

# IOE.NET

QUARTERLY NEWSLETTER OF THE INTERNATIONAL ORGANISATION OF EMPLOYERS

REPRESENTING 146 NATIONAL EMPLOYER FEDERATIONS IN 138 COUNTRIES ACROSS THE WORLD

JANUARY 2008



INTERNATIONAL  
ORGANISATION OF EMPLOYERS

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## Editorial

The new year is always a time for reflection on the past as well as about the future. As usual, there is some good news and some bad news.

First, the good news – which mainly concerns the achievements of the IOE and its staff. Here, one cannot fail to mention the success to which the IOE undoubtedly contributed in rejecting the move by Venezuelan dictator Chavez to solidify his regime. Obviously, other factors entered into his defeat at the polls, but I am sure that the persistent efforts of the employers, united within the International Organisation of Employers, contributed to it.

The Organisation was successful in a number of other areas. It published the first issue of an impressive scholarly journal called the *Social and Labour Policy Review*, which I am sure will become a standard reference to all serious students of the field. A new Global Industrial Relations Network has been successfully launched and plans are now in the pipeline to establish a similar such specialized network for occupational safety and health later this year. Very shortly, it will issue its new workplace survey *Trends in the Workplace 2008*. All these accomplishments demonstrate to the broad membership that our Organisation is more relevant to them beyond competently fulfilling its role as the employers' representative in the International Labour Organization.

I should also mention progress in our relationship with the World Health Organization as well as with the International Organization for Migration. The activities of both of these bodies are extremely germane to our membership. Our participation in the United Nations Global Compact and our other activities in the field of corporate social responsibility are also of significant importance to our members.

A highlight of the year was the facilitation by the United States Council for International Business of the launch of the World Bank's flagship publication the *Doing Business 2008 Report*. This activity has implications for our future relationship with this very important institution and we have an agreement to hold periodic meetings with the Bank at the highest levels.

This progress is very much along the path laid out by the blueprint that was developed for the Organisation's future *The Way Forward* which was



Abraham KATZ – IOE President

undertaken by my predecessor, François Perigot. Its effective implementation is a tribute to the initiative and hard work of Antonio and his excellent staff.

I must also mention what I consider to be our very good work in the ILO under the direction of Executive Vice President Daniel Funes de Rioja. First and foremost is our excellent participation as an Organisation, with quite a few of our members as speakers, in the Lisbon Forum on Globalization which was held in November. Daniel and I participated as keynoters, and I was extremely impressed by the knowledgeable contribution of our members on the various panels.

I must also include in my good news my extremely favourable impression of two of our East African members – the Federation of Kenyan Employers and the Association of Tanzanian Employers. My visits with them made me proud to be President of our Organisation. However, as I write these words, I am distressed by the news out of Kenya, and pray that the vio-

lence will soon subside and that the society will regain some degree of normalcy, so that our members can continue to pursue their ambitious objectives. And although I have not had a chance to visit them, I wish the same for our Pakistani members.

But the bad news is more insidious than the violence that I have mentioned in my last message. Throughout my tenure as President, I have stressed the importance of globalization as providing not only opportunities but also challenges to our businesses. It is the source of much of the prosperity which has been registered throughout the world. I have not minced words about the challenges in terms of the losers in this process. And I have urged repeatedly that national policy must facilitate globalization through the adjustment process involving both macro and micro economic policies. Yet, despite the unparalleled prosperity, protectionist sentiment is on the rise and globalization has become a dirty word in many quarters. In my own country, the

potential candidates of one of our two major political parties have all expressed protectionist intentions, as have some of the prominent politicians in the other party. This sentiment is not limited to my country, and one can find echoes elsewhere around the globe in terms of renewed economic nationalism. Clearly, the Doha round of trade negotiations at the time of writing this is on life support. And I shudder to think of the consequences of outright failure.

Business has a stake in defending against these pressures, and it would not take much to enter a downward spiral of beggar-thy-neighbour policies, which could lead to a situation reminiscent of the 1930s. It is the obligation of the business communities of most of our members to actively work against this protectionist wave. So I end this message with a plea that our members become activists in a field that may seem to them different from social and labour concerns, but the welfare of both employers and workers depends on it. ■

## Call for academics and consultants

The ILO, in its Research work, relies on a vast array of consultants and academics. The IOE has been pushing the ILO to strive for the highest levels of integrity in its research endeavours. This can only come about through the use of a broader pool of academic sources. To this end we are developing a list of academic researchers and other consultants that we can suggest as references for the ILO to use. We would therefore appreciate very much if you could refer to us the names of individuals that you feel would be interested in such work.

