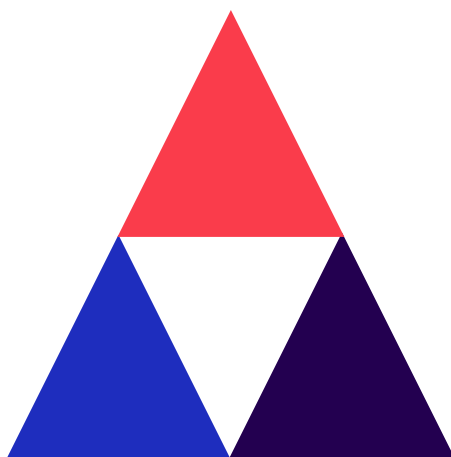




► The future of work in the automotive industry

Technical meeting on the future of work in the automotive industry ¹
(Geneva, 15–19 February 2021)

Final report



Sectoral Policies Department
Geneva, 2021

¹ In accordance with established procedures, this Note will be submitted to the 343rd Session of the Governing Body of the ILO (November 2021) for its consideration.

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► I. Introduction

1. The Technical Meeting on the Future of Work in the Automotive Industry was held virtually from 15 to 19 February 2021. The Governing Body of the International Labour Organization (ILO) decided at its 335th Session (March 2019) to convene the meeting and at its 337th Session (October–November 2019) that it would take place in Geneva on 4–8 May 2020. In light of the travel restrictions due to the COVID-19 pandemic, it was subsequently decided to postpone the meeting until 15–19 February 2021. The purpose of the meeting was to discuss future needs for skills and vocational education and training in the automotive industry in the context of the ILO Centenary Declaration for the Future of Work (2019).
2. The Chairperson of the meeting was Ms Erika Gabriela Martínez Liévano, Minister, Permanent Mission of Mexico to the United Nations Office and other International Organizations in Geneva. The Government Vice-Chairperson was Ms Thérèse Boutsen (Belgium), the Employer Vice-Chairperson was Ms Sawsen Ayari-Pouliquen and the Worker Vice-Chairperson was Mr Ben Mathew Norman.
3. The virtual meeting was attended by 165 participants, including 65 Government representatives and advisers (from 37 countries), together with 35 Government observers (from 17 countries), as well as 13 Employer and 14 Worker representatives and advisers, and 12 observers from intergovernmental organizations (IGOs) and invited international non-governmental organizations.
4. The Chairperson welcomed the participants and emphasized that the automotive industry was critical for many ILO Member States in terms of economic growth and job creation. In Mexico, it was one of the most dynamic and competitive industries. Mexico exported cars mainly to countries in North America, Europe and Latin America, and relied on raw materials and components from all regions of the world. Four years ago, Mexico had become the fourth largest vehicle and parts manufacturer in the world, and two years ago had produced nearly 4 million vehicles, or 4 per cent of global production. The automotive industry depended on an extensive and consolidated supply chain. Altogether the industry employed over 800,000 workers in Mexico, or 22 per cent of total employment in the manufacturing sector. However, the COVID-19 crisis had led to a fall of 20 per cent in the production and export of vehicles, with thousands of enterprises and workers being hit hard by the crisis and the collapse in global and domestic demand. Fortunately, the industry was now showing signs of recovery, although it was facing supply shortages, for example of semi-conductors.
5. The automotive industry had historically driven a manufacturing revolution, and was now undergoing a digital revolution unlike any other in its history. Although there would undoubtedly be benefits in terms of higher productivity and new products and services, there would also be an impact on jobs and the skills needed in future. All enterprises and workers in the industry were also being affected by the rapid transition to environmental sustainability and the circular economy. Production was becoming greener and more electric vehicles were being produced than ever before. In the near future, vehicles might well be made from 100 per cent recycled materials and powered by clean energy sources. Faced with such turbulent and transformative changes, more would have to be done to ensure a just transition, including supportive policies and measures for both employers and workers. To ensure that the industry could contribute to inclusive growth and decent work

opportunities for more women and men, it would be necessary to create a level playing field and an enabling environment for sustainable enterprises to grow and for workers to enjoy their rights at work. In addressing such critical challenges and opportunities for the industry, it was essential to keep in mind the Centenary Declaration, which was key to ensuring that the solutions and recommendations made were future-oriented, human-centred and focused on the ILO's core mandate of advancing social justice and decent work for all.

6. The Secretary-General welcomed the participants to the first ever virtual global sectoral meeting. The pandemic had made it necessary to try a new way of working and the Office would do everything possible to address swiftly any technical challenges that might arise. She recalled that the automotive industry was rightly known as the “industry of industries”. It was an engine of growth, trade, productivity, innovation and jobs in many Member States of the ILO and was key to the achievement of the 2030 Agenda for Sustainable Development, and particularly Sustainable Development Goal (SDG) 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The industry had a large environmental footprint, coupled with concerns about working conditions in its complex supply chains. It was therefore facing increasing pressure to reduce its environmental footprint and advance decent and sustainable work. The COVID-19 crisis was having a severe impact on the automotive sector, which continued to be affected by lockdowns and work stoppages, low demand and sales. The pandemic had come at a time when the industry was already going through a profound transformation due to technological advances, climate change, demographic shifts and a new and uncertain era of globalization. The pandemic had in many ways accelerated the transformation, leaving employers, workers and governments to navigate an increasingly uncertain future. In such turbulent times, the ILO was determined not to be a passive victim of circumstances or megatrends. The Centenary Declaration was specifically intended to help governments, employers and workers shape a future that worked for all, based on a human-centred approach to the future of work and the need to strengthen the capacity of all people to benefit from the opportunities of a changing world of work. That included lifelong learning and quality education for all, the effective realization of gender equality, universal access to social protection, and effective measures to support people through the transitions in their working lives. It was to be hoped that the meeting would reach a consensus that would guide work in the sector in the years to come.
7. The Executive Secretary provided an [overview](#) of the issues paper prepared for the meeting (document TMFWAI/2021), entitled *The future of work in the automotive industry: The need to invest in people's capabilities and decent and sustainable work*, which mapped the key challenges and opportunities in the industry. He noted that the COVID-19 pandemic was having a severe impact on the industry, which was suffering from supply chain disruption, the closure of plants due to lockdown measures and a collapse in demand.
8. The meeting viewed a [video presentation of the automotive industry](#) prepared by the Office.
9. The Chairperson invited the participants to make general comments before considering the [draft points for discussion](#) set out in document TMFWAI/2021/4.

► II. General discussion

10. The Worker Vice-Chairperson commended the Office for holding the meeting under such challenging circumstances. The current global crisis, with its unfolding social and economic impact, meant that discussion of the future of work in the automotive industry was of the utmost relevance. The Workers' delegation consisted of trade union leaders and experts from around the globe representing their members in the industry, including workers in original equipment manufacturers (OEMs) and global automotive supply chains. The national trade unions represented were all members of IndustriALL Global Union, which represented over 50 million workers in the manufacturing, energy and mining industries. Autoworkers globally were in the middle of a perfect storm of change, in which established and often hard-won certainties and expectations were being challenged. They were facing plant closures, job losses and the increasing casualization of work. While some parts of the world feared a wave of de-industrialization, in others work was only secure for as long as it remained the lowest cost option for multinational corporations. Neither of those situations were socially sustainable or offered a basis for a just transition. The current process of transformation was primarily a direct result of climate change and was marked by the introduction of new powertrains, mainly electric and hydrogen, the development of digitalization and the desire of carmakers to grow into mobility service providers. The new reality of software and services was shifting away from the old world of metalworkers and their gigantic metal presses. Traditional auto OEMs were now facing severe competition from technological giants, which seemed to have endless financial resources and yet refused to assume the social obligations that should apply to them as well as all other industries. In addition to these historic challenges, and the resulting need for support for workers to adapt and improve their skills, it was necessary to take into consideration the expected wave of digitalization and automation, which promised unprecedented improvements in productivity, but further insecurity for workers, unless tripartite solutions could be developed. Moreover, it was expected, and could already be seen, that companies would respond to the crisis by continuing to focus on cutting costs, outsourcing production to so-called "low-cost countries", and increasing precarious employment in a strategy of forced competition between workers through a "race to the bottom", which had characterized globalization for at least the past 40 years. Each of those overlapping and connected trends was being accelerated by the COVID-19 crisis.
11. He emphasized that, although the automotive industry was global and interconnected, the transformation was not happening at the same pace across the globe. Different countries and regions were experiencing change against different backgrounds and expectations, and it was important for the solutions discussed to show sensitivity to and understanding of these differences, which mainly followed a traditional North-South pattern. Careful consideration should also be given to all aspects of the challenges related to gender equality with a view to increasing the share of women in secure, decent and fulfilling work in the industry. The meeting's discussions should be guided by agreed ILO principles, including those enshrined in the ILO Declaration on Fundamental Principles and Rights at Work (1998), the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the "MNE Declaration"), the Centenary Declaration and the Decent Work Agenda. It was to be hoped that the meeting would adopt conclusions and recommendations that were responsive to the needs of workers and could help the automotive industry to manage the transformation based on the principles set out in the

ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all (2015).

12. The Employer Vice-Chairperson welcomed the holding of a very timely meeting which would allow constituents to come together and consider the crisis affecting the sector with a view to identifying a solid basis for recovery. The presence of a significant number of Government representatives was to be applauded, as their commitment was essential to ensuring a strong recovery. The impact of the COVID-19 pandemic would have merited a specific point for discussion in view of its very significant effects, including the shutting down of factories, social distancing measures and the fall in demand. Skills development was essential to address challenges, seize opportunities in the sector and ensure that employers and workers could adapt to the rapid transformations in the industry brought about by the advent of new technologies and products, heightened competition and the need to manufacture products in an environmentally sustainable way. A solid ILO tripartite outcome on this issue could act as a catalyst for action at the national level, building on the agreement reached in the Centenary Declaration, which placed emphasis on promoting the acquisition of skills, competences and qualifications by all workers throughout their life. Indeed, the Governing Body, when deciding to convene the meeting, had specified that it should focus on the need for skills, vocational education and training in the industry in light of the Centenary Declaration. It was therefore to be hoped that the ILO's first global virtual sectoral meeting would demonstrate the ILO's continuing relevance under challenging circumstances by producing relevant conclusions that offered clear and action-oriented guidance for national social partners. Social dialogue, albeit virtual, was still the best instrument available to address the challenges faced by the industry, especially in the context of the current pandemic.
13. The Government Vice-Chairperson emphasized the critical role of the automotive industry in economies and societies worldwide. However, it could be seen in many countries, including her own country Belgium, that the industry had come to a crossroads and was undergoing a profound transformation due to technological advances, demographics, climate change and uncertainty regarding the direction of globalization. The devastation caused by the COVID-19 pandemic had compounded the challenges and uncertainties that the industry was already facing. Sales had declined, production had been halted and many jobs lost. The meeting was timely as it was crucial to shed light on the challenges and opportunities for advancing decent work in the industry and the pressing need for action to invest in people's capabilities. Although the perspectives of the different groups might diverge, she hoped that consensus would be found on how to shape a brighter future for the industry through constructive social dialogue.
14. A representative of the Government of Portugal, speaking on behalf of the European Union (EU), noted that the automotive industry accounted for millions of jobs in the EU and across the globe and was of significant importance in the world of work. The automotive industry was undergoing a transformation, with COVID-19 acting as a catalyst accelerating the change. The focus should now be on facilitating a just transition, with emphasis on sustainability, decent work, skills development and occupational safety and health (OSH), to mitigate the negative impacts on workers. The EU and its Member States recognized the many challenges that the industry was facing and had developed a number of policies to aid the transformation, aiming to capitalize on existing opportunities. For example, the European Green Deal promoted a just transition by providing a framework for aligning EU industrial and climate goals, pledging to leave no one behind. The new European Industrial Strategy constituted an opportunity for the EU to modernize its industrial foundations, maintain and re-shore jobs and key industrial production, and build up the skills and

capacities essential for the global effort to deliver on the objectives set by the relevant climate legislation and the SDGs. That promise was further strengthened by the 2020 European Skills Agenda, which acknowledged the ongoing importance of upskilling and reskilling workers, especially in such strategic industries as the automotive sector, which was undergoing major change. Cooperation between all relevant stakeholders was key to ensuring sustainable skills development and underpinned the establishment of the Automotive Sector Skills Alliance in the EU.

