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# IOE ANNUAL REPORT

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**2008**

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## MISSION STATEMENT

The IOE is the world's largest business network with representative Employers' Organisations in 140 countries around the globe. Its members represent millions of enterprises of all sizes and across all sectors of economic activity.

The IOE's core role is to enhance the global labour and social policy environment for business, thereby contributing to the creation and strengthening of private enterprise everywhere.

As a network, the IOE provides access to a unique platform for the exchange and dissemination of information, experience and good practice amongst the global business community on all issues impacting on the real world of work.

# LEADERSHIP IN CHALLENGING TIMES

## Letter to members

2008 will be remembered as the year when the financial and economic crisis became global. At year's end its impact continued to be felt, with no real indication of recovery any time soon. Responding to this crisis became, and will continue to be, a core focus of the work of the IOE, both with its members and in its engagement with the relevant UN and multilateral agencies. Actions taken centred on the following:

In all relevant international fora, the IOE advocated measures to promote an environment conducive to enterprise creation, development, growth and sustainability. It opposed hasty regulatory reforms and called for informed responses based on free market principles and considered stakeholder consultation.

The IOE stepped up its encouragement of multilateral organizations in connecting their work, and directing their resources, to the needs of national business communities as they face the crisis.

As an umbrella organisation bringing together members of the business community, the IOE provided a platform for sharing information and best practice on activities in labour markets across the globe.

It fostered beneficial partnerships amongst the membership, and between member organizations and other actors.

Turning attention to the International Labour Organization, the IOE delivered its 'Vision' for the ILO which sets out employers' hopes and expectations. It represents a blueprint for transforming the Organization into one that responds to the challenges facing the actors of the 21st century workplace. It also calls for a new partnership between the IOE and ILO.

This 'Vision' coincided with the adoption by the 2008 International Labour Conference of the Declaration on Social Justice for a Fair Globalization which looks to ensure that the focus of the ILO is on addressing the needs of its constituents, to be relevant to the issues of the real world of work and to be efficient and coherent as a knowledge-based organisation. This Declaration gives further space to promote the employers' vision within the work of the ILO both at headquarters in Geneva and in the field.

Fruitful engagement culminated in a crisis response statement by the Officers of the ILO Governing Body at its November session, expressing commitment to supporting constituents' ongoing efforts to overcome the difficulties presented by the financial and economic turmoil.

Continuing its labour and social policy activity, the IOE engaged further with international organisations across a range of issues that affect business such as migration, corporate social

responsibility, social security reforms and privatization, occupational safety and health, new employment strategies, the business and human rights debate, the modernization of international labour standards, as well as the impact of health-related issues such as HIV/AIDS and malaria in the workplace.

Additionally, the Organisation turned its attention to new issues, in particular to climate change and its impact on the world of work, as well as to increased enterprise-level activities such as providing guidance on how international social standards apply to companies in the global economy.

The IOE also launched its *Trends in the Workplace* survey in 2008, which brings to the fore the need for effectively adapting to change in the workplace, a skill particularly relevant in preparing for the economic upturn when it comes.

We look forward to contributing to the continued success of our members as we work together to overcome the difficulties the new economic landscape will present.

Wiseman NKUHLU  
*President*

Daniel FUNES DE RIOJA  
*Executive Vice-President*

Antonio PEÑALOSA  
*Secretary-General*

# POLICY PRIORITIES IN 2008

## Enterprise development, employment and globalisation

### ***Promoting the market economy***

In a year when many of the basic tenets of the market economy model came under fire in the fallout from the financial and economic crisis, a major role for the IOE within the multilateral system was effectively upholding the values of the market economy in all relevant international fora.

*“We need to acknowledge that mistakes were made in the credit markets and that corrections are needed. But at the same time we need to also recognize that the benefits of globalisation to date have been immense and that any solutions that emerge should ensure not only that such benefits are not lost, but that the environment going forward is even more conducive to realizing the ongoing benefits of globalisation to people.”*

Wiseman Nkuhlu, IOE President,

Message to IOE members, October 2008

### ***Youth employment resource tool for employers***

Youth employment is an issue that affects an array of different policy areas and it has therefore been an area of considerable focus for the IOE in recent times.

IOE members in all regions have a rich collection of experiences in this domain and in 2008 the IOE, in partnership with the ILO, developed a toolkit on youth employment specifically for employers. This provided an overview of related challenges and of the role of the private sector in promoting employment access for young people, as well as a compendium of useful resources. Forty case studies were systematically organized by topic (policy making and advocacy, skills development and training, self-employment and entrepreneurship) and by country.