Separately, the IOE and the ILO Bureau for Employers' Activities often commission various pieces of research work specifically on employer issues. Similarly, we would like to develop a list of consultants that we could use for such work. If you know of interested consultants, please send us their details.

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# IOE and Member Activities

## IOE welcomes Chavez pardon to business leaders

The IOE welcomes the decision taken by the Government of Venezuela in early January 2008 to grant amnesty to a group of business leaders convicted or being prosecuted on political grounds and, in particular, Ms. Albis Muñoz, former President of FEDECAMARAS, who, with fifteen other business lead-

ers, had not been permitted to leave the country since 2004.

The international pressure exercised by the IOE on the Government of Venezuela over the past years, and in particular before the ILO Committee on Freedom of Association, has certainly contributed to this outcome.

Despite these positive steps, the IOE continues to closely follow the measures being taken against the private sector in this country and intends to shortly submit additional information to the ILO Committee on Freedom of Association. ■

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## *Trends in the Workplace 2008 Survey*

**The first edition of what is anticipated to be an annual survey of *Trends in the Workplace* by the IOE will be launched at the end of this month.**

The survey, which was targeted at member organizations, consisted of fifty one questions addressing a wide variety of key labour market issues.

We are extremely pleased with the outcome of this initial effort. It has produced a rich harvest of information of how employers are responding in their different markets to trends in an increasingly globalized marketplace.

The main survey findings reveal that the employers' perception of the labour market in the global context is one of

change and the need for effective adaptation to that change. The survey shows that employers increasingly confront issues arising from global economic integration. Examples of such issues include:

- A changing labour market and the need to adapt legal structures and frameworks to meet the changes in an increasingly globalized world;
- New ways of working and the ever-increasing focus on productivity and the need for skills; and

- The role of employers in society as enterprises as well as social dialogue partners in policy debates.

A clear message from the survey is that, in order for economies to meet the challenges of globalization in a way that promotes the well-being of all involved, national policies and practices need to reflect the realities of the changing economy and labour markets.

We hope that this survey will add to the global debate on these issues and will become in time an important reference for policy makers in the labour and social fields. ■

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## Initiatives to tackle corruption

To assist members looking to engage or deepen their engagement in the promotion of anti-corruption practices, the Secretariat is currently developing a space on the IOE website which will act as a depository of various initiatives and information from around the global employer community on this issue. We encourage members to contact the Secretariat if they have information they would like to share.

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## African Employers respond to HIV/AIDS

**Employers' organizations from Eastern and Southern Africa met in Nairobi in December to develop responses to HIV/AIDS in the workplace.**

At the meeting – hosted by the Federation of Kenya Employers and organized by the IOE, the ILO and the ILO Turin Training Centre – the Eastern and Southern African employers formed a communications network to enhance the response to HIV/AIDS in the workplace.

The establishment of the network will reinforce the dissemination of best practices on HIV/AIDS interventions, thereby helping to protect the workforce from infection through better communication.

The network, which will be coordinated and hosted by the

Federation of Kenya Employers with the support of the IOE, will also help employers' organizations to strengthen their internal capacities so as to provide guidelines and best practices to their member companies.

The network will also mobilize both technical and financial support from agencies in order to scale up existing initiatives as well as promote partnerships with national AIDS Control Councils, other government efforts and other interested stakeholders such as trade unions.

Participants at the Nairobi meeting included a number of UN agencies, senior government officials and a large number of CEOs and Human Resources Directors from companies within the sub-regions. ■

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*Participants at the Nairobi meeting on HIV / AIDS*

## PEC Marks its 20<sup>th</sup> Anniversary

**The 20<sup>th</sup> anniversary of the Pan African Employers' Confederation (PEC) was marked with a major gathering in Mauritius in December.**

The keynote speech was given by IOE Honorary President François Perigot. Mr. Perigot was also the chief guest of the Mauritius Employers' Federation, which celebrated its 45<sup>th</sup> anniversary.

The IOE has extended and continues to provide PEC with both technical and administrative support and the Confederation is increasingly

recognized as the 'voice of employers' on the continent. Late last year the PEC teamed up with BusinessEurope to organize the "European–African Business Summit" in Lisbon, as a prelude to the EU–African Heads of State and Government Summit. The meeting discussed the EU–ACP Economic Partnership Agreements and a partner-

ship framework between Africa and Europe. Prior to the Lisbon event, PEC, in conjunction with the IOE and the ILO, organized a meeting for African employers in Dakar, Senegal to develop a common position on Economic Partnership Agreements.