15. He emphasized that the EU also sought to protect workers and jobs, particularly during and after the COVID-19 pandemic, through such measures as the roll-out of the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) programme. The EU also strongly supported making OSH a fundamental right at work and was committed to ensuring decent work in global supply chains. OSH and decent work contributed substantially, not only to the protection of workers, but also to the sustainability of companies and social protection systems. Furthermore, social dialogue at all levels, including at the cross-border and company levels, was essential to anticipate and manage the changes needed to move forward. Acknowledging the ILO's pivotal role in assisting with the challenges facing the automotive industry, he hoped that the discussions in the meeting would be informed by important ILO principles and instruments, including the Centenary Declaration, the MNE Declaration and the Decent Work Agenda. During this transformative period for the sector, the EU was committed to developing new opportunities, investing in upskilling, reskilling, active labour market policies and practices and decent working conditions to support a sustainable green economy and shape the future of work in the automotive industry. Social dialogue would be of seminal importance for the development of practical and robust conclusions to further this goal.
16. A representative of the Government of Argentina emphasized the importance of ensuring that both labour and social conditions were taken fully into account, particularly when developing policies to address the impact of the current pandemic. The ILO offered a framework for the development of constructive policies for equitable development, in its instruments and recommendations, especially the Declaration of Philadelphia (1944), the Declaration on Fundamental Principles and Rights at Work and the Centenary Declaration, including on such essential issues as the living wage, social security and working time. Argentina had recently adopted a new Act on telework to protect the rights of the workers concerned. Even before the pandemic, the automotive industry had been under great pressure to transform in response to climate change, on which the Government had also adopted legislation recently. The current meeting would play an important role in helping all constituents develop agreed solutions to the multiple problems faced by the industry.

► III. Consideration of proposed points for discussion

1. **What challenges and opportunities have arisen in the automotive industry as a result of technological advances, climate change, globalization, demographic shifts and other drivers of change, including the coronavirus disease (COVID-19) pandemic?**
17. An Employer representative from Turkey, speaking on behalf of the Employer Vice-Chairperson due to communication problems, said that the COVID-19 pandemic had brought a decade of expansion in the global automotive industry to an abrupt halt, with

unprecedented consequences. In 2020, the sale of commercial vehicles had fallen by almost 20 per cent worldwide and it was estimated that it would take years to reach pre-crisis levels, and certainly not before 2023. To put this into perspective, the 2009 financial crisis had resulted in a fall in sales of only 9 per cent. In the EU alone, there had been production losses of 3.6 million vehicles worth €100 billion during the first half of 2020, with almost 130,000 jobs being lost in the six months following the outbreak of the pandemic. The full extent of the financial and job losses was yet to be felt, with plants and suppliers closing in countries where the markets were slowest to recover. The entire industry had been shaken, with a rise in corporate bankruptcies, as financially weaker companies did not have the cash reserves or capacity to refinance in the short term. Small and medium-sized enterprises (SMEs) were particularly badly affected and were reliant on state loans and support. The pandemic had also massively disrupted the supply chain. Major shortages of semiconductors, resulting from fluctuating demand throughout 2021, were currently forcing producers to review their production targets and even to close some of their production plants temporarily. These shortages were expected to continue until late 2021, with the increasing prices of semiconductors and commodities, such as copper and nickel, putting at risk the fragile recovery witnessed by some markets in recent months. The pandemic was also having indirect negative consequences, which might be less visible but had the potential to affect the industry more profoundly. For example, many OEMs and auto-part suppliers were being forced to prioritize their core activities to ensure sufficient cash flow, to the detriment of other areas, such as investment in research and development (R&D), which might affect the industry's capacity to innovate and remain competitive in the long term. Consumption patterns were also changing as consumers delayed or reconsidered purchases or maintenance out of concern for their financial well-being and health. The pandemic had led to an increase in online shopping and, although it was unclear whether this trend would continue after the pandemic, companies would clearly need to enhance their digital presence. Moreover, the pandemic was also drastically influencing the way in which many people perceived of mobility, which could severely affect the industry in the medium to long term.

18. The global automotive industry had already been at a turning point prior to the pandemic due to the digitalization of road transport systems and the shift to carbon-neutral mobility. The transition to electric vehicles, which had started some years ago, was a game changer for the industry. It was expected that by 2030 one out of three cars sold would be electric. In parallel, the market for autonomous vehicles was expected to grow by 63.1 per cent each year between 2021 and 2030, outweighing the traditional car market by 2030. The two innovations had the potential to create major new economic opportunities, thriving new industries and a net increase in jobs. It was estimated that, in global terms, electric cars could create twice the number of jobs that would be lost due to the demise of the internal combustion engine. In the United States alone, over 100,000 decent jobs a year could be created by 2040. However, the job creation potential should not be taken for granted. To ensure such gains, enterprises would require sound macroeconomic, industrial and labour policies to build back better in an enabling environment. The industry, the workforce and governments urgently needed to devote the necessary resources to worker education and training.
19. In conclusion, the industry was severely affected by megatrends such as climate change, technological innovation, the slowdown in global trade and the global slowdown in productivity growth, which had been occurring since the 2007–09 financial crisis. The industry had been adapting and transforming in response to these trends, which presented both challenges and opportunities. The pandemic had accelerated the impact of the

transformations in the sector and had also dramatically weakened the industry's financial ability to invest in future models.

20. The Worker Vice-Chairperson said that several factors and trends, and particularly global warming, new mobility concepts, digitalization and other new technical solutions were resulting in a process of profound transformation in the automotive industry. The process had to be managed within the framework of social dialogue, both tripartite and between the social partners, and in a sustainable and socially responsible manner. For this reason, the global trade union movement was promoting the concept of a "just transition" as a tool to smooth the shift towards a more sustainable society and provide hope for the capacity of a green economy to sustain decent jobs and livelihoods for all. On this basis, there were four major areas to be covered by the discussions in the meeting: jobs and skills, digitalization, outsourcing and new mobility concepts. Several studies on jobs and skills and the experience of workers showed that the number of hours required to manufacture a battery electric vehicle would be about the same as in the past, but a decrease of 10 to 15 per cent was expected in the workforce required for vehicle manufacturing due to the new and more efficient production facilities for new models. Simple and repetitive jobs would be automated in both manufacturing and management. Overall skills requirements would increase due to digitization and the growing complexity of highly integrated business operations. The majority of job losses were a result of the decreasing volume of internal combustion engines. Although new jobs would be created in the field of battery manufacture and electric motors, they would not be like-for-like replacements of old jobs, and workers would not be able to transition automatically or spontaneously. Digitalization was expected to have an immediate negative impact on jobs, with larger-scale job losses expected in the medium term. These assumptions revealed two major challenges, the net loss of jobs and the need for upskilling and reskilling, as well as totally new competences. The priorities were therefore to safeguard existing jobs, ensure the employability of the current workforce and create the maximum number of new jobs. The major contradiction exposed by these assumptions was the existence of a growing skills gap, which was itself a barrier to the growth of the industry, while at the same time the existing skilled workforce faced outsourcing and precarious work, or deskilling. It was essential to ensure that as many as possible of today's employees were the employees of tomorrow. Every employee should be entitled, under the terms of a collective agreement, to an interview with their supervisor to identify possible skills gaps early enough to allow for reskilling and upskilling in good time. The concept of lifelong learning needed to be urgently applied on a large scale to prevent social damage and exclusion. The number of jobs that were likely to be lost was an important aspect of the debate, particularly in countries with high unemployment, low social security and low skill levels. The MNE Declaration rightly emphasized the generation of the maximum number of jobs in developing countries, although the question was how this could be achieved in view of the digital integration of the industry. It should also be recalled that the transformation offered an opportunity to correct gender inequalities by increasing opportunities for women, particularly in jobs in science, technology, engineering and mathematics (STEM).
21. A second important topic was digitalization and the technological revolution. If current OEMs were unable to digitalize their business, they would not be able to compete on future mobility markets and would end up supplying vehicles to technology companies, which would then add most of the value to the final product and take the profits. Digitalization based on social partnership was therefore in the mutual interest of the workforce and traditional employers. As suggested by the Centenary Declaration, digitalization and artificial intelligence created a severe risk for workers, which meant that it was absolutely

necessary to endorse the human-centred approach. With regard to outsourcing, it should be recalled that the automotive industry was generally characterized by a high rate of unionization, with well-established structures of social dialogue and collective bargaining, particularly in OEMs and several tier 1 suppliers. The fact that many of the current jobs in the sector could therefore be considered decent jobs had not however been inevitable, and had been earned by union members, and would be defended. In contrast, the ongoing trends of sourcing in low-cost countries and precarious employment had been accelerated by the pandemic. The most prominent examples were in India, Mexico, Morocco, Romania, Serbia, Thailand, Turkey and the southern states of the United States, where there were significant violations of labour rights, including freedom of association, and working conditions were not decent, as companies paid low wages and often operated on the basis of precarious employment relationships, including false traineeships. The situation in the North was also deteriorating, with the number of agency workers with short-term contracts increasing and accounting for almost 50 per cent of the workforce in some cases. Competition was not only between the North and the South, but also between companies in the same region and even within the same company. Employers often used the threat of outsourcing to force workers to compete for investment in new models. Outsourcing was not confined to core production, and included IT and R&D jobs, which were starting to be outsourced to crowdworkers, who were not covered by social security. The latest outsourcing trend, promoted by the pandemic, was mobile and homeworking, which would allow companies to reduce their office space and fixed costs, and transfer some costs to workers. New technologies, and particularly electric powertrains, were forcing OEMs to decide the proportion of components that would be produced in-house or purchased from suppliers in a fragmentation of production that raised issues of responsibility. For example, issues of child labour and environmental pollution arose in relation to battery production. Mandatory due diligence in the context of global supply chains therefore required serious attention. The issues related to outsourcing called for highly dedicated measures and activities to reinforce fundamental labour rights and decent work. The division of labour in long supply chains in the automotive industry not only raised questions about the worst cases of human rights violations, but also the setting of global standards for terms and conditions that guaranteed adequate income levels and social protection, as well as a reinvigorated social contract to ensure that workers across the industry enjoyed a fair share of the wealth that they helped to generate.

22. Finally, with reference to new mobility solutions and related concepts aimed at making transport greener and avoiding global gridlock, particularly in big cities, there was general agreement that shared and intermodal transport solutions were the only way of providing sustainable traffic solutions. Alongside the technological opportunities and challenges related to such concepts, it was becoming clear that new mobility solutions would lead to an increase in precarious jobs, for example in relation to new ride-sharing, ride-hailing, delivery and parking services. Big data was at the heart of many business models in the field of mobility, while traditional car companies and suppliers were still in the process of ensuring that they made the best use of the data collected through their products and services. A just transition in the area of future mobility would also depend on the fundamentals of collective bargaining and decent jobs. However, the automotive industry was only one player in the market and it would therefore be important to bring together all the relevant stakeholders in the ILO for an in-depth discussion on the sector in the near future. In conclusion, it was clear that the future of work in the automotive industry was a comprehensive topic that required cooperation and joint efforts to ensure that the process

of transformation was just, guided by strong labour rights, decent work and a fair globalization.

