and there should be no constraints on the ability of the worker to leave the enterprise.

**Principle 5**

*What constitutes child labour?*

There are certain types of child labour, as categorized in the Worst Forms of Child Labour ILO convention No. 182, which calls for governments to take urgent and immediate action when undertaken by children under the age of 18 years. They are:

- All forms of slavery – this includes the trafficking of children, debt bondage, forced and compulsory labour, and the use of children in armed conflict.
- The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic purposes;
- The use, procuring or offering of a child for illicit activities, in particular the production and trafficking of drugs; and
- Work, which is likely to harm the health, safety or morals of the child as a consequence of its nature or the circumstances under which it is carried out.

*Why should companies be concerned about child labour?*

Child labour damages a child’s physical, social, mental, psychological and spiritual development. Child labour deprives children of their childhood and their dignity. They are deprived of an education and may be separated from their families. Children who do not complete their basic education are likely to remain illiterate and never acquire the skills needed to get a job and contribute to the development of a modern economy. Consequently, child labour results in under-skilled, unqualified workers and jeopardizes future improvements of skills in the workforce.

Association with child labour will likely damage a company’s reputation. This is true in the case of transnational companies who have extensive supply and service chains, where the economic exploitation of children, even by a business partner, can damage a brand image and have strong repercussions on profit and stock value.

*What if a company operates in States where people below 18 have the right to work?*

The provision of work opportunities for adolescents under adequate conditions, rather than excluding them entirely from employment opportunities, is one of the effective measures to eliminate child labour, including its worst forms. Companies can play an important role in promoting youth employment by providing non-hazardous decent work opportunities to young people between the minimum age and 18. Companies are encouraged to increase employment opportunities and standards, taking into account the employment policies and objectives of the government; in many countries, increasing youth employment is a central policy goal.
A minimum age of 18 should be applied if and where the work or tasks in question are considered as hazardous – defined as work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children – or as any other worst form of child labour.

**Principle 6**

**What does discrimination in respect of employment and occupation mean?**

Discrimination in employment and occupation occurs when a potential candidate is treated differently or less favourably because of characteristics that are not related to his/her merit or the inherent requirements of the job. These characteristics commonly include in national law: race, colour, sex, religion, political opinion, national extraction or social origin. In addition, some countries have extended protection to other areas to include sexual orientation and HIV and AIDS.

Discrimination can arise in a variety of work-related activities. These include access to employment, particular occupations, promotions, and training and vocational guidance. Employees who experience discrimination at work are denied opportunities and have their basic human rights infringed. This affects the individual concerned and negatively influences the greater contribution that they might make to society.

The workplace is a strategic entry point for freeing society from discrimination. Combating discrimination at the workplace can help reduce disadvantages, such as in education, resulting from inequity that people may have suffered at earlier stages in life. When the workplace brings together workers of different races, sexes and ages, for example, and treats them equally, it helps build a sense of common purpose. By doing so, it defuses stereotypes and prejudices that are at the heart of discrimination.

**What are the advantages of a diverse workplace?**

In an age of globalized production, enterprises are now likely to have staff with diverse backgrounds, often from different countries, coming into contact with one another. Companies with a culture of equality of opportunity will have an easier time managing diverse work teams.

Globalization of markets means that companies with workers from different backgrounds in terms of gender, race, ethnicity, religion, national origin, age, disabilities, HIV/AIDS status, etc. will be in a better position to anticipate customers’ diverse expectations and needs.

Non-discriminatory practices are increasingly recognized as an important managerial tool to increase efficiency and productivity.