### ***Rural employment and the food crisis***

This year saw a renewed focus on rural employment and development by international agencies led by the World Bank. The dramatic rises in food prices made this especially timely and the IOE developed a position paper for high-level policy debate at the International Labour Conference. This set out a framework for sustainable rural development and subsequently provided guidance to members, for example in Namibia, in generating national responses.

*“Far too many governments have concentrated on protecting and distorting agricultural markets with the strange idea that somehow this would increase*

*prosperity – including the prosperity of developing countries. The short sightedness of those policy decisions is now playing out for all to see.”*

Phil O’Reilly, CEO, Business New Zealand

## **Workplace relations in an age of globalisation**

### ***Trends in the Workplace Survey***

2008 saw the launch of the IOE’s first global survey on *Trends in the Workplace* providing a comprehensive and comparative overview of workplace practices and underlining the urgent need for policy makers to adapt more effectively to the *changing face of global labour markets*. With this annual publication, the IOE will regularly inform on the key labour issues and trends most likely to impact the world of business.

The salient message emerging from the 2008 survey was that benefiting from new markets, or becoming destinations of choice for investors, will require governments to create the regulatory environment conducive to enterprise growth, development and sustainability; to get the right skills flowing into the labour market; and, above all, to create a culture where innovation and entrepreneurship can flourish. The survey underlined too that the new generation entering the labour force wants to decide when, how and where it works. With more options available for both businesses and employees, the two can benefit to their mutual advantage.

*“Enabling effective adaptation to change must be a key element in employment and social policies in order to maximise the benefits that globalisation can bring for both employers and workers.”*

Joint IOE-BIAC Statement to the G8 Labour Ministers Meeting

### ***Labour and social policy work***

During 2008, the Secretariat intensified its policy work in several areas, including collective bargaining, wages, International Framework Agreements (IFAs) and other trade union strategies. Collective bargaining was an area of particular focus, as the practice is evolving in response to globalisation with traditional forms of collective bargaining being abandoned in favour of new approaches. On the basis of a new IOE policy paper on this subject, a training programme was implemented in different regions.

The IOE also completed its work on *International Labour Standards and Companies* which explains how standards are created, their role and significance for companies.

The 2008 *International Labour and Social Policy Review*, which was launched during the International Labour Conference in June, is establishing itself as a useful vehicle for the Organisation to capture

national workplace experiences of member federations. Articles covered diverse issues affecting the workplace, ranging from the impact of labour market reforms to approaches to social dialogue.

## **GIRN**

The IOE's Global Industrial Relations Network (GIRN) firmly established itself in 2008. The network facilitates discussion and knowledge-sharing on workplace issues amongst major enterprise members of IOE federations. This unique forum, providing the opportunity to share experiences and challenges with like-minded professionals in a confidential environment, proved very valuable for these companies. The GIRN similarly helped the IOE identify issues for deeper analysis and consequent internal debate contributed to the IOE's broader policy work.

In 2008, the GIRN held two meetings hosted by its members in Turkey and Spain. The topics for discussion included an overview of the new Chinese Labour Law and its implications for multinational companies operating within the country and the globalization of industrial relations. In addition, the GIRN conducted sessions on the latest international developments, where members shared their challenges and experiences in addressing their industrial relations' issues. The GIRN is now a mature network and this can be seen in the structure and dynamics of its meetings. The IOE continued to provide expertise and advice to enterprise members and efforts are ongoing to improve communication channels between members.

## Corporate Social Responsibility

### ***Corporate Social Responsibility***

2008 saw companies continue to develop voluntary Corporate Social Responsibility (CSR) initiatives to complement their legal compliance, to guide their operations in markets abroad and to strengthen their engagement with their stakeholders, customers and consumers. Similar initiatives also occurred amongst sectoral groups and the IOE continued to monitor and assist members in these efforts. As globalisation develops, it is becoming clearer that relying solely on national law as a means of ensuring social compliance is no longer enough and that knowledge of the variety of international standards on topics covered by CSR are intrinsic to the management of risk and brand protection. Further development of CSR will continue to be an area of IOE engagement in the coming years through the work of its CSR Working Group.

### ***Global Industrial Relations***

With the rise of Global Unions, interest in establishing global industrial relations structures with multinational enterprises continued in 2008. This was reflected in the growing number of International Framework Agreements (IFAs) negotiated and signed with global companies. The IOE assisted members and their companies to better understand the impacts of these new developments and guided them in responding to Global Union approaches. The IOE's information paper on IFAs remained a popular text to help companies think globally about their industrial relations approaches and needs.

Through its Global Industrial Relations Network (GIRN), the IOE continued to deepen and share its knowledge on these important issues and it will remain a leading information source for members.