23. The Government Vice-Chairperson agreed that great emphasis needed to be placed on skills acquisition and lifelong learning so that workers could adapt their skills in response to the major changes in the industry, and particularly the increasing level of digitalization and the changes required to move towards a green economy. It was also important for outsourcing to be covered by social dialogue, as the operation of supply chains often had the effect of limiting the advancement of decent work in the industry. The ILO's strategic objectives and principles of decent work and freedom of association should act as a guide for the meeting's discussions.
24. A representative of the Government of Mexico also welcomed the convening of a very timely meeting on an important subject, as the automotive industry played a vital role in the economies of many countries. The development of a competitive and consolidated high-tech automotive industry was of great strategic importance in Mexico in view of its contribution to the creation of added value for international trade, employment and its direct impact on other sectors, which provided inputs for the automotive industry. In Mexico, one in every five manufacturing jobs was in the automotive industry, with a major focus on the production of automotive parts. The automotive industry, in the same way as many other industries, was facing great challenges, and particularly very rapid technological advances, such as increased robotics and automated processes, the transformation required to meet environmental standards and mitigate its carbon footprint, and the emphasis now placed on the production of electric vehicles. In the current context, it was therefore of particular importance to develop more specialized skills among the workforce and to train specialized engineers who could help to maintain the competitiveness of the industry and ensure that it adapted to the pressure to produce more environmentally-friendly and safer vehicles. The car of the future, based on connectivity and autonomous vehicles, was developing rapidly. The unprecedented change in the production structure and the whole value chain, and in the full life cycle of the end product, was bound to have a profound impact on the skills that were needed. Mexico would therefore continue to promote the upskilling and reskilling of the workforce to ensure that the industry was ready and able to deal with future transformations, including job losses. Another issue that had been highlighted during the pandemic was the disruption of supply chains, which had further emphasized the reliance on the just-in-time production model and the importance of smooth and efficient commercial and supply relations between countries and regions. The belief had accordingly been reinforced that the localization of production would become increasingly relevant in the sector, as would cooperation between the industry and governments for the development of appropriate policies and measures.
25. A representative of the Government of Argentina noted that the current emergency due to the pandemic reinforced the need for the active involvement of governments for the provision of support, as was being done in Argentina to guarantee the survival of the industry. Social dialogue and collective bargaining were crucial to guarantee good relations between workers and employers in a dynamic sector. He agreed that the industry had been particularly severely affected, not only by the pandemic, but also by the introduction of new technologies, which were having a significant impact on the quantity, quality and structure of employment. In that context, it was necessary to adapt to continued change. With reference to supply chains in particular, it was important to focus on the transition of workers from precarious and informal forms of work to the formal economy. The Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), provided

important guidance on the measures and policies that could be adopted in that respect to prevent labour being used as a cheap commodity.

26. A representative of the Government of Brazil agreed that the pandemic had accelerated an ongoing process of substantive and dramatic change in the industry, characterized by digitalization, a change in energy sources related to action to address climate change and technological advances that were having a huge impact on the world of work. The key issue was how best to prepare for the changes that were being seen and were expected in the near future. It was clearly vital to prepare all workers for the changes and to ensure their right to a just transition. It was fundamental to invest in social dialogue for the achievement of a just transition and to ensure the appropriate skilling and reskilling of workers. There was also a fundamental need to take action to address the issue of informality in the sector, as labour rights were best safeguarded with the formalization of all parts of the industry, including global supply chains.
27. The Worker Vice-Chairperson observed that, while much of the discussion had focused on the impact of the pandemic, the megatrends in the industry had not been caused by the pandemic, but had been accelerated by it. Moreover, the pandemic had highlighted the success of the tripartite model, as many successful responses to build back better were based on strong tripartite cooperation. It was important to acknowledge the hard work and sacrifice made by workers throughout the world to keep factories open and agree collectively on responses, as well as the role of governments in providing stimulus and support packages. It was to be welcomed that great emphasis had been placed during the discussion on the fundamental importance of lifelong learning, which was central to many ILO instruments, including the Centenary Declaration and the Human Resources Development Recommendation, 2004 (No. 195). However, the concept of lifelong learning presupposed lifelong careers for automotive workers. Lifelong learning was not possible in a context of precarious work, casualization or outsourcing. It was not credible to refer to lifelong learning without taking these broader issues into account, or to separate the issue of skills development from the actual experiences of workers in the industry. Although the discussion had shown many potential areas of agreement, it was important not to confine the discussion to skills, or to separate the issue of skills from the industrial and social context of the lifetime careers of workers in the industry.
28. An Employer representative from Turkey, speaking on behalf of the Employer Vice-Chairperson, observed that international framework agreements constituted but one tool among others to facilitate social dialogue among employers and workers. He furthermore recalled that conditions in global supply chains were often better than those in domestic supply chains. Moreover, it was not true that outsourcing was increasing in all countries. The Employers' group would oppose any reference to mandatory due diligence by producers along supply chains in the conclusions of the meeting since this was contrary to the United Nations Guiding Principles on Business and Human Rights. The principal challenge facing the industry was not related to global supply chains, but to the lack of enforcement of labour laws at the national level and the need to create decent jobs.
29. The Government Vice-Chairperson noted the comments concerning the importance of the role played by governments in relation to training. She emphasized that the issue of outsourcing should be covered by social dialogue. In view of the important role played by supply chains in the sector, it was to be hoped that the meeting would be able to break new ground and overcome certain past difficulties relating to the discussion of decent work in global supply chains.

30. The Worker Vice-Chairperson emphasized that due diligence by enterprises in their supply chains was not contrary to the United Nations Guiding Principles. The MNE Declaration referred to due diligence in supply chains. It was a topic that would undoubtedly be covered in the discussion and in the conclusions of the meeting due to the importance of global supply chains to the sector.
31. A representative of the Government of Portugal said that the EU and its Member States recognized the many challenges faced by the industry and had developed a number of policies to assist the transformation which were aimed at capitalizing on existing opportunities. During the ongoing transformation of the industry as a whole, its centre of gravity was changing both geographically and in terms of new technologies, business models, demographic shifts, the ageing of the workforce and trade turbulence. New technologies and trends were a result of stricter emission standards and decarbonization, as well as new concepts of mobility, leading to the expansion of green and digital economies. The ongoing trends had been further exacerbated by the COVID-19 pandemic, mainly due to the significant fall in demand and investment. Decent work challenges were linked to the pressure on both the quantity and quality of employment in the sector, particularly in the case of unprotected workers. Moreover, the rapid development of the technologies used in the sector, such as automation and battery technologies, would require much more regular upskilling, as the “half-life” of skills in the sector was only estimated to be five years, in the sense that skills would only be half as valuable/useful after five years. The shift to e-mobility would require more highly skilled workers than for the production of traditional internal combustion engine vehicles. While there were likely to be fewer jobs directly involved in vehicle manufacturing, many of them would be of higher quality. The opportunities offered by technological advances to develop high-quality jobs warranted due protection and investment in skills development in the sector, for example in batteries for e-mobility. Sharp increases in the demand for electric vehicles, combined with the expected significant fall in demand for gasoline and diesel cars, were likely to transform not only the industry, but also the whole concept of mobility.
32. The Employer Vice-Chairperson appreciated the willingness of all parties to focus on future skills needs in the automotive sector in order to address the challenges relating to new technologies. It was important to bear in mind that outsourcing and global supply chains had improved trade and created jobs for millions of people. Academic research indicated that the jobs created in this context were better jobs. Supply chains connected firms, including in the automotive industry, and offered better working conditions and wages in comparison with alternative employment, which was often in the informal sector. The positive impacts of supply chains on the quality of jobs and job creation were particularly important in view of the massive and rising unemployment rates in all areas of the world, especially for young workers, who were seeking opportunities to enter the labour market. The pandemic had served to demonstrate the importance of supply chains, whether domestic, regional or international, for economic growth and the overall stability of economies and societies. The pandemic had also shown how fragile they could be and the importance of reinforcing their resilience through policies to ensure the generation of employment and opportunities for sustainable enterprises.
33. With reference to the comments made concerning the possibility of adopting legislation requiring due diligence in supply chains, it should be recalled that the United Nations Guiding Principles on Business and Human Rights were a universally accepted framework that clearly stated that States had a duty to protect against human rights abuses within their territory and outlined the corporate responsibility to respect human rights, which applied to all business enterprises irrespective of their size, sector, location, ownership and

structure. Employers strongly supported that framework for action, within which companies could voluntarily carry out human rights due diligence, either by adopting a specific human rights due diligence process or by incorporating it into other processes. It was misguided and short-sighted to assume that, for states to fulfil their obligation to protect against business-related human rights harm, it was necessary to take a punitive approach and establish a legal requirement for companies to carry out human rights due diligence in part or in full. Companies would continue to fulfil their role in promoting decent work through supply chains. She reiterated that international framework agreements were very limited tools in terms of coverage, as the vast majority had been signed within the European context. They should not therefore be given prominence in the meeting's conclusions, which should be relevant and implementable in all regions. Moreover, they were only one tool for social dialogue among many others that should be promoted. That being the case, all other interventions had been helpful in identifying the megatrends affecting the industry, such as the COVID-19 crisis, the electrification of cars and new technologies in general. It was important for the meeting to keep to its core mandate and to focus on how the industry could bridge the skills gap in line with the Centenary Declaration, so that it could take full advantage of its potential to generate employment opportunities and decent jobs.

34. The Worker Vice-Chairperson, recalling that this was the first global tripartite sectoral meeting to be held in the midst of the global pandemic, emphasized that, while skills clearly remained an important part of the discussions and conclusions, it was clear that the opportunity should not be lost to reaffirm fundamental principles in relation to local and sectoral collective bargaining, including international framework agreements. With regard to due diligence in global supply chains, the ideas proposed were not fundamentally new or radical, but rather focused on reaffirming principles and ILO instruments and recommendations that had already received tripartite support. The MNE Declaration made specific reference to due diligence, particularly with regard to identifying, preventing, mitigating and accounting for human rights abuses. It was highly appropriate for such agreed principles to be discussed during the meeting. Moreover, the Organisation for Economic Co-operation and Development (OECD) identified international framework agreements as central mechanisms for carrying out due diligence along global supply chains. Indeed, the pandemic had highlighted the fragility of the automotive industry and its global supply chains, which had experienced major disruptions, thereby demonstrating the deep-rooted structural problems and unsustainability of a system based on outsourcing, the race to the bottom and the lowest cost model. It was therefore entirely legitimate for these topics to be discussed by the meeting.
35. The Government Vice-Chairperson recognized that global supply chains could sometimes be a source of problems relating to decent work in the industry. It was necessary for all actors in the industry to promote and ensure respect for the fundamental and other rights of workers, particularly in view of the huge challenges in the sector, which included a lack of decent work. It would not be appropriate to limit the discussion to qualifications and skills, and it should also examine issues related to decent work.
36. The Employer Vice-Chairperson, while acknowledging fragilities in global automotive supply chains, did not consider them to be the type of global problem faced by the industry on which the meeting should focus its attention.

2. What policies and measures have worked, what has not worked, and what needs to be done to address these decent work challenges and opportunities?