PEC has produced a commemorative report detailing its milestones over the last twenty years, which is now available. ■

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## CSR engagement spreads

Whilst CSR is a topic familiar to many businesses in Europe and the US, it is now increasingly coming on to the agenda of employers elsewhere. Two CSR events in November and December – the first by the Cyprus Employers’ and Industrialists Federation, and the second by the Federation of Egyp-

tian Industries in collaboration with the American Chamber of Commerce and the UNDP on promoting the Global Compact – both continued a trend in 2007 of employers recognizing the role that business can play in improving company performance and social involvement. In both events the role of the State

as the party responsible for creating and enforcing legislation was underlined as was the need to recognize that CSR activities were voluntary ones that went beyond legal compliance and were determined by the needs and capabilities of individual businesses. ■

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### Difficulties to operate globally highlighted

The Confederation of Swedish Enterprise has developed a major Report on the hurdles for businesses (particularly SMEs) operating in a global integrated economy. The Report notes that many small enterprises chose not to expand abroad because of bureaucracy, high customs tariffs, corruption and discrimination. These factors lead to increased costs and reduced profits for companies. The Report “Global business – rules that help and hinder” is available at:

[http://www.svensktnaringsliv.se/multimedia/archive/00009/Global\\_business\\_-\\_rul\\_9238a.pdf](http://www.svensktnaringsliv.se/multimedia/archive/00009/Global_business_-_rul_9238a.pdf)

## Youth Employment Toolkit

**The IOE and the ILO have developed a Resource Tool entitled “Youth Employment: Make it happen – An electronic tool for employers”.**

The Toolkit contains a variety of experiences and good practice examples from the business community globally on this important issue. It is principally designed to serve as a “bank of ideas” for employers.

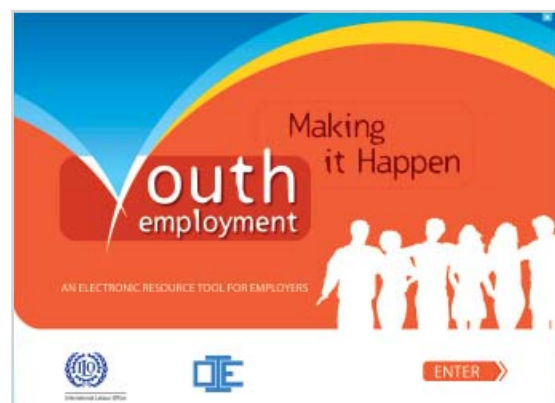
The Tool is structured around three main pillars: Policy Making and Advocacy; Training and Skills Development; and Entrepreneurship and Self-Employment. The kinds of interventions covered include inter alia: workplace and job analysis tools; models of structured links between business and schools; examples of young entrepreneurs’ networks; mentoring schemes; and policy initiatives to raise youth employment levels.

In parallel with these endeavours, a training course on youth employment for employer organizations has been developed by the ILO Turin Training Centre. The first training workshop, which is being co-organized by the ILO Bureau for Employers’ Activities and the Youth Employment Programme, along with IOE assistance, is scheduled to take place in Nepal in February hosted by the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

The workshop will bring together representatives from employer organizations in eight different countries from Asia and Africa.

The Resource Tool will be available on the IOE website in February (a CD-Rom version will also be available). ■

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Welcome page of the Employment Toolkit

## Combating Child Labour in South East Asia

This Forum provides an opportunity for employers to showcase their positive experiences with globalization as well as some of the challenges.

In December the IOE had the opportunity to present its new Child Labour Toolkit to employers, workers and govern-

ments of the Mekong Region (Cambodia, China, Laos PDR, Thailand and Vietnam). The Toolkit's three guides, through ideas, advice and examples, are designed to help businesses and their organizations understand and take action against child labour. Many employers' organizations throughout this region

have been working closely on child labour issues and have developed specific programmes. In this respect, this meeting was a useful occasion for employers regionally to present the practical challenges they face in addressing this issue at national level. ■

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## Regressive legislative change in Uruguay

**An IOE delegation met with Uruguayan government representatives in December to discuss a controversial draft collective bargaining law currently being prepared.**