### ***MNE Declaration***

In 2008, the IOE continued its active support of the *ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises & Social Policy* as it rightly places emphasis on the recognition of national sovereignty, respect for national laws and an acceptance of custom and tradition in the countries in which a global company is operating. It is a practical and flexible instrument for the business community.

In recent years, however, some parties have been pushing for increased complaints mechanisms in order to tighten the existing measures in the *1976 OECD Guidelines for Multinational Enterprises* and *furthermore* to introduce similar constraints into the ILO Declaration. Employers continue to oppose such a development as the MNE Declaration is totally voluntary and therefore unsuited to complaints procedures.

In response to a request from the G8 to explore, and clarify, the variety of international CSR instruments that abound, an information round table to discuss the OECD Guidelines and the ILO MNE Declaration was organised in June in Paris. The IOE was able to underscore the business position in an address to this meeting.

## ***UN Global Compact***

The UN Global Compact (UNGC) has expanded significantly in the last few years, achieving a network of more than 6400 member participants and stakeholders from over 133 countries. It provides a unique platform for dialogue and learning, and now constitutes the largest initiative for UN relationships with business. The IOE has been a strong advocate of the ten principles of the Global Compact in all types of companies and continued in 2008 to encourage member federations to proactively support the initiative.

As a member of the Board of the GC, IOE Secretary-General Antonio Peñalosa was invited to co-chair and organise the work of the GC on labour principles through its *Labour Working Group*, of particular importance in integrating trade union involvement and garnering further support for the GC, as well identifying emerging issues for discussion.

At the end of the year, in New York, the Working Group launched *“The Labour Principles of the United Nations Global Compact - A Guide for Business”*.

### *The Global Compact Labour Principles Guide*

*“Only governments have the political legitimacy and responsibility to legislate and enforce. We seek to make governments more responsible rather than shifting those responsibilities to private parties.”*

International Organisation of Employers – International Trade Union Confederation

## Supporting fundamental rights at work

### ***Defending Employers' Rights***

The rights of employers are enshrined in a number of ILO standards. They are also recognised for both employers and workers in the 1998 Declaration on the Fundamental Principles and Rights at Work. The IOE regularly supports members in the presentation of international complaints against their governments when their rights are violated.

During the year, the ILO Committee on Freedom of Association (CFA) examined three IOE complaints against Iran, Ukraine and Venezuela. The recommendations and conclusions of the CFA recognised the harassment suffered by the employers of these countries, criticized the actions taken by the governments and requested them to stop the violations enumerated in the complaints.

A number of Latin American countries (Bolivia, Ecuador, Honduras and Nicaragua), following the populist attitudes and unfriendly measures against the private sector of Venezuela, are also receiving support from the IOE to prepare an international response.

### ***Addressing child labour***

The IOE and its member federations have long been at the forefront of efforts to combat child labour. For enterprises today, operating across global supply chains, ensuring that operations are free of child labour can be challenging. Moreover, the consequences for enterprises of being associated with the use of child labour can include long-term reputational damage and even divestment.

In 2008, the IOE and its partners scaled up efforts to help member federations and their constituents meet this challenge. The resulting *Guide for Employers: Eliminating Child Labour*, designed by the IOE and the Employers' Bureau of the ILO, assists employers' organisations at a policy level and includes practical advice for their enterprise members. Workshops which were subsequently rolled out in different countries proved to be excellent occasions for the exchange of good business practices and strategies amongst national business communities.

The IOE also engaged with a range of experts on child labour at both policy and technical levels.

### ***Combating forced labour***

Until recently, many within the business community believed that the risk of occurrence of forced labour in their operations was too low to warrant significant attention.

That perception is changing and the reality of forced labour infiltrating operations has been brought into focus by recent, well-mediatised examples. Consequently, in 2008, the IOE increased its work in this area and, while the ILO remained the key partner in this endeavour, the IOE also actively engaged with a range of other important actors. In February, with The Coca-Cola Co. as host, the USCIB, the ILO and the IOE held its first jointly-coordinated meeting dedicated to tackling this issue. The event attracted a total of 80 participants and followed a major UN meeting on forced labour and trafficking in Vienna, which the IOE also addressed.

The IOE further collaborated on the production of *Combating Forced Labour, a Handbook for Employers* which draws attention to the risks forced labour represents to business and gives guidance on how to identify, prevent and respond to situations. The Handbook was written within the context of a global strategy to engage employers and their organisations on the issue. A subsequent training programme was launched in Bangkok in July to help employers' organisations develop strategies to counter forced labour, and to exchange information and experiences.