37. The Worker Vice-Chairperson considered that what had worked was the way in which employers and unions, partly also with the strong involvement of governments, had been able to manage periods of crisis and change through dialogue and in a socially responsible manner. The response to the COVID-19 pandemic was the most immediate example. From repurposing automotive production to meet medical needs in several countries, to the support and stimulus packages at the regional and national levels when factories had been forced to close, the most successful responses to the crisis had been tripartite. Beyond the crisis, there had been other recent examples of mutually beneficial collective bargaining in many large OEMs and suppliers to manage the process of transformation in a proactive and balanced way. However, the economic downturn caused by the pandemic had partly or fully endangered many existing collective agreements and renegotiation had been required in some cases. In many cases, positive examples of social dialogue, collective bargaining and close cooperation in such fields as OSH had been positively influenced by structures beyond company boundaries. Many scientific studies revealed that the existence and functioning of national and regional automotive clusters actively promoted economic growth, together with high levels of innovation, decent jobs and mature social dialogue. The clusters brought together OEMs, large and small suppliers, research facilities, trade unions, governmental agencies and other actors. What had undoubtedly also worked well in some countries was a proactive industrial policy, partly accompanied by a strong focus on vocational training, apprenticeships, reskilling and upskilling, lifelong learning and the constant observation of existing and required competences and the related ongoing adaptation of trades, such as the “observatoire des métiers” in France.
38. In terms of what had not worked, reference could be made to “diesel gate”, a scandal that demonstrated the refusal of many, if not nearly all companies, to adapt their business model and product portfolios to the challenges of global warming in good time. The current situation would have been far easier to manage if the industry had not ignored the need for change for far too long. Even at the level of the EU, where the future of the automotive industry, emission regulations and many other aspects had been discussed in tripartite forums, too few constructive strategies had emerged due to the ignorance of many car companies. Both diesel gate and the examples of sound social dialogue and collective bargaining underlined the urgent necessity for a “just transition” approach, not only for the social partners, but also for governments, which were responsible for establishing the legislative framework.
39. A recent example of best practice in that regard was offered by Unifor in Canada. When the union had engaged in its regular collective bargaining in 2020 with the three large OEMs in the United States, everything had been at stake: the plants, future investments and hundreds of thousands of jobs. Based on constructive collective bargaining, and with the active support of the regional and national government, workers had not only successfully fought back against a possible decline in the Canadian automotive industry, but had managed to shape the process of transformation in a positive way. Agreement had been reached on new future-oriented investments, thereby protecting jobs and plants, and on the measures in the field of skills and technologies required to manage the transformation to electric vehicles and new mobility concepts.

40. All processes that were purely related to outsourcing for the simple aim of cost reduction had failed in many ways. The terms and conditions of the outsourced jobs were often far from decent, meaning that companies and their suppliers applied double standards in different parts of the world, often involving the violation of the fundamental rights of freedom of association and collective bargaining. It should be clear that workers were not against globalization, but that it was high time to take action on its negative social consequences. That implied that multinational enterprises (MNEs) that benefited from their global business structure needed to adopt an integrated global social policy involving a drastic increase in transparency in two main areas: the introduction of genuine social dialogue at the global level to bring an end to the usual processes whereby workers and unions from different countries and plants were pitted against each other, based on an incomplete sharing of information; and increased supply chain transparency. Automotive OEMs currently needed up to a year to map their supply chain for a single raw material for the batteries that would be mounted in vehicles. In terms of violations of human and workers' rights along supply chains, OEMs needed to be far more serious about their due diligence policies. Trade unions were prepared to cooperate closely with companies to ensure that the voice of workers was heard far better and to raise labour standards at the global level. In the case of the growing battery supply chain, this involved decent work being granted from the mine to the car. In that context, the concept of the circular economy would be of great importance, with the recycling of key components, such as batteries.
41. Moreover, the transformation provided the opportunity to correct existing gender inequalities, including the under-representation of women in leading positions and the gender pay gap, as well as a real chance to increase the total numbers of women employees, particularly in STEM jobs. A future of work determined by digital tools and processes also offered new options for the organization of working time and management-employee relations, although such new opportunities had so far been confined to those working in higher-level positions, with most workers in manufacturing having no or very limited access to the new systems. In response to this clear disadvantage, a special allowance should be paid to all those who could not benefit from the new opportunities as a means of restoring equal treatment.
42. Based on this analysis, much needed to be done. The first priority was the concept of a "just transition", which required a solid tripartite approach with the major aim of promoting an industrial policy that ultimately led to long-term job security in the sector. Such a policy could help to establish the clusters necessary to deal proactively with the transformation, for example through "transformation agencies". Access to social security systems for all was an integral part of the concept. The concept of a "just transition" should be supported by widespread collective bargaining between the social partners at all levels. With regard to skills and competences, education, training and lifelong learning should be considered a right for all, particularly those left behind for whatever reason. It was also necessary to be far more sensitive to the reality of the situation in the global South and to ensure that the investments made met social requirements. For example, a number of automotive OEMs from around the world had announced that they would invest in vehicle manufacturing in certain sub-Saharan African countries. These MNEs should not take their usual approach, but should promote the creation of decent jobs from the outset. It was therefore of the upmost importance to promote policies to regulate global supply chains and promote effective due diligence. Agreements were required that supported the implementation of fundamental labour rights and the concept of decent work, even where local legislation was weak, such as the international framework agreements signed by IndustriALL with MNEs.

Finally, all concepts and policies should be guided by the principle of gender equality and include gender mainstreaming.

43. The Employer Vice-Chairperson said that, in view of the challenges directly linked to the pandemic, priority in the short term should be given to ensuring that the industry could come through the current crisis through the provision of sufficient support to businesses and individuals to reignite growth. For that, governments needed to safeguard enterprises and jobs through the provision of financial aid, tax breaks, government-backed loans, pay protection programmes, as well as measures for the reduction of working time with wage compensation, temporary unemployment with public cash transfers to workers and further flexibility in labour rules. The industry would also require ongoing information on OSH and other support measures to minimize the disruption to productivity. In the medium and long term, it would be key to stimulate aggregate demand in the sector, which could act as an engine for overall economic recovery in view of its significant employment impact and linkages with other sectors. Support was therefore essential to foster demand, for example through vehicle renewal programmes, and to encourage innovation and the adoption of new technologies and create new green jobs, as indicated in the *ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all* (2015). Recovery could only be achieved through rapid, sustainable and inclusive private sector growth. Businesses would not restart operations spontaneously and economies would not be able to return to previous levels of prosperity without persistent and adequate support, both financial and through an enabling business environment. As recognized in the Centenary Declaration, decent work, productive employment and improved living standards for all required the promotion of an enabling environment for entrepreneurship and sustainable enterprises. The 2007 Conference Conclusions concerning the promotion of sustainable enterprises provided additional guidance on the conditions for an environment conducive to sustainable enterprise development.
44. There was a huge gap between the future skills needs of the industry and the current workforce. The pandemic had increased the urgency of addressing skills mismatches and other environmental and societal trends, which had already been transforming the landscape of skills demand. In the case of electrical vehicles, although new jobs were expected to be created through changing infrastructure development, battery production and recycling, they would largely require skills that were not yet available, such as applications developers, artificial intelligence specialists and computer security experts. Some current challenges would become worse in the future, including the ageing workforce, the lack of defined career pathways and the fragmented approach to recruitment, retention and training. While the skills gap affected the industry worldwide, the situation varied in different countries depending on their level of development, experience of the industry and types of industrial processes, although new emerging markets were now well-established players in the sector. To overcome the prevailing skills gap, it would be necessary to recruit qualified people with new skill profiles, as well as accompanying existing workers through upskilling and lifelong learning. Coherent policies would also be needed to support and train workers for the transition to environmental sustainability, including social protection to support workers affected by job losses and displacements. However, current education systems were not yet ready to provide the necessary specialized training. Moreover, the slowdown in educational advancement in some countries might exacerbate skills gaps and lead to greater income inequality.
45. Companies did not yet have the capacity to develop the skills needed in-house and, where apprenticeship programmes were in place, completion rates in the industry were low because trainees were attracted to industries with lower entry barriers. This should be

addressed through public investment in vocational training institutions, which could offer degree programmes and training courses at affordable cost designed to match the needs of employers, for example guided by focus groups with industry input. Enterprises could then offer apprenticeship positions for the students concerned. In that way, vocational training institutions could act as a bridge between labour supply and demand. Apprenticeships and other forms of practical experience had the benefit of providing skills that were not taught through traditional training methods, such as problem solving, critical thinking, innovation, creativity, the ability to deal with complexity and communication skills, which were becoming increasingly important in all forms of work, especially where humans and intelligent machines collaborated. Fostering such new skills was a way of implementing the human-centred approach set out in the Centenary Declaration and would require the adaptation and improvement of training and education, as well as on-site training. Workers, governments and businesses needed to be inspired and stimulated to prioritize the development and delivery of agile education and training systems that responded to changes in the world of work, including better systems to ensure high-quality lifelong learning, digital skilling and vocational training. Adequate, sustainable and structural financial incentives would be necessary for businesses to take their skilling efforts to the next level as part of a joint effort to bridge the skills gap. Educators and policymakers would also need to ensure that entrepreneurial skills were readily available through educational programmes. Close contacts and exchanges between education and training institutions and private sector employers would be key to ensuring the provision of the required skills, and employers' organizations and tripartite social dialogue could help to ensure that skills training matched industry needs and technological developments.

46. While, in the twentieth century, humans had interacted with machines to improve productivity, in the twenty-first century humans would interact with each other with the support of machines, which required a different skill set and a different assessment of the basic skills necessary for employability. International policymakers should take the lead and support national social partners, public and private education organizations and governments in developing human and social skills in the workforce. It was key for job creation to ensure that the building blocks of lifelong learning included an understanding of entrepreneurship and the sustainability and productivity of enterprises, which could be fostered by placing creativity at the core of learning and including project-based learning and other transversal activities. Another key challenge linked to the skills gap was the gender divide prevalent throughout the industry. For example, in the United States, women accounted for only 27 per cent of the automotive manufacturing workforce, compared with around 47 per cent of the overall labour force, and a mere 5 per cent of automotive engineers were women. This pattern is prevalent throughout the industry and, although considerable efforts had been made, much more could and should be done. Technology offered the potential to level the playing field by transforming old tasks and eliminating stigma, but for that purpose it was indispensable for women to be equipped with the right tools, and particularly STEM skills. Without urgent action to address the current imbalance, the industry might miss out on the benefits that attracting women could offer by tapping into a historically unused talent pool. Women had the potential to bridge the skills shortage and boost diversity and inclusion, which would benefit the whole industry. An important effort should therefore be made to recruit, train and provide long-term career options for women so that they could perform key and leadership roles.
47. In conclusion, there was an urgent need to tackle the skills gap and provide training for workers seeking employment opportunities following the current crisis. With appropriate support measures, the revival from the crisis offered a rare opportunity to orient current

and future workers towards the skills and jobs of the future. The longer the delay in upgrading education systems, the greater the cost would be for the industry and for society.