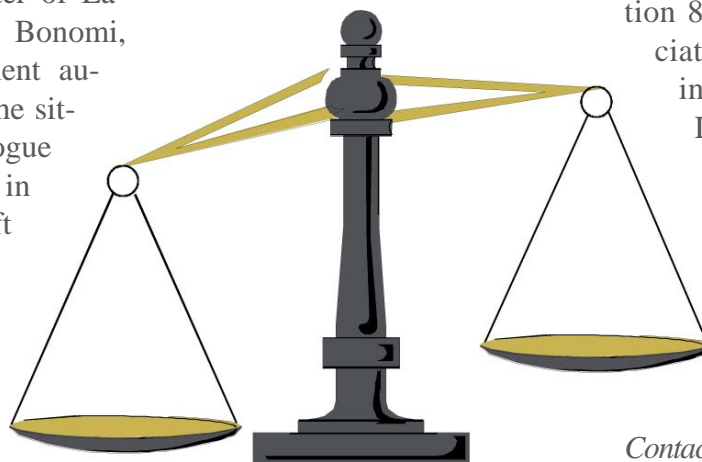
IOE Executive Vice-President Daniel Funes de Rioja, accompanied by the IOE Adviser for Latin America, met in late December 2007 with representatives of the two IOE member federations in Uruguay – the Chamber of Industries of Uruguay and the National Chamber of Commerce and Services of Uruguay.

The IOE delegation also met with the Minister of Labour, Mr. Eduardo Bonomi, and other Government authorities to discuss the situation of social dialogue in the country and, in particular, the draft law on collective bargaining currently before the Parliament. This draft law con-

tains a controversial chapter that would allow workers to occupy premises. Mr. Funes de Rioja stressed the fact that the draft law as it is today infringes the right to private property and free enterprise and that regulations on collective bargaining must be the result of social dialogue and consensus. He called for these provisions of the draft law, on

which there is no consensus, to be removed.

In addition, the IOE representatives explained the possible resources national employers have at the international level, both in the ILO and in the OAS, to challenge such a draft law. Particular attention was given to the possibility of filing a complaint with the ILO Governing Body Committee on Freedom of Association against the Government for violations of the provisions of Convention 87 on Freedom of Association, ratified by Uruguay in 1954. The Minister of Labour agreed to reconsider the controversial provisions in the draft law. The IOE will be following closely the events in this country. ■



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# International Labour Organization

## The ILO and Social Security — Best practices?

**At the end of December the IOE and the ILO Turin Training Centre, organized a brainstorming session for employers from South Eastern Europe and the Ukraine in order to exchange best practices.**

The meeting above all demonstrated that the ILO should also focus work on strengthening existing social security schemes and on the capacity of employers' organizations to participate in these schemes.

The ILO's approach to social security has been framed by the conclusions of the 2001 International Labour Conference which developed a set of important recommendations and launched a global

campaign for social security. The IOE remains supportive of this broad framework but is increasingly concerned at some of the directions the ILO is taking.

There is increased emphasis on the informal economy through the concept of a 'social floor' as a minimum of social protection for all workers (in this respect employers have highlighted that these interventions should be paid

from formal economy contributions). Moreover, the Office is lobbying for a new standard on social security despite the very poor record of ratification of existing related standards. Employers have consistently advocated a more practical, realistic and above all sustainable approach. In 2008, there will be a renewed effort to try and re-orient the work of the Office in this increasingly important area, including by advocating the positive role played by the private sector. ■

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## Measuring Decent Work

**The ILO is still recognized as the main UN agency charged with data collection in the social and labour sphere.**

Its work in collecting information on trends in labour markets is a useful (if a little inaccessible) contribution to actors in this domain.

However, in recent years the Organization has sought to develop 'indicators' for decent work (DWI). Employers have argued that the measurement of decent work will be difficult, if not impossible. However, pressure is being exercised by the Office, by workers and a number of governments and 2008 will see a

renewed vigour of these efforts.

At a technical level, in December 2008 the 18<sup>th</sup> International Conference of Labour Statisticians will be held at the ILO and several preparatory meetings have been or will be organized. Last December, the ILO organized a tripartite meeting of experts on job classification. Other meetings are foreseen on labour statistics concerning child labour (regional meetings in Asia, Latin America and Africa, with a fi-

nal meeting in Geneva in April) and on working time (in April in Geneva). All these issues will be on the agenda of the 18<sup>th</sup> International Conference of Labour Statisticians. A 'political' meeting of experts on the development of DWI will probably take place at some stage during the year.

The danger of developing data sets that lack a strong empirical footing could prove very damaging for the Organization and great care will need to be exercised in moving forward with this project in 2008. ■

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## Policy framework for hazardous substances

In early December, the ILO convened a meeting of experts to discuss how ILO instruments and other tools concerning Occupational Safety and Health (OSH) and hazardous substances could be best incorporated into a new policy framework and action plan.