*“With the increased interconnectivity of the global economy and supply chains criss-crossing the globe, forced labour – or rather the reputational risk of a company being exposed to it in its operations– is increasingly an issue for companies.”*

Brent Wilton, IOE Deputy Secretary-General

## Creating Safer Workplaces

### ***Supporting Members in OSH Efforts***

IOE attention to the area of occupational safety and health (OSH) increased significantly in 2008 with a number of new initiatives. Specific guidance tools and resources were developed for member organisations for use in their discussions and negotiations with partners at national level.

Following the statement on OSH adopted at the 2007 General Council, the IOE was proactive in supporting members' efforts in their engagement at national level and promoting examples of good practice.

With the support of the ILO and the WHO, the IOE is developing a guide for employers on OSH and workers' health to facilitate the implementation of the Promotional Framework for Occupational Safety and Health Convention (187) and the WHO Global Plan of Action on Workers' Health.

Special support was provided to the Federation of Employers of Ukraine in the National Conference on "Social Dialogue and Danger Prevention" where the IOE delivered the keynote message.

2008 also saw increased cooperation with the ILO, WHO and UNAIDS in key areas of safety and health in the workplace.

### ***OSH Policy Development***

At the policy level, the IOE used the occasion of the **World Congress on Occupational Safety and Health** in Seoul, Korea in June to promote further its 2007 statement. The IOE led the *Seoul Declaration on Safety and Health at Work* which underpins long-term employer policies, such as creating a culture of prevention; OSH as a broader societal responsibility; and the recognition that improving safety and health at work has a positive impact on working conditions, productivity and economic and social development.

The IOE teamed up with the Korean Employers' Federation (KEF) to organize a well-attended symposium at this event. General Motors, ArcelorMittal and Veolia Water were among multinational companies who, together with the IOE, shared their experiences on the promotion of effective OSH management systems.

### ***Occupational Safety and Health Network***

Building on the success and format of the Global Industrial Relations Network (GIRN), plans got underway in 2008 to establish a Global Occupational Safety and Health (GOSH) network. This will consist of multinational enterprises and member federations and will provide a unique forum to discuss and debate current and emerging global OSH issues on a confidential basis. The new group, which will define its own agenda and priorities, will benefit from the IOE's expertise and long experience gleaned through discussions with the ILO, WHO and other organizations at the international level.

*"The issue of Occupational Safety and Health is increasingly important to our members and their companies. Many jurisdictions are putting personal liability on company board members and taking steps to cooperate on enforcement for global reach. The IOE GOSH network will help organisations address these new challenges."*

*Antonio Peñalosa, IOE Secretary-General*

## Climate change: the employment implications

Climate change has become a serious concern across all society, but the employment and social policy implications have attracted inadequate discussion to date. Government initiatives to meet international commitments to greenhouse gas reductions will impact on all workplaces. Many industries will be required to restructure, in a compressed timeframe. Occupational profiles and skill requirements will evolve. These challenges will require major efforts to address and the engagement of business will be critical for workplaces and societies if they are to be sustainable.

The IOE consequently examined this issue closely in 2008 and achieved substantial visibility and accredited recognition within the relevant international fora, such as the UNEP Governing Council and Global Ministerial Environment Forum.

The IOE's role in this debate is to ensure that government responses to climate change, as they relate to the social and workplace interests of business, acknowledge the importance of economic growth, development and job creation, while fostering and encouraging long-term solutions that incorporate technological development. Identifying and realising solutions should be a shared responsibility, with the burden objectively allocated. A policy paper, developed early in the year by an IOE expert group, articulated these perspectives and provided members with a useful tool with which to interact with regulators.

*"The challenges of climate change require the collaboration of all parts of society, and the engagement of business will be critical for workplaces and societies if they are to evolve to more efficient and sustainable lower carbon pathways."*

Ronnie Goldberg, IOE North America Vice-President



# WORKING FOR BUSINESS AT ALL LEVELS

## The international level

### *The International Labour Organization (ILO)*

The IOE continued to concentrate its most important efforts as the permanent Secretariat of the Employers in the ILO and to coordinate the voice of enterprises in the ILO in all its activities. To fulfil this major responsibility, the IOE counts on its fruitful relationship with the ILO's Bureau for Employers' Activities, ACT/EMP, pooling expertise in many joint initiatives around the world, and providing enhanced technical support to member federations and their enterprise affiliates. ACT/EMP's role in supporting members is an invaluable resource and continues to help ensure employers' organisations worldwide are in the best position to promote the wide interests of employers to governments, workers and the public at large. We thank them for this support.

2008 saw, in the November Governing Body, the re-election for a third term of ILO Director-General, Juan Somavia. Another major outcome of this session was the adoption of a Statement of the Officers following an exchange of views on the unfolding global economic crisis. The six points, focusing on access to credit; protection of persons most exposed; supporting sustainable enterprises; reaffirming the principles of the 1998 Declaration on the Fundamental Principles and Rights at Work; tripartism and development aid. should be used by the ILO and constituents in their ongoing discussions on national and international responses to the crisis.