48. An Employer representative described an example in Spain of action to reduce the gender gap through human resources policies, equality plans and affirmative action developed by managers in the automotive industry with a view to making careers in the industry more attractive for women. To achieve that aim, it was necessary to change cultural attitudes and to invest in education and technical and vocational training for women, particularly in STEM subjects. Although one third of students in the country were women, the rate was much lower in vocational training, and very few women studied robotics or electronics. Action was needed by enterprises to increase the number of women employed in the industry, as well as by all the other partners involved, including governments and United Nations agencies.
49. The Government Vice-Chairperson reiterated the importance of providing both training and social protection for all. It was necessary to focus on a better coordination of macroeconomic policy to promote recovery in the industry, which was very sensitive to demand by consumers. Important focus areas included the promotion of decent work and fundamental rights at work, including the elimination of child labour from global supply chains, as well as efforts to ensure the transition to formality and protect labour rights in new forms of the organization of work and production, including teleworking. In relation to skills, responsibility should be shared between the tripartite constituents, as well as with MNEs and universities. There should be greater protection of the rights of workers in global supply chains, many of whom were vulnerable, particularly those in subcontracting arrangements with worse working conditions, for example in relation to safety and health conditions. Such change could not be achieved without social dialogue. Finally, she asked the Office to clarify whether the scope of the discussion also covered the extraction of raw materials at one end of supply chains and the repair and maintenance of vehicles at the other.
50. A representative of the Government of Argentina recalled the importance of including governments in discussions and action to ensure the adequate protection of all workers and lifelong learning, taking into account the current decentralized model of production in the industry. Skills development was important to ensure that technological advances did not leave anyone behind and should be adapted to the needs of the automotive industry to adapt to technological changes and ensure the sustainability of enterprises in the sector. In Argentina, a tripartite commission had been established covering vocational training in the automotive sector. The process of the ratification of the Violence and Harassment Convention, 2019 (No. 190), would help to improve working conditions in general, and was one aspect of the measures required to promote the employment of women in the sector. The present discussion should be guided by fundamental principles and rights at work, as set out in the Declaration on Fundamental Principles and Rights at Work, the Centenary Declaration, the MNE Declaration and international labour standards.
51. A representative of the Government of Morocco presented the country's experience with regard to skills development for the automotive sector. As part of its industrial strategy for the sector, the Government had carried out a mapping of training needs and had convened various stakeholders. These were essentially public training operators, including training institutes dedicated to the automotive sector, who had designed training offers that aimed at improving the transition between training and employment. These efforts were provided to support the automotive sector, which had been booming in Morocco in recent years, and which was the leading export sector in Morocco.

52. A representative of the Government of Portugal, speaking on behalf of the EU, emphasized the importance of protecting workers in the workplace and ensuring safe and healthy working conditions, taking into account all risks, including psychosocial aspects, with increased protection for particularly vulnerable workers, such as those in the informal economy and seasonal, temporary and self-employed workers. It was important to ensure gender equality in the industry and to make the industry more attractive for women and young workers. Robust and universal social protection, including social protection floors, would go a long way to protecting the most vulnerable groups. Protecting jobs was another priority for the EU, particularly during the pandemic, through employment support schemes, such as SURE (the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency), youth employment schemes and initiatives for SMEs. In order to manage transitions and foster employment in the sector, it was necessary to promote skills development and lifelong learning in close cooperation with the relevant partners, including at the regional and local levels, local authorities, universities and training institutions, automotive clusters, chambers of commerce and enterprises with significant training facilities. That was a key objective of the new Skills Partnership for the Automotive Ecosystem (the “Skills Pact”) signed in November 2020. Action to respond to skills mismatches would also need to focus on the sectoral level, and particularly SMEs. In addition to the Skills Pact for the automotive industry, which had the overall objective of reskilling 700,000 workers a year, the EU was investing, through the blueprint for sectoral skills initiatives, in the development of a long-term strategy to address the skills needs of the automotive and battery sectors. The renewed European Alliance for Apprenticeships exemplified the fundamental importance of lifelong and intergenerational learning, vocational training and apprenticeship programmes, including the use of innovative educational tools, especially for distance learning and training. The transformation of the sector, accelerated by the pandemic, provided a unique opportunity to ensure a just transition to a green economy, which should inform and shape any recovery plans to ensure a sustainable future and build back better. He re-emphasized the relevance of the MNE Declaration and of human rights and decent work in global supply chains for the future of work in the industry. Due diligence in global supply chains was a vital element in strengthening responsible management, decent work creation and sustainable development. Finally, social dialogue was essential to anticipate and manage change and was needed at all levels, including cross-border and company levels.
53. A representative of the Government of Brazil emphasized the importance of guaranteeing the access of all workers to reskilling, skills maintenance and upskilling, which were integral to promoting an enabling environment for enterprises. Incentives should be provided by governments. It was also important to pursue the formalization of jobs throughout the production chain as an important means of giving workers access to better opportunities and safeguarding their labour rights and social protection.
54. A representative of the Government of Trinidad and Tobago called for action to address the stigmatization of workers, especially non-academic workers at lower levels, and to make the industry more attractive with better career prospects so as to encourage workers to improve their skills. The acquisition of skills needed to be matched by appropriate wage levels and job prospects.
55. The Secretary-General, in response to a question on the scope of the meeting, said that it was a matter to be determined by the tripartite constituents. She noted that the issues paper prepared by the Office, which was intended merely for the information of the meeting, referred in paragraph 9 to the definition of the industry in the International Standard Industrial Classification of All Economic Activities (ISIC), which included the

manufacture of parts and accessories. In paragraph 11, the issues paper furthermore indicated that its focus was on the “core automotive” segment of the automotive industry and its supply chains, as illustrated in figure 1.

56. A representative of the Government of Mexico described the public policy of her Government to address the challenges faced by the industry in a coordinated manner, including educational profiles, future skills needs, specialized skills and the reconversion of workers based on their experience in the sector. Public training plans were developed with the support of the industry, with the focus on innovation and creativity to equip workers and employers for a very competitive market. The industry could offer opportunities if there were a critical mass of talent in the related engineering fields. A general effort was required to foster the specialized skills needed for research and to develop cooperative skills programmes and courses which combined on-the-job training with education and internships. The relevant institutions needed to share good practices in order to develop a vision of future skill needs in the industry.
57. The Employer Vice-Chairperson considered that the EU Pact for Skills was a very good example of collective action in support of skills acquisition in the industry, in line with the emphasis placed on skills in the European Industrial Strategy. The key principles of the Pact for Skills were: promoting a culture of lifelong learning for all; building strong skills partnerships; monitoring skills supply and demand and anticipating skills needs; and working against discrimination and for gender equality and equal opportunities.
58. The Worker Vice-Chairperson welcomed the support expressed throughout the discussion for tripartism and solutions developed through tripartite cooperation. It was clear that governments had an important role to play and that employers, including OEMs, had social obligations that extended throughout their supply chains. Consideration of skills should not be confined to new entrants into the industry, but should begin with the existing workforce, who had a right to retain jobs in the future. In the prevailing context of deskilling, it was vital to place renewed emphasis on skills retention by current workers. It was important to encourage governments and employers to invest in skills, but it was also necessary to ensure that traineeships were genuine, rather than just a pretext for precarious employment, as was often the case. Lifelong learning could not be separated from job security. While appreciating the comments made on the need to overcome the gender gap in the industry, it should be emphasized that the gap was not a result of social conditions, but rather of structural issues. The opportunity should therefore be taken to reduce hours of work and improve measures to help workers with care and family responsibilities. Also, particularly in the global South, there was a pressing need for a transition of workers, especially women, from the informal to the formal economy, and to reduce precarious forms of work.
59. A worker representative from Spain described as a good practice the example of SEAT, S.A., where training in Industry 4.0 and Smart Factory operations transformed former production operators into software developers. SEAT belonged to the Volkswagen group and had opted for the training of young people through apprenticeships, based on the German model of dual training. The approach combined theoretical training with learning at school at the three production centres in Martorell and Barcelona. The training resulted in an official degree that was recognized in Spain and in Germany, and those who concluded the training programme were eligible for a contract without limits of time in the company. In July, the training programme had been expanded to those who work on the production line, since these workers required new skills to adapt to new technological challenges of the future. The pilot programme was composed of five modules that take place over three

months, of approximately eight hours a week. This voluntary training was taught almost fully on a virtual basis, in order for the workers to be able to reconcile work and studies. The first batch of graduates had previously worked on the production line but were now learning to become software developers in the SEAT:CODE programme, joining as junior programmers for SEAT Mobility, or for software applications to optimize the company's logistics. The times of tightening screws, placing seat belts, sleepers, pilots or airbags were now behind these workers, who had received training by teachers that were specialized in information technology. Such training programmes could be developed further in the future. The only ingredients needed were willingness and initiative.

60. A Worker representative from the Republic of Korea described the impact of collective bargaining in achieving greater gender balance in the industry. Following the Asian financial crisis in 1998, two plants had replaced 10,000 workers with agency or dispatch workers, as part of a large-scale restructuring. Such workers had no trade union rights, as noted by the ILO Committee on Freedom of Association in Case No. 2602. The issue had been resolved through collective bargaining with the signing of a collective agreement in 2015 that had led to the regularization of the workers, which made a big difference to their terms and conditions of employment and to their lives in general, and had resulted in the recruitment of more women. The higher ratio of women among precarious workers was not necessarily due to cultural issues, but rather the vulnerable situation of women in the labour market. It was clear that women preferred permanent jobs in the auto industry whenever possible. Gender equality was not yet strong in her country and collective bargaining was an effective means of addressing the problem. However, one of the limitations of the agreement that had been signed was that it was not sectoral, despite the recommendation by the Committee on Freedom of Association to engage in sectoral dialogue in the automotive industry. Initial attempts at dialogue had not been successful because they had not included the union that organized automotive assembly workers, which showed the importance of including all the parties involved in dialogue and bargaining to ensure the resilience of the industry. There was a high risk of increased inequality in the post-coronavirus world and governments should therefore strongly encourage sectoral bargaining to improve social protection and gender balance, in view of the greater vulnerability of women in the labour market.
61. The Government Vice-Chairperson reaffirmed, as indicated in many interventions, the key role of social dialogue in developing agreed solutions based on shared responsibility. It was also important to consider how the ILO could respond to the challenges raised, not just in collaboration with its constituents, but also with other parties, including MNEs and universities. In the current difficult times, those worst affected were those with the lowest skills levels and those engaged in informal work at the end of the supply chain. No sector could justify failing to ensure decent work and there were an increasing number of highly qualified women, which would help to change the masculine corporate culture in the industry. In a sign of the current difficulties in the industry, she noted that an Audi factory in Brussels had recently shut down as it could not obtain the necessary electronic parts. Action to ensure respect for fundamental rights in the industry was needed throughout supply chains, where disruptions could create very severe knock-on effects.
62. A Worker representative from the United States recounted how the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) had negotiated a moratorium on outsourcing in its agreement with General Motors Corporation and other automotive companies under which the companies would not arbitrarily outsource work and would have to make a good case to do so. The union had demonstrated that in some cases where outsourcing was intended primarily to cut costs, but was

undertaken without due consideration of all relevant factors, it could in practice lead to higher costs, for example where the vehicles produced had to be recalled to correct faults, as had occurred in one case in relation to outsourced wiring harnesses. Union involvement in such matters could therefore be to the benefit of all those involved.