The meeting developed a set of recom-



mendations which gave support to the ILO Global Strategy on Occupational Safety and Health (adopted by the International Labour Conference in 2003); and re-confirmed support for the Promotional Framework for Occupational Safety and Health Convention (No. 187) which was adopt-

ed in 2006. The meeting also concluded that the ILO should develop a methodology for a systematic updating of codes and guidelines on hazardous substances. The recommendations will be available on-line in late March (subject to ILO Governing Body approval) at the Internet address below this article.

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<http://www.ilo.org/public/english/dialogue/sector/techmeet/mepfhs07/index.htm>

## UN and other International Organizations

### The Global Compact

The UN Global Compact (UNGC) has grown significantly in the last few years, achieving a network of more than 5'000 member participants and stakeholders from more than 120 countries. The UNGC provides a unique platform for dialogue and learning, and now constitutes the largest initiative for UN relationships with business.

The Compact's recent Leaders' Summit showed its relevance for the business community and how it can respond to the major current societal de-

bates such as climate change, water concerns and reconstruction after crisis, etc. Having incorporated into the initiative the major companies, the challenge now is to mobilize increased interest from SMEs and the involvement of the business community in regions of weak governance. The IOE

fully supports the promotion of the Ten Principles of the Compact in all types of companies. The IOE continues to strongly encourage member federations to be proactive with support for the UNGC and UNDP efforts and in their local networks.

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Global Compact Meeting New York, December— Ban Ki-Moon (far left), Antonio Peñalosa (far right)

# Inter-American Conference of Ministers of Labor

The IOE, along with trade union representatives and Ministers of Labour, has developed a Calendar of Activities for the Inter-American Conference of Ministers of Labor at a meeting in the OAS<sup>1</sup> headquarters in Washington, D.C, in December.

The activities for this coming period are based on the outcomes of the most recent Inter-American Conference, which took place in Port of Spain in September, and the 4<sup>th</sup> Summit of the Americas. The main events for the forthcoming biennium can

be found listed on the table below.

The agreed activities, together with the topics that will be discussed during the 2008 and 2009 Working Group meetings, reflect several proposals put forward by CEATAL – i.e. youth employment; policies for micro, small and medium-sized enterprises; informal economy and unregistered work, amongst others.

In addition, there is a possibility of a seminar on the relationship between trade and quantity and quality of employment. The basis for this

proposal came from the Argentinean government and is based on the identification of possible models of analysis to measure the relationship between international trade and the quantity and quality of employment (social and labour indicators). CEATAL along with a number of governments strongly opposed this proposal.

The IOE Secretariat will provide members in the region with more concrete information on all these activities as they becomes available.

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<sup>1</sup> Organization of American States

## Calendar of Activities for the Inter-American Conference of Ministers of Labor

Date	Meeting	Location
15–18 April 2008	2008 Working Groups Meeting and Workshop on social dialogue and social cohesion	Uruguay
20–12 May 2008	Seminar on Generation of Youth Employment	Brazil
August 2008	Workshop on Occupational Health and Safety	Peru
Oct. or Dec. 2008	Workshop on Public Employment Services	El Salvador or Panama
February 2009	Workshop on Gender Mainstreaming	Canada
April 2009	2009 Working Groups Meeting and Workshop on Labor Inspection	Mexico
2009 <sup>2</sup>	Workshop on Fundamental Principles and Rights at Work	Guyana
July 2009	Preparatory Meeting of the 16th IACML	Argentina
September 2009	16 <sup>th</sup> Inter-American Conference of Ministers of Labor (IACML)	Argentina

<sup>2</sup> (suggested: end of May or beginning of June)

# 2008 Calendar

## *Major Forthcoming Meetings*

<b>14–18 January</b>	Meeting of the ILO Declaration Expert–Advisers	<i>Geneva, Switzerland</i>
<b>6–20 March</b>	ILO Governing Body	<i>Geneva, Switzerland</i>
<b>14–15 March</b>	IOE Management Board	<i>Geneva, Switzerland</i>
<b>1–10 April</b>	Meeting of Experts on Labour Statistics: Child Labour Statistics and Measurement of Working Time	<i>Geneva, Switzerland</i>
<b>3–4 April</b>	IOE Global Industrial Relations Network meeting	<i>Istanbul, Turkey</i>
<b>11–12 May</b>	G8 Labour Ministers Meeting	<i>Niigata, Japan</i>
<b>27 May</b>	IOE General Council	<i>Geneva, Switzerland</i>
<b>28 May -13 June</b>	International Labour Conference	<i>Geneva, Switzerland</i>