#### ***Employers' Vision of the ILO***

At this time of global economic turmoil, the next period will be challenging for the Organization. Expectations are that the ILO needs to position itself as a relevant resource for constituents looking for workable policy responses and information to support their efforts to respond to the crisis.

In recent years, employers, among others, have been increasingly vocal in calling for the ILO to update and be more responsive to the challenges facing the actors of the 21st century workplace. These concerns were formulated in 2008 in the *Employers' Vision of the ILO*.

Coming at the time when the global economic crisis impact was being felt, the next period will be challenging for the Organization. Expectations are that the ILO needs to position itself as a relevant resource for constituents looking for workable policy responses and information to support their efforts to respond to the crisis.

This IOE document outlines a progressive roadmap for the Organization that takes account of the changing nature of the global economy, of new realities within our economic systems, and the need for collaborative approaches to replace confrontational ones. It is a strategic blueprint for the future of the Organization in its interactions with its constituents.

Achieving these objectives will entail considerable changes within the ILO in terms of strategic focus, technical delivery, and its approaches to human capital and the IOE will maintain its position in pushing for their realisation.

“The challenge before the ILO is to help constituents adapt to the changing global labour market, to reduce poverty, to promote education and training and to create more and better jobs..... Moreover, the ILO needs to assist governments in strengthening effective labour market institutions, to promote labour market flexibility, to address the issue of informality, to promote safe and healthy workplaces and to address the elimination of discrimination in the workplace.”

Daniel Funes de Rioja, IOE Executive Vice-President

### ***International Labour Conference 2008***

Three main developments have resulted in better International Labour Conference (ILC) outcomes in recent years: first have been the Conference agendas - employers are being more proactive and effective in proposing items for discussion and these topics are garnering support from governments; second, the ILO has responded to employer calls to abandon its “standards for the sake of standards” policy focus, in favour of activity geared to employment and, third, the organization has developed a balanced approach that takes into account the key tenets of the market economy.

The 2008 ILC made particular progress in several areas: in the conclusions of the *Rural Employment for Poverty Reduction* committee, in which the IOE participated, concepts essential for creating an environment conducive to enterprise development, such as the respect of property rights and the development of a culture of entrepreneurship were agreed upon. The successful outcome also mandated the Office to work further in these areas of importance to employers.

The conclusions of the *Skills Development Committee* similarly provided further evidence of the gravitation of the ILO towards a more responsive approach to enterprises, recognising skills development as a key means to benefitting from globalisation.

### ***ILO Declaration on Social Justice for a Fair Globalization***

The IOE led the unanimous adoption of the 2008 ILO Declaration “*Social Justice for a Fair Globalization*”, and its accompanying *Resolution on Strengthening the ILO’s Capacity to assist its Members’ Efforts to reach its Objectives in the Context of Globalization* which has the potential to transform the Organization into one that is more demand-driven and relevant to its constituents’ needs. It reaffirms the ILO’s existing mandate and its relevance within the context of globalisation. Importantly, the new instrument calls on the ILO to streamline its working methods and structures, to avoid one-size-fits-all solutions and to better recognise the distinct social and economic realities of member States. Employers’ organizations must build on this foundation and engage, at both national and international level, to promote a consistent vision of what the ILO should be doing for business.

## ***Decent Work Country Programmes (DWCPs)***

DWCPs are now the ILO's principal means of technical cooperation delivery. In 2008, the IOE, concerned at the lack of employer themes in DCWPs, worked closely with the ILO and its constituents to redress the balance. The introduction by the ILO of a system of quality control has tightened both the management of the programmes, and measurability of their outcomes, and the new generation of agreements are allowing longer timeframes, have tripartite steering committees and are being aligned with other UN frameworks cycles.

## **Other International Agencies**

### ***The World Bank***

Throughout 2008, the IOE consolidated its relationship with the Bank. In mid-February, a high-level delegation, led by IOE President Abraham Katz, met in New York with Bank President Robert Zoellick and Senior Bank officials. The meeting was an occasion to express IOE views on, and support for, the Bank's flagship *Doing Business* reports and to explore areas for immediate, as well as future, cooperation, particularly with the International Finance Corporation (IFC).

Together with the IFC, the IOE mobilised its members for launches of the *Doing Business* reports across all regions in the latter half of 2008. Now in their fifth year of publication, these reports track reforms aimed at improving the ease of doing business in a given country and are extremely influential tools for national business organizations in their advocacy efforts. The Director of the IFC presented *Doing Business* to IOE member Ibero-American Presidents at their Annual Meeting convened in El Salvador.