63. A Worker representative from France said that, in view of the ecological crisis, there was an urgent need for recycling and measures to reinforce the circular economy. Certain measures were already being taken, for example by Renault, but needed to be further developed. As different types of vehicles were made, new skills were required and new areas of competence would need to be developed with the required skills profiles. The adoption of further environmentally-friendly measures, including in relation to battery production and eco-maintenance, would clearly have an impact on jobs and skills in the sector, leading to the need to rethink training provision, particularly for the planned large-scale battery production plant in France. An important initiative was being undertaken to ensure collective analysis and involvement in the transition with the involvement of the major stakeholders, including the Government, local authorities, companies and workers' representatives.
64. The Employer Vice-Chairperson indicated that the scope of the discussion, as suggested in the issues paper, seemed appropriate, as consideration of broader supply chains would risk going beyond the automotive sector. The conclusions of the meeting should not only focus on supply chains. She agreed with those who had emphasized that vocational training was a shared responsibility that involved the full range of enterprises in the sector, from MNEs through to SMEs, which were all affected by changing skills requirements. Care should therefore be taken not to focus exclusively on MNEs. It was essential for governments to facilitate the operation and support the resilience of supply chains, which were essential for the growth of the industry and of employment. With regard to social dialogue, it should be recalled that, while collective bargaining was an important aspect of dialogue, it was only one option among others, including consultation and exchanges, which were equally important. It was for the social partners to decide where social dialogue should be undertaken, in what form and at what level, depending on the specific context and conditions. Finally, emphasis should be placed on the need to accelerate the transition of enterprises and workers from the informal economy to formality, which would be instrumental in improving productivity and advancing decent work. Support was needed from the public authorities for the transition, including social security protection for the workers concerned. It would be useful in this regard to refer to the guidance contained in Recommendation No. 204 and the Social Protection Floors Recommendation, 2012 (No. 202).
65. The Worker Vice-Chairperson recalled that collective bargaining was a fundamental right that should be supported by the meeting.
66. The Government Vice-Chairperson agreed that supply chains were integral to the sector and should be covered by the present discussion and the conclusions of the meeting. There was also a pressing need to focus on the circular economy, particularly in terms of skills needs.

3. What recommendations can be made for future action by the International Labour Organization and its Members (governments, employers' and workers' organizations)

regarding the promotion of decent work, productivity and sustainability in the automotive industry?

67. The Employer Vice-Chairperson re-emphasized the need for governments to adopt immediate relief measures in the context of the pandemic, including measures to support demand and incentivize research and innovation in the sector. Productive employment was strongly linked to the creation of decent work as a vehicle for building back better. Businesses needed governments to build an enabling environment for private sector growth and resilience. Public-private partnerships were useful tools for leveraging the respective strengths of business and government with a view to developing a stable and predictable environment in which private sector investment and innovation could drive sustained and job-rich recovery. It was important for the automobile industry to continue investing in reskilling and upskilling, including through the provision of experience-based learning opportunities for young people through vocational programmes. Employers had an important role to play in this regard through the provision of in-depth assessment of the functional and operational skills that were likely to be required in the future, which could shape future training and apprenticeship schemes. But reskilling the current workforce and the development of new skills could not be addressed by the industry on its own. A holistic approach was therefore required with the involvement of all parties, namely employers, workers and central and local governments, to share responsibilities through vocational training centres. Coherent labour market policies were required including the necessary large-scale investment in training and education systems. It would then be key for workers to be proactive in grasping the available training opportunities. It was the role of governments to make recruitment and retention tools and resources available to employers and the industry as a whole, and to invest in skills development for under-represented groups and underutilized workers. Although education and lifelong learning were a key concern, private initiative should also be embraced at all levels, including online learning opportunities, the provision of real-time labour market information, vocational training and the certification of competences. Public employment agencies needed to adapt to have a good understanding of skills needs and coordination was important at the national and regional levels to facilitate worker mobility and the flow of skills. Governments should not overlook the need to invest in and reform education and vocational training systems with a view to improving quality and meeting skills needs. Moreover, it was also necessary to change the negative and outdated image of the industry, as careers in automotive service could be rewarding both financially and in terms of job satisfaction. Curriculum certification should also be enhanced. The ILO should produce a blueprint for skills strategies based on in-depth research to map current and future skills needs and should identify best practices for attracting and retaining newcomers to the industry. The ILO should also promote and engage in specific projects in the sector to identify current challenges to meeting skills shortages, and should support capacity-building for the social partners to create an enabling environment for enterprises in the sector.
68. The Worker Vice-Chairperson highlighted a number of important points for inclusion in the conclusions of the meeting. The first was a commitment to tripartite dialogue to manage the transformation with the aim of ensuring that the transformation was socially and environmentally just. The conclusions should reaffirm that workers and trade unions had the right to be included in the process, with workers included in dialogue as a social partner at the site, company, sectoral and inter-company levels, in accordance with the commitments set out in the *ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all*, Article 34 of the MNE Declaration, the Global Jobs Pact, the Termination of Employment Convention, 1982 (No. 158), and its corresponding

Recommendation No. 166, and the Communications within the Undertaking Recommendation, 1967 (No. 129). The Office should: design and support the implementation of programmes and projects to advance decent and secure work as part of a socially and environmentally just transition in the sector; educate the social partners at the national and regional levels on the approach of a just transition and the relevant standards; and promote the formulation of just transition policies in the sector. Second, freedom of association and collective bargaining for all were fundamental rights for all workers, with numerous examples demonstrating that collective bargaining was the single most effective tool for achieving and defending decent and secure work and managing a just transition. However, these rights were not yet universally applied in all countries, especially Mexico, Morocco, Thailand, Turkey and some southern states in the United States. Workers were being prevented from establishing or joining unions by being intimidated, disciplined, transferred, bullied or dismissed. The ILO and its constituents should take decisive action to end violations of the rights outlined in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and the Declaration on Fundamental Principles and Rights at Work. The ILO should also pay particular attention to the countries referred to above and promote the implementation of labour rights, and particularly Conventions Nos 87 and 98.

69. Third, a commitment to lifelong learning was key to retaining and developing skills as, based on previous experiences of transformation and crisis, barriers would need to be removed in the automotive industry and participation increased, particularly for young workers and women. Support was needed for the existing workforce in the industry to avoid the dangers of dislocation and social exclusion. To ensure that social dialogue, collective bargaining, the right to lifelong learning and equal access to training and education were the guiding principles behind the process, reference should be made to the Human Resources Development Convention, 1975 (No. 142), and its corresponding Recommendation No. 195. The ILO should: provide support to constituents to forecast future skills; remind governments and employers of their responsibilities to create the framework and make the necessary investments in the skills and competences of the future; initiate dialogue and workshops to promote the objective of all workers having access to appropriate and high-quality training; and promote dialogue on improving the training systems for traditional skilled trades.
70. Fourth, decent work for all was essential in OEMs and along global supply chains. The conclusions should reaffirm and seek the implementation of the just transition guidelines agreed by the Tripartite Meeting of Experts on Sustainable Development, Decent Work and Green Jobs (2015) to generate decent jobs all along the supply chain, in dynamic, high value added sectors which stimulate the upgrading of jobs and skills, as well as job creation. The ILO should pay particular attention to countries where labour rights violations were common, and particularly where a large proportion of the workforce of OEMs and suppliers were precarious workers, many of them false trainees, or where only a proportion of wages were secured, and the rest tied to performance or the goodwill of the employer, which would not be acceptable in the countries supplied. The ILO should also: organize workshops and other measures and activities to promote due diligence policies; integrate trade unions due diligence processes; ensure that all workers enjoy the right to freedom of association and collective bargaining, and ensure that global framework agreements are respected along the supply chain; and promote universal social protection.
71. Fifth, it was necessary to bring an end to de-industrialization, with its huge social and economic consequences, and strengthen industrial policy. Support from governments for

industrial policy needed to be accompanied by social and environmental responsibilities for employers and the participation of workers and their representatives. The ILO and its constituents should do everything possible to protect and develop industrial structures through active, democratic and state-led industrial development policies, instead of allowing even greater de-industrialization. The ILO should: convene dialogue on sustainable industrial policies with decent work at their heart; and support research into the role of tripartite social dialogue in the creation of “clusters” to prevent de-industrialization and create decent jobs.

72. Sixth, human-centred digitalization and automation should be promoted with its benefits being shared equitably, both between the social partners and between the global North and the South. “Human-centred” in this context should be considered to mean the confirmation that labour is not a commodity and that digitalization would not simply result in more intensive work or job losses. The ILO should: initiate research on the impact of digitalization in the global South; initiate dialogue and workshops in the most affected countries and regions to prepare for the change in the best way possible; and develop the related industrial policy.
73. Seventh, emphasis should be placed on considering gender equality as a tremendous opportunity, with digitalization and the formalization of precarious work arrangements offering significant opportunities to increase the proportion of women workers, especially in decent STEM jobs. Governments should ratify the Convention No. 190 and all constituents should, through social dialogue, work towards the establishment of workplace-based support and advocacy instruments, based on best practices, which promote safety, full participation and equal outcomes for women workers in the sector.
74. The Government Vice-Chairperson recalled that the ILO had many useful instruments, which should be put to good use by all concerned. Emphasis should be placed on the need for a conducive environment for the development of sustainable enterprises. The improvement of skills was a shared responsibility for all parties, and the ILO should conduct studies to assess skills needs, both to conserve work and to improve opportunities for workers who were currently in the informal economy. It was important for the ILO to continue promoting the ratification and observance of international labour standards, to reinforce the capacity of constituents and to disseminate relevant research in support of informed social dialogue. The ILO should continue its indispensable collaboration with other international organizations and key actors, including MNEs and SMEs in the sector.
75. A representative of the Government of Argentina noted the importance of protecting labour rights and social protection, based on the principles set out in international labour standards. It was becoming increasingly urgent to ensure the just transition to formal employment, especially in view of the effects of climate change and technological progress, compounded by the crisis resulting from the pandemic. All possible measures should be taken to improve the skills of the workforce through vocational education and training, coordinated in a tripartite manner. Recommendation No. 204 offered a good basis for improving conditions for informal workers, especially those in supply chains, and the constituents should develop a road map for the transition to the formal economy, particularly in countries where there was a large informal economy. There was also a clear need to ensure a conducive environment for business development, although careful consideration was required in the adoption of policy measures to ensure the protection of workers’ rights, especially against the backdrop of the COVID-19 pandemic.
76. A representative of the Government of Portugal said that the EU and its Member States acknowledged and supported the pivotal role of the ILO in assisting with the challenges

affecting the automotive industry. The ILO had a framework of valuable tools for the identification of priorities in the sector, including the Centenary Declaration, the MNE Declaration and the Decent Work Agenda, which should be kept in mind when developing measures for the future of the industry. It was essential to promote an enabling environment for entrepreneurship and sustainable enterprises. The ILO should reinforce its pivotal role within the multilateral system through strengthened partnerships and collaboration with other international organizations, in particular in relation to the SDGs and support for a just transition, which could help promote complementary macroeconomic, fiscal, education, active labour market and social protection policies. Strong emphasis should be placed on the ILO's role in the promotion, ratification and effective implementation of international labour standards and fundamental principles and rights at work, including robust and reinvigorated social dialogue and collective bargaining within the industry, which should be supplemented where possible by action to enhance the capacity of all constituents. The ILO should further develop sector-specific research, provide statistics and share knowledge on trends and developments and best practices relating to decent work in the sector with the overall aim of strengthening preparedness for future transitions. Those activities should be supplemented, where possible, with the provision of technical assistance, training, reskilling and upskilling of workers in the sector, including lifelong learning, skills development policies and active labour market policies and practices.

