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Substantive session of 2006 Geneva, 3-28 July 2006 Item 2 of the provisional agenda\* Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development

## Statement submitted by the World Family Organization, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

\* E/2006/100.



## Statement

## **Report of the World Family Organization panel on ethics and decent work**

In response to the theme of the Economic and Social Council's high-level segment for 2006, "Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development", a panel discussion was held in Paris on 9 February 2006 in the chamber of the French Government's Economic and Social Council in the Palais de l'Iéna. The meeting was held at the initiative of the World Family Organization, in close cooperation with the Ostad Elahi Foundation: Ethics and Human Solidarity, approved and endorsed by the French Government, and the International Association of Economic and Social Councils and Similar Institutions (IAESCSI).

The panel brought together participants from non-governmental and intergovernmental organizations, international law experts, United Nations staff members, private sector representatives and academics. The theme of the 2006 high-level segment served as a basis for the panel's consideration of a fundamental aspect of decent work: "Is there a place for ethics and codes of conduct in the theme chosen for the 2006 high-level segment?" The notion of decent work calls for a qualitative definition of just and favourable work conditions in terms of human dignity. In that context, the question that must be asked is, "What is a dignified existence?"

The panel set out to provide some clarifications of terminology. Morality defines the transcendental measure of what is good and bad and is irrelevant to the business world. Ethics, however, defines what is good and bad about one's treatment of a third party, or a framework of action which, while it respects a given set of values, is not itself a value judgement. It calls for a questioning of oneself and one's behaviour towards others. Codes of conduct refer to practices which are internal and are therefore not the same everywhere.

After the panel discussions, observations and recommendations were made in the hope of adopting concrete measures for developing ethics in the workplace, which is essential in the promotion of decent work.

#### Taking cultural differences into consideration

Given all the cultural, philosophical, religious and linguistic differences that exist, the focus should be not on what is good or bad, but on what is best and most nearly universal. While decent work is indeed proportional to the degree of respect (in the broadest sense of the word) with which individuals are treated at work, practices vary depending on the country and the cultural environment. In practice, managing an office of ethics involves taking cultural differences into consideration.

#### Teaching individuals to think along ethical lines

As the World Family Organization recalls, it is important to learn the concept of ethics from one's parents and family. Developing individual ethics at work is therefore a challenge that begins with the family, involves the educational system from kindergarten to university, and should even be pursued beyond that. The political will to promote a family-centred approach and to strengthen the family's contribution to the enhancement of individual dignity must therefore be reaffirmed.

In addition, if a sense of ethics is lacking in the business environment, action must be taken in that sphere as well. Managers have an essential role to play in developing training on workplace ethics within the company. It should also be noted that the company plays an indirect role of the family level, given that an ethical framework at work has a knock-on effect on the family unit.

In general, national training entities have a great responsibility for developing the ethical awareness of each individual within the family, the educational system and the workplace, as they sought to do for sustainable development some years ago.

#### Naturally integrating issues of decent work into the life of the company

Efforts should be made to involve companies in the life of the community to ensure that they assume their share of responsibility for the general interest. To that end, the general interest must be reconciled with individual interests: the company must derive some benefit from contributing to collective well-being. That may require rethinking what a company is: a company that produces goods and services must be profitable and must abide by certain rules, but should do so in a dignified and decent manner. The individual dimension of work and the rights and obligations of each individual with regard to respect for human dignity should therefore be integrated into corporate culture.

The issue of ethics also raises the question of sanctions, which provide both protection and negotiating tools within the work environment. In the context of decent work, multinational corporations have already made commitments against which they ought naturally to be judged and held up to public scrutiny.

As noted above, awareness on the part of all business leaders is absolutely necessary, as is the dissemination of good practices. In order to enforce ethical charters and codes of conduct, whose legal status is difficult to establish, it is important to ensure that all individuals and companies internalize the concept of sanctions.

#### **Organizing workers**

Given the status of shareholders, workers' capacity to negotiate needs to be increased to establish a better power balance. In the context of international organizations, framework agreements are useful in that regard.

# Developing appropriate evaluation tools that focus more on impact than on conduct per se

It is also important to develop indicators of ethical responsibility and of socially responsible investment, more in terms of their impact than of overall conduct. Before attempting to define appropriate conduct, it is necessary to identify the real triggers of change.

#### Conclusions

(a) The discussion led to a common concept: universal ethics. The issues of decency, dignity and ethics ultimately depend on one common denominator: the individual. Peace for humanity depends on sustainable economic development; ethics should govern this notion, affirming that collective as well as individual happiness depends on self-fulfilment. The purpose of work is human development and in order for work to be decent, it must contribute not only to the common good, but also to the individual's self-development.

(b) Employers have a major role to play in creating a truly ethical system of work relations.

(c) The guidelines developed by the Organization for Economic Cooperation and Development (OECD), the Global Compact and International Labour Organization (ILO) standards are important reference points for a number of framework agreements drawn up with trade unions. The Global Compact and its 10 principles, particularly the one on anti-corruption measures, could serve as preliminary reference points for this discussion.

(d) The notion of decent work also raises questions about the informal economy, particularly since industrial societies have built up the entire social protection system around formal work, which involves only one third of humanity.

(e) It is impossible to discuss work standards without considering the issue of global and international citizenship. Given the cultural relativism that exists at the international level and the highly diverse concepts of the notion of individuation, ethics can provide some common ground, recalling as it does the basic requirement of human dignity.

(f) Non-governmental and intergovernmental organizations have a critical role to play in promoting decisions that help incorporate ethics into the workplace.

#### Recommendations

#### Medium term

(a) Incorporating into educational systems: (1) real consideration of the nature of mankind and of what specifically constitutes mankind's humanity, and (2) discussions and education on ethics. The effects will be felt at all levels of society and will help raise awareness among economic decision makers and future employers of the importance of respecting people's decency and dignity in the workplace.

(b) Through international organizations such as the International Association of Economic and Social Councils and Similar Institutions (IAESCSI), either (1) proposing to States a model contract between the party offering work and the party doing the work, or (2) drawing up a charter of workplace ethics that brings together the practical principles of an ethics of work relations that is applicable to any country at any stage of development. IAESCSI could also coordinate, at the local, national and international levels, evaluations of companies in terms of such a model contract or charter of ethics.

(c) Promoting ethics education within the family structure while crucially strengthening policies that aim to ensure decent living conditions for the family.

### Short term

(d) Taking action on working conditions, bearing in mind that decent work starts with pay levels that are commensurate with the work carried out and the financial norms of the country concerned.

(e) Rather than trying to integrate all of humanity into formal work, improving working conditions and encouraging the establishment of trade unions where there are none; for example, in European companies with operations in non-European countries.

(f) Creating real dialogue between representatives of the cultural, social and economic sectors to enable civil society to get involved in the work of decision makers and thinkers in all spheres.