The IOE and World Bank deepened their collaboration on policy issues and the IOE provided perspectives on social and labour policies to the Bank and, as required, speakers for policy fora. Similarly, the Bank assisted the IOE Secretariat in its policy work in areas such as social protection, regulatory environments and poverty reduction strategies. During AIDS 2008 in Mexico City, the IOE President met with the World Bank AIDS Programme to examine how its activities could benefit IOE members. A firm foundation was laid for these types of mutually beneficial exchanges to continue.

### ***World Health Organization (WHO)***

The IOE forged stronger links with the WHO in 2008. Work intensified on the *Global Plan of Action on Workers' Health (2008-2017)* which was endorsed by the World Health Assembly in 2007 in Geneva. A key element of the Plan of Action is partnership building and the WHO now recognises employers as a key partner group in the implementation of this far-reaching initiative.

Reflective of this growing collaboration, the IOE participated in the WHO Eastern Mediterranean Member States Meeting which was held in Bahrain in April and the European Regional Member States Meeting at the end of September in Helsinki. The IOE was subsequently appointed to a steering committee to oversee and implement Global Plan of Action programmes

In addition, at a USCIB-hosted high-level meeting involving business representatives, senior staff from the WHO and the IOE, workplace and employee health initiatives were discussed as well as opportunities for collaboration between WHO and business. The International Petroleum Industry, Environmental Conservation Association, General Electric, and 3M shared with the meeting their

worldwide health-related initiatives for employees and the communities within which they operate. Similar roundtables will be replicated in other regions.

### ***International Standardization Organization (ISO)***

ISO has been increasingly involved in social and labour policy development issues in recent years and the IOE has been successful in opposing ISO's attempts at standard setting in areas outside its scope, such as OSH which is firmly within the mandate of the ILO. Notwithstanding this success, 2010 may well see the adoption of a *Guidance Standard on Social Responsibility*.

During 2008, through participation in the ISO 26000 Working Group, the IOE monitored the development and direction of this initiative and kept members apprised. The IOE continues to influence the eventual outcome to reflect the interests of business.

### ***Office of the High Commissioner for Human Rights (UNHCHR)***

In recent years, the debate on human rights and business has stabilized with the establishment by UN Special Representative John Ruggie of a conceptual and policy framework on which reflection and action can build.

This framework, which was presented in June 2008 to the Human Rights Council, is based on three principles: protect, respect and remedy, referring first to the State's duty to protect; second, to the corporate responsibility to respect; and third, to the need for accessible and effective grievance mechanisms. At the IOE European Regional Meeting in Oslo in September, Prof. Ruggie elaborated on this framework and led a Q & A session for European members.

John Ruggie has had his mandate extended for three years and will now explore ways to operationalize this framework. The IOE will continue to work very closely with him and remains very encouraged by his practical, receptive and inclusive approach.

*"Companies need to carry out "due diligence" on human rights. There is no other way for them to manage and mitigate risks – waiting for a crisis to occur and then trying to pick up the pieces is not a viable strategy; it's simply bad management practice."*

John Ruggie, Oslo (Norway), September 2008.

## ***United Nations Environment Programme (UNEP)***

In 2008, the IOE initiated a programme of work on climate change and its labour market implications and became a key UNEP interlocutor in developing this area, culminating in the IOE's participation in the launch of the UNEP/ILO report: *Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World*. This was the first comprehensive study on the emergence of a green economy and its impact on the world of work and signalled the intensification of the Green Jobs agenda.

The IOE attended the UNEP Governing Council/ Global Ministerial Environment Forum and was involved in the United Nations Framework Convention on Climate Change.

The new link with the two leading environmental monitors gave the IOE an opportunity to bring international focus to the repercussions of climate change on employment and social policy issues, creating a platform from which the IOE will increase its efforts during the next round of discussions.

## ***International Organization for Migration (IOM)***

The IOE worked increasingly closely with the IOM, the key international agency charged with migration issues and IOE Secretary-General Antonio Peñalosa remained active on the IOM's Business Advisory Board.

In collaboration with ACT/EMP and the ILO Migration Department, the IOE drafted a manual for employers on migration issues. There is growing significance of contemporary migration to employers and the private sector and IOE efforts ensure that the perspective of the business community is represented and reflected in major debates.

In this capacity, the IOE represented the private sector at the Asian ministerial conference on migration organised by the IOM in Abu-Dhabi.

IOE members in Eastern Europe, West Africa and North Africa also participated in migration seminars supported by the European Union, the ILO and the Spanish government.

Brunson McKinley, the IOM's Director-General gave a special briefing to IOE members at the International Labour Conference in June.