77. A representative of the Government of Brazil agreed that the development of skills programmes was essential to address challenges in the sector and that such programmes were a shared responsibility of the tripartite constituents, who should come together to discuss appropriate solutions within the framework of all the applicable regulations and guidelines. He reiterated the importance of the formalization of jobs and of an environment that was favourable to the development of sustainable enterprises, which could be promoted through the design and implementation of programmes at the national, regional and global levels. The ILO had a leadership role to play in the promotion of programmes and the provision of technical assistance in the area of skills development, upskilling and reskilling.
78. The Employer Vice-chairperson reiterated that governments had an important role to play in the establishment of social dialogue mechanisms so that the social partners in the various countries could collaborate in the development of solutions in the fields of lifelong learning, training and upskilling. It was also important to support the general right to education and training. The principles and guidance of the United Nations on business and human rights responded to the concerns raised by workers in relation to developing and other countries. While many speakers had referred to MNEs in their interventions, it should be emphasized that all enterprises played an essential role in the value creation that was essential to finding solutions to the challenges faced by the industry, particularly in the context of the present crisis.
79. The Government Vice-Chairperson reaffirmed that the ILO was a key player in addressing social challenges, especially in the current situation.
80. A representative of the Government of Mexico recalled the new system of labour justice that had been introduced recently in Mexico, with the adoption of legislative reforms in relation to labour justice, collective bargaining and trade union rights and the ratification in 2018 of Convention No. 98. The objective of the legislative measures was to guarantee respect for fundamental workers' rights, including freedom of association and collective bargaining, and provide a basis for ensuring that any disputes between workers and

employers could be settled expeditiously. She also emphasized the importance of promoting human capital in light of the ongoing rapid transformations in the automotive sector, and of taking action in support of workers who were displaced and struggling to cope with technological change.

► IV. Consideration and adoption of the draft conclusions

81. The meeting nominated representatives and advisers from each group to form a working party, which met on the afternoon of Thursday 18 February 2021 to examine the draft conclusions drawn up by the Office on the basis of the discussions held over the previous days. The working party was able to reach agreement on many of the draft conclusions. It highlighted other conclusions on which agreement was still to be reached, and on which it requested the Office to propose compromise wording. At its plenary meeting on Friday 19 February 2021, the meeting confined its discussion to the draft conclusions set out in document TMRWAI/2021/6 on which agreement was still pending.
82. The members of the working party were: Government representatives – Ms Thérèse Boutsen (Vice-Chairperson, Belgium), Mr António Moniz (Portugal), Ms Ana Lima Neves (Portugal), Mr Vismar Ravagnani Duarte Silva (Brazil), Mr Mohammed Rajab (Iraq) and Ms Nour El Houda Khelili (Algeria); Employer representatives – Ms Sawsen Ayari-Pouliquen (Vice-Chairperson), Ms Sabina Casini, Ms Katherine Knight and Ms Sonia Maria Fernandez Barciela, with Mr Matias Espinosa and Mr José Luis Viveros Añorve (ACT/EMP) as advisers; and Worker representatives – Mr Ben Mathew Norman (Vice-Chairperson), Mr Gregg Dunn, Mr Gustavo Armando Auteda and Mr Jean-Marie Robert, with Mr Georg Leutert, Mr Atle Høie, Ms María Teresa Llanos and Mr Rafael Peels (ACTRAV) as advisers.

Decent work challenges and opportunities in the automotive industry

Proposed paragraph 2

83. The Worker Vice-Chairperson thanked the Office for the proposed wording, which went some way to addressing the concerns raised during the discussions in the working party. Although concerns remained with regard to the reference to “negative externalities”, the wording could be acceptable if the reference to supply chains was broadened through the deletion of the words “in some countries”.
84. The Employer Vice-Chairperson expressed a preference for a generic text to avoid polemic. Paragraph 2 could be deleted in its entirety if agreement were reached on the addition to paragraph 4 of wording such as “The transformation of the automotive industry can result in both challenges and opportunities”. Alternatively, the words “in its supply chains in some countries” could be deleted from paragraph 2.
85. The Government Vice-Chairperson preferred not to reopen the discussion on paragraph 4, which had been the subject of long discussions in the working party and which was supported in its present form by all Government representatives. It was important to retain the reference to supply chains, in relation to which issues arose in all countries, not just in some countries.

86. The Worker Vice-Chairperson said that any deletion of the reference to supply chains would represent a significant step backwards. Supply chains were a significant part of the automotive industry and probably accounted for the employment of the majority of workers in the sector.
87. Following further discussion, the Employer Vice-Chairperson indicated that the problem with the paragraph was that it only appeared to refer to the negative aspects of global supply chains, which were in practice an essential part of the industry and had many positive effects, for example on employment.
88. The Secretary-General, referring to wording used in the 2016 Conference conclusions on decent work in global supply chains, wondered whether that wording could be adapted to the automotive industry and included as a first sentence of the paragraph, which would read: "The positive impact of global automotive supply chains on job creation is important in view of demographic changes in terms of ageing, population growth and the increase of women's participation in the labour market."
89. The Employer Vice-Chairperson agreed to the proposal.
90. The Worker Vice-Chairperson could also agree to the proposal if the words "in some countries" were deleted from the following sentence.
91. The Government Vice-Chairperson agreed that global supply chains were essential in the automotive industry and could support the proposal.
92. It was so agreed.

Proposed paragraph 6

93. The Worker Vice-Chairperson expressed concern at the words "while others might be lost or transformed" and proposed their replacement with the words "while a just transition is needed to mitigate the impact on others".
94. The Employer Vice-Chairperson expressed a preference for the original wording and failed to understand what a reference to a just transition would add to the meaning of the paragraph.
95. The Government Vice-Chairperson indicated that, while supporting a just transition, the reference was already included in the title to the second part of the conclusions and did not add much in proposed paragraph 6. Proposed paragraphs 2 and 6 were acceptable with their present wording.
96. The Worker Vice-Chairperson said that there was a contradiction between proposed paragraphs 2 and 6 in their present wording. If reference was made to the reality of job losses, then the situation with regard to supply chains in general, and not just in some countries, should be recognized. The Workers' group would be willing to accept the present wording of paragraph 6 on condition that the words "in some countries" were removed from paragraph 2.
97. Following further discussion, and in light of the amendments made to paragraph 2, the Worker Vice-Chairperson indicated that he could agree to the adoption of paragraph 6 in its current wording.
98. It was so agreed.

Proposed paragraph 7

99. The wording of proposed paragraph 7, as suggested by the Office based on the discussions in the working party, was accepted by the meeting.

Investing in people's capabilities and a just transition to decent and sustainable work

Proposed paragraph 10

100. The Worker Vice-Chairperson, with regard to subparagraph (b), expressed concern at the reference to "their workers". It would be necessary to clarify whether "their workers" in that context referred to workers covered by a recognized employment relationship, workers on the premises or on the payroll. The problem was that up to 80 per cent of the workforce in certain workplaces consisted of workers in precarious employment relationships. And yet, all workers, irrespective of their status, should benefit from training. The subparagraph would be acceptable with the deletion of the word "their".
101. The Employer Vice-Chairperson said that the original version of the subparagraph was acceptable, but that she could not approve the deletion of the word "their". It should be recalled that the term "their" was used in the context of training in Recommendation No. 195.
102. The Government Vice-Chairperson said that, while the provision of training should cover the widest number of workers possible, the original wording of the subparagraph was also acceptable.
103. Following further discussion and in light of the agreements reached on the previous paragraphs, the Worker Vice-Chairperson indicated that he could accept the current wording of paragraph 10.
104. It was so agreed.

Proposed paragraph 12

105. The Employer Vice-Chairperson agreed with the first sentence of the paragraph, but proposed in the second sentence to replace the words "This should be the basis" with the words "These are essential tools".
106. It was so agreed.

Proposed paragraph 13

107. The Worker Vice-Chairperson emphasized the importance of the issue covered by the paragraph, as the gender gap was still very wide in a male-dominated industry. The proposed wording would be acceptable with the addition of the word "safety" after the word "promotes" in the second sentence.
108. The Employer Vice-Chairperson agreed with the inclusion of the word "safety". Employers had a very clear commitment to the achievement of gender equality.
109. The Government Vice-Chairperson agreed to the proposed amendment.
110. It was so agreed.

Proposed paragraph 14

- 111. The Worker Vice-Chairperson was open to the deletion of subparagraph (c), depending on the text that was agreed for proposed paragraph 23.
- 112. The Employer and Government Vice-Chairpersons agreed with the proposed deletion of subparagraph (c).
- 113. Following further discussion and in light of the agreements reached on other paragraphs, the deletion of subparagraph (c) was agreed by the meeting.

Proposed paragraph 15

- 114. The Employer Vice-Chairperson and the Employer adviser agreed with the first sentence of the proposed paragraph, which was in accordance with the Centenary Declaration. However, the second sentence was not fully in accordance with the United Nations Guiding Principles on Business and Human Rights, and particularly Principle No. 17, under the terms of which the human rights due diligence process should cover “adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships”. They therefore proposed the deletion of the second sentence and the addition at the end of the first sentence of the words “in line with the United Nations Guiding Principles on Business and Human Rights”.
- 115. The Worker Vice-Chairperson, recalling that there had been a long discussion on the paragraph in the working party, welcomed a reference to the United Nations Guiding Principles, but wished to retain the reference to multinational enterprises in the second sentence, as well as the reference to domestic and global supply chains. The text should also refer to the MNE Declaration.
- 116. The Government Vice-Chairperson indicated that the MNE Declaration and the United Nations Guiding Principles were key instruments in the context of the present discussion. One of them was an ILO instrument and the other was very widely accepted and implemented by governments. Although reference was made to the MNE Declaration elsewhere in the conclusions, and was not necessary in this paragraph, the specific reference to domestic and global supply chains should be retained.
- 117. The Employer Vice-Chairperson said that the coverage of supply chains in the United Nations Guiding Principles was much more specific and accurate than the wording proposed in the present paragraph.
- 118. Following further discussion, the Employers’ group proposed to revert to the original wording of the paragraph that had been prepared by the Office: “Institutions of work should be strengthened to ensure adequate protection of all workers in the industry and its domestic and global supply chains. All enterprises, including multinational enterprises, should carry out due diligence in line with the United Nations Guiding Principles on Business and Human Rights”.
- 119. The Government Vice-Chairperson and the Worker Vice-Chairperson supported this proposal.
- 120. It was so agreed.

Proposed paragraph 19

- 121. The Employer Vice-Chairperson agreed to the deletion of the proposed paragraph.

122. The Worker Vice-Chairperson was able to accept the deletion of the proposed paragraph in light of the agreement reached on proposed paragraph 23.
123. It was so agreed.

Recommendations for future action by the International Labour Organization and its Members

Proposed paragraph 20

124. With reference to subparagraph (a), the Employer Vice-Chairperson, taking inspiration from earlier sectoral meetings, proposed to replace the chapeau of subparagraph (a) with the following wording: “engage as appropriate in all forms of effective social dialogue at all levels.”
125. The Worker Vice-Chairperson and a Worker adviser considered that the inclusion of the words “as appropriate” severely weakened the text. Moreover, it was necessary to retain the reference to freedom of association and collective bargaining, which were fundamental rights, but were not referred to specifically elsewhere in the text.
126. The Government Vice-Chairperson did not agree with the inclusion of the words “as appropriate”.
127. Following further discussion, the Secretary-General asked the participants whether a text on the crucial role of social dialogue, taken from the Conclusions concerning the second recurrent discussion on social dialogue and tripartism, adopted by the Conference in 2018, could be used in place of the currently proposed wording of subparagraph (a). The text would be placed in a separate paragraph prior to paragraph 20 and would read as follows: “Social dialogue, based on respect for freedom of association and the effective recognition of the right to collective bargaining, has a crucial role in designing policies to promote social justice. It is a means to achieve social and economic progress. Social dialogue and tripartism are essential for democracy and good governance.” The chapeau of subparagraph (a) would then be deleted and the two points (i) and (ii) would become subparagraphs.
128. It was so agreed.
129. With reference to subparagraph (b), during the discussions in the working party, the Employers’ group had proposed that it be amended to read “Governments should increase investments in education, training, upskilling and reskilling and lifelong learning for all to address skills mismatches now and in the future and encourage more women to study STEM.” That text would become a new paragraph following paragraph 20. The Employer Vice-Chairperson and the Employer adviser indicated that there was a problem with the overall formulation of paragraph 20, particularly in relation to subparagraph (b), as it implied that employers’ organizations, for example, would be responsible for investing in the training of workers, which was clearly not the case. They added that the text proposed during the discussions in the working party could be further improved by replacing the words “increase investments in and improve the quality of education, training, upskilling and reskilling and lifelong learning for all” by the words “promote the acquisition of skills, competencies and qualifications and access to education for all workers throughout their working lives”, which was drawn from the Centenary Declaration (Part II, A(iii)).
130. The Government Vice-Chairperson agreed with the wording proposed by the Employers’ group, but considered that the text was already in the right place and should not be moved.

131. The Worker Vice-Chairperson agreed with the Government Vice-Chairperson, but proposed the addition of the word “quality” after the words “and access to”.
132. It was so agreed.
133. With reference to subparagraph (c), during the discussions in the working party, the Employers’ group had proposed, in the chapeau, to replace the words “formulate and jointly” with the words “Governments should formulate, with the involvement of the social partners, as appropriate, and”, which would be the beginning of a new paragraph. The Workers’ group had proposed to replace the words “formulate and jointly” with the words “jointly formulate and”.
134. The Employer Vice-Chairperson indicated that it was for governments to formulate and implement policies in many of the areas mentioned, for example fiscal policies, and the social partners should only be involved in policy formulation and implementation as appropriate.
135. The Worker Vice-Chairperson preferred the wording proposed by the secretariat and rejected the addition of the words “as appropriate”.
136. The Government Vice-Chairperson said that, following the redrafting undertaken by the secretariat, the Government representatives were now able to support the proposed wording of the subparagraph. In light of the comments of the social partners, she proposed to replace the words “formulate and jointly implement” with the words “jointly engage in formulating and implementing”. However, she opposed the addition of the words “as appropriate”, which would considerably weaken the text. The extent of the crisis in the industry was becoming more evident with every day that passed, which showed the pressing need for all the parties to come together to find solutions.
137. The Employer Vice-Chairperson observed that employers were the first to be concerned by the crisis and were fully aware of the need for joint responses. She proposed the addition of the words “in accordance with national law and practice” instead of the proposed addition of “as appropriate”.
138. The Government Vice-Chairperson noted that if governments were involved it was clear that the action would be in accordance with national law and practice, and that the proposed wording did not add anything to the text.
139. The Worker Vice-Chairperson was willing to accept the proposal made by the Government Vice-Chairperson at the beginning of the phrase, but not the addition of the words “as appropriate” or “in accordance with national law and practice”.
140. The Employer Vice-Chairperson and the Employer adviser indicated that similar wording had been adopted in previous sectoral meetings.
141. Following further discussion and in light of the agreement reached concerning other paragraphs, it was agreed that the subparagraph would start with the words “jointly engage in formulating and implementing”, and that the words “, in accordance with national law and practice,” would be added at the end.
142. It was so agreed.
143. With reference to indent (i), the Employers’ group had proposed, during the discussion in the working party, the addition of the words “, increased productivity” after the word “entrepreneurship”.

144. The Worker Vice-Chairperson said that, while he was not opposed to the inclusion of a reference to increased productivity, it should be clarified that the benefits resulting from increased productivity should be shared and that workers should benefit from adequate remuneration, which was often not the case in practice.
145. The Employer Vice-Chairperson did not understand the need for such a clarification but specified that productivity applied to the whole volume of production.
146. The Government Vice-Chairperson indicated that she could accept the addition of the words “increased productivity”.
147. The Worker Vice-Chairperson said that, in light of the support by governments, he could also accept the amendment.
148. It was so agreed.
149. With reference to indent (ii), the Employers’ group had proposed, during the discussion in the working party, to replace the words “improve working conditions” with the words “promote decent work”. The Employer Vice-Chairperson explained that the purpose of the proposed amendment was to bring the text into closer alignment with the Decent Work Agenda.
150. The Worker Vice-Chairperson preferred the proposed wording without any amendment. It was important to specifically improve working conditions, especially as the Workers’ group had already accepted references to increased productivity.
151. The Government Vice-Chairperson considered that both ideas could be retained if the words “in order to promote decent work” were added at the end of the phrase.
152. It was so agreed.

Proposed paragraph 21

153. The Employer Vice-Chairperson proposed the addition, after the word “all”, of the words “workers in the industry”.
154. The Secretary-General commented that the proposed addition was not accurate as fundamental principles and rights at work and ratified international labour Conventions applied to all constituents, including enterprises and employers, and not just to workers.
155. The Government Vice-Chairperson agreed that the proposed addition would limit the text.
156. The Worker Vice-Chairperson also preferred to keep the original wording.
157. The Employer adviser said that similar wording had been adopted in other ILO meetings. If it was clear that the words “apply to all” were to be interpreted as they were commonly understood within the context of the ILO, the proposed amendment could be withdrawn.
158. On that basis, the paragraph was adopted without amendment.

Proposed paragraph 23

159. With reference to the chapeau, the Employer Vice-Chairperson proposed, after the words “The Office”, to add the words “, in consultation with the social partners,”.
160. The Worker Vice-Chairperson saw no reason to change the original wording.
161. The Government Vice-Chairperson opposed the proposed amendment.

- 162.** The Secretary-General indicated that for several of the items included in the paragraph it was true that the Office took action in consultation with the tripartite constituents. However, other activities were undertaken by the Office under the terms of the mandate set out in the Constitution, including development cooperation, promotion of the ratification and implementation of international labour standards, research and relations with other agencies and organizations.
- 163.** The Employer Vice-Chairperson, in light of the points raised, withdrew the proposed amendment.
- 164.** Subparagraphs (a), (b), (c) and (d) were adopted without amendment.
- 165.** With reference to subparagraph (e), the Employer Vice-Chairperson proposed to replace the whole subparagraph with the following text: “support its constituents to harness the fullest potential of technological progress and productivity growth, including through social dialogue, to achieve decent work and sustainable development, which ensure dignity, self-fulfilment and a just sharing of the benefits for all”. The proposed text was taken from the Centenary Declaration (Part II, A(ii)). It omitted the listing of ILO means of action, which was unnecessary.
- 166.** The Government Vice-Chairperson expressed a preference for the original text. The means of action listed, and particularly technical assistance and regional meetings, were instrumental in adapting the approach adopted by the ILO to the specific conditions in the various countries and regions, which was in line with the objectives of the reform of the Organization. That element was not found in the proposal made by the Employers’ group.
- 167.** The Worker Vice-Chairperson preferred the original text, which included an important reference to the global South.
- 168.** The Employer Vice-Chairperson said that, if there was support for retaining the list of ILO means of action, perhaps it would be acceptable to include the words “, by harnessing the fullest potential of technological progress and productivity growth,” after the words “environmental dimensions”. The addition would balance the text, particularly in view of its reference to the global South.
- 169.** The Government Vice-Chairperson said that she could accept the compromise text. It was important to retain the reference to the global South, where important issues arose in relation to workers in the industry engaged in informal work for supply chains.
- 170.** A Worker representative emphasized the need to focus on the improvement of working conditions, including employment relations and the safety of workers, through a just transition. It was often the case that when employers invested in productivity improvements, the conditions of the workers remained the same or deteriorated. The Worker Vice-Chairperson said that, if reference were to be made in the subparagraph to technological progress and productivity growth, it should be in the form of addressing the challenges that arose in that context. Although the wording was taken largely from the Centenary Declaration, the context made it difficult to accept the proposal as it stood.
- 171.** The Government Vice-Chairperson considered that the proposed reference to technological progress and productivity growth did not give rise to problems, but that the proposed wording did not fit into the paragraph as currently drafted. A Government representative of Argentina agreed that aspects relating to technological progress and productivity growth were essential. If the language of the Centenary Declaration were to be used, all the elements should be retained and it could be placed in a separate paragraph.

- 172. The Employer Vice-Chairperson agreed with the proposal for separate paragraphs.
- 173. It was therefore agreed that subparagraph (e) would be adopted without amendment and would be followed by a new subparagraph, drawn from the Centenary Declaration, which would read as follows: “support its constituents to harness the fullest potential of technological progress and productivity growth, including through social dialogue, to achieve decent work and sustainable development, which ensure dignity, self-fulfilment and a just sharing of the benefits for all in the automotive industry”.
- 174. Subparagraph (f) was adopted without amendment.
- 175. With reference to subparagraph (g), the Worker Vice-Chairperson proposed the addition of the words “and safety” after the word “capabilities”, in line with the wording adopted for paragraph 13.
- 176. It was so agreed.

Instruments

- 177. The Worker Vice-Chairperson, in the list of international labour standards, proposed the addition of the Violence and Harassment Recommendation, 2019 (No. 206), to supplement the Convention No. 190, which was already contained in the list.
- 178. It was so agreed.
- 179. The Employer Vice-Chairperson, with reference to the list of instruments of other international organizations, raised the issue of the inclusion of the *OECD Due Diligence Guidance for Responsible Business Conduct* (2018). If there was no precedent for the inclusion of the OECD Guidance in similar documents adopted by tripartite meetings, it should be deleted from the Annex.
- 180. The Worker Vice-Chairperson considered that the OECD Guidance was an important document and should not be removed from the Annex.
- 181. The Government Vice-Chairperson agreed that the OECD instrument offered important guidance for policy development.
- 182. The Secretary-General, in response to a request for information, indicated that no other example of the inclusion of the OECD Guidance could be found in the conclusions of ILO tripartite meetings.
- 183. It was agreed to remove the reference to the OECD Guidance from the Annex.
- 184. The Annex was adopted, as amended.
- 185. The conclusions were then unanimously adopted, section by section, as amended.

► V. Closure of the meeting

- 186. During its final plenary session, the meeting was addressed by Ms Martha Newton, ILO Deputy Director-General for Policy, who welcomed the high level of interest shown by constituents in the meeting, with the participation of representatives of over 60 ILO Member States. The conditions under which the meeting was being held were difficult, but also permitted the participants to show their commitment to developing agreed solutions to the great challenges faced by the industry, which was undergoing massive structural

change combined with the effects of the COVID-19 pandemic. The agreed road map on which the participants were working would guide the future action of constituents and the ILO's assistance to help them meet the challenges that lay ahead.

- 187.** The Secretary-General congratulated all the participants on their pioneering spirit in overcoming the difficult conditions of a virtual meeting to adopt important conclusions, which demonstrated the significance of successful social dialogue. She thanked the Officers of the meeting, the groups and all the participants for their commitment and perseverance.
- 188.** The Employer Vice-Chairperson welcomed the agreement reached, which demonstrated the determination of all those in the industry to overcome the challenges that it was facing, including those related to the COVID-19 pandemic.
- 189.** The Worker Vice-Chairperson was very happy that it had been possible to agree on a way forward to deal with the challenges faced by the automotive sector. The ILO played a vital role in bringing together the workers and all the other partners in the industry and in allowing them to unite in face of the current difficulties.
- 190.** The Government Vice-Chairperson welcomed the success of the meeting, which demonstrated the added value of the ILO. The participants had shown admirable determination to overcome the difficulties of a virtual meeting and she hoped that it would soon be possible to return to meetings attended by participants in person.
- 191.** The Chairperson congratulated the participants on their constructive approach which had allowed them to achieve so much over such a short time under challenging conditions. The conclusions demonstrated the potential of social dialogue to find solutions to difficult situations and to promote decent work. She thanked all those involved and declared the meeting closed.

Geneva, 19 March 2021 (virtual)