*"The IOE remains an extremely important partner for the IOM in its endeavours to overcome the many challenges in cross border labour migration."*

Brunson McKinley, Director-General, IOM

## ***Partnerships with International Business Organisations***

In the framework of the United Nations and other international activities, collaboration remained strong with other international and regional business organisations throughout the year. The IOE worked closely with BusinessEurope on issues with global implications. At the African level, coordination continued with PEC, and at the Asian level with CAPE. Work on the subject of business

and human rights with ICC and BIAC continued to strengthen the IOE's coordinating role in engagement with the UN Secretary-General's special representative on Human Rights, John Ruggie.

## The sectoral level

Throughout 2008, the IOE continued to fully support the ILO's sectoral dialogue programme and to play a key role as coordinator of the Employers' Group together with the different sectoral employer advisory bodies in the ILO

The reforms that the IOE proposed for the ILO sectoral activities, and were agreed in 2007, came to fruition in 2008. This has resulted in more relevant, focused and productive meetings, useful research and tripartite involvement at regional level to coordinate effective and rapid responses to pressing issues within shorter time frames.

Furthermore, employers have also led the sectoral activities - a development reflected in the decision to submit specific employer proposals for discussion of issues such as: older workers in the retail sector; opportunities for updating and modernizing skills and competencies in the retail sector; Private Employment Agencies and New Developments and Challenges in the Hospitality and Tourism Sector.

### IOE sectoral partners

Airline Personnel Directors Conference (APDC)

Confederation of International Contractors Association (CICA)

International Confederation of Temporary Work Organizations (CIETT)

International Chemical Employers Labour Relations Committee (LRC)

International Hotel and Restaurant Associations (IHRA)

International Road Transport Union (IRU)

International Shipping Federation (ISF)

Assembly of Employers' Organizations in the European Food and Drink Industry (AEFD)

EuroCommerce

Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET)

International Cocoa Initiative Foundation (ICI Foundation)

International Council on Mining and Metals (ICMM)

International Iron and Steel Institute (IISI)

Food Manufacturers' Industrial Group (FMIG)

## The regional level

### **AFRICA**

#### ***Working to eradicate HIV/ AIDS***

Sub-Saharan Africa continued to record the highest number of new HIV infections and AIDS mortality rates in 2008. The IOE supported the work of the Pan-African Employers' Confederation (PEC) in their efforts to seek solutions to this crisis as it affects the workplace and was a major player at the Pan-African Business Coalition on HIV/AIDS meeting in Maputo (Mozambique). In addition, the IOE and PEC jointly organized a session at The 15th International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA) which was held in Dakar (Senegal) and chaired a forum focusing on comprehensive private sector responses to HIV/AIDS at national level.

*"The IOE is pleased to join the international community in reaffirming its commitment to provide universal access to HIV/AIDS prevention, treatment, care and support by the year 2010. Members of the IOE throughout the world have been actively developing and implementing holistic approaches to HIV/AIDS in the workplace and in surrounding communities for some years."*

Wiseman Nkuhlu, IOE President

#### ***Supporting Member Organisations***

In further collaboration with PEC, the IOE actively assisted the promotion of the Namibian Employers' Federation to the national business community and government.

Additional activities in the region took the IOE to Nairobi to address The East, Central and Southern Africa Employers' Organisations Conference with the aim of underlining the valuable contribution employers' organisations make to SME development.

The IOE continued its collaboration with the Employers' Training Programme Turin (ACT/EMP Turin) and the Dutch Employers' Cooperation Programme to build member capacity in the continent through the *Effective Employers' Organization Training Programme*. Follow-up activities were held in Dakar, Senegal.

With the ILO increasingly decentralising its resource allocations to the regions, the IOE held several meetings with the ILO Regional Director for Africa on how IOE members can benefit from the technical cooperation programmes in the region, as well as the new Regular Budget Supplementary Account Funds (RBSA). As a result of these meetings, more capacity-building and seminars will be conducted for IOE members in Africa.

## **THE AMERICAS**

### ***Upholding market economy values***

Across the Latin-American region, the IOE was an active and vocal proponent of the market economy at a time when such values were increasingly under attack.

In particular cases, IOE involvement entailed directly assisting members with their advocacy work, such as in Uruguay where proposed legislation threatened the right to private property and free enterprise, and in Venezuela where much effort was still needed with the IOE providing high-level support for the business community led by FEDECAMARAS.

At the Annual Meeting of Ibero-American Employers' Organizations held in El Salvador in October, a regional strategy for the sustainability of the private sector was developed. This provided a roadmap for development that was subsequently presented to the Heads of State who met directly following the employer meeting.

### ***Coordinating the voice of business in the region***

The IOE also worked with the Organization of American States (OAS) through its business technical advisory committee (CEATAL), and played a key role in coordinating and subsequently injecting the concerns of business in the region into the Summit of the Americas' process. Much of the year was spent following up on the *Declaration and Plan of Action of Port of Spain*, which was approved during the *XIV Inter-American Conference of Ministers of Labor (IACML)* of the OAS in September 2007. In particular, work on the impact of globalisation on labour markets, youth employment and the informal economy was stepped up.

### ***The Caribbean***

The IOE participated in the *11<sup>th</sup> ILO Roundtable for Caribbean Employers' Organisations* from 15 – 17 April in Grenada. As in previous roundtables, focus was directed to regional integration and developments within the Caribbean Single Market economy and its impact on labour migration and social dialogue. Special attention was also given to targeting technical cooperation to assist employers' organisations in capacity building to engage in an increasing array of policy fora.

### ***Working in partnership with unions***

Under the leadership of the IOE and the Latin-American/Spanish Trade Union Confederations, a Memorandum of Understanding was signed in Madrid between fifty employer and trade union representatives. A Declaration was also adopted, establishing the foundation for future dialogue in the region and the creation of the appropriate institutions to achieve it. The Memorandum and the Declaration were subsequently conveyed to the Summit of Heads of State in San Salvador.

## **ASIA**

### ***Building bridges for cooperation***

For the past 12 years, the EU's Asia-Europe Meeting (ASEM) has been an important multilateral channel for communication between Asia and Europe. At the end of June, the Commission organized the first ASEM social partners' forum on How to make Globalisation a Success for All. The IOE was involved in coordinating the participation of employers from Asia and Europe. This process provided a real platform for business in both regions to voice their perspectives and concerns on a host of issues.

### ***Supporting members' activities***

2008 saw the increased involvement of the IOE in employers' organisations in the Gulf States with specific discussions on areas for future collaboration with Chambers of Commerce and Industry from Dubai, Abu Dhabi and the United Arab Emirates.

The IOE also participated, as a keynote speaker, in the Arab Labour Organisation's Conference on the New Role of the Private Sector in Development and Employment and IOE Secretary-General Antonio Peñalosa travelled to Tehran to support the Iran Confederation of Employers' Association in their opposition to government actions detrimental to private sector development.

In India, the IOE led the National Debate: Fair Globalisation, Growth and Equity which was held in Delhi in October, and, in Mumbai, the IOE supported the Platinum Jubilee Celebrations of the Employers' Federation of India.

The IOE discussed with the Japan Business Federation the strategy for the region and how to strengthen the capacity of employer organisations.

As in previous years, the IOE collaborated with the ASEAN Confederation of Employers (ACE) on issues impacting both the region, as well as its broader engagement with the Asia-Pacific Economic Cooperation.

### ***Addressing workplace issues***

In Cambodia, the IOE supported efforts by CAMBEFA in a range of policy interventions relating to the ongoing development of the country's industrial relations environment, particularly with regard to government initiatives to promote collective bargaining. Support was also extended to the roll-out of the ILO's Better Factories initiative for the export garment sector that looks to enhance compliance with national legal standards and discuss buyer interests with regard to international standards.

## **EUROPE**

### ***Building new regional partnerships***

In 2008, the IOE was instrumental in establishing the *Adriatic Region Employers' Centre* (AREC) to promote a healthy investment environment and to facilitate the exchange of cooperation and knowledge amongst partners in the region. The Centre's programme got underway with a wide range of activities involving a variety of partners, such as the World Bank, the ILO, the European Commission and the Dutch Employers Cooperation Programme. AREC's board meetings also provided occasions to bring together Presidents of national employers' organization and this is now planned as a regular exercise.

### ***Working together for greater impact and influence***

Additional activities in Europe in 2008 consisted of supporting and partnering UN and representative business agencies in joint initiatives. In this endeavour, the IOE attended *inter alia* the European Foundation in Rome and presented a paper on International Framework Agreements; met with the Workers' Group in Paris and Bern; supported the ILO and the OECD in their clarification of corporate responsibility guidelines and attended the ILO Conference in Brussels on the subject of minimum wages.

Throughout the year, the IOE continued to work in areas of mutual interest with BusinessEurope within the context of the European Union and with BIAC on matters arising within the OECD. This collaboration was reinforced by the IOE participating with BIAC at the ILO/OECD meeting in Paris on the ILO MNE Declaration.

### ***IOE European Meeting***

The annual IOE European meeting, held this year in Oslo (Norway) with the support of the Confederation of Norwegian Enterprises, examined the challenges presented by the evolving environment in which business operates, covering topics such as skilled labour shortages, migration policy, education and lifelong learning, CSR and climate change. It looked too at defining IOE priorities and new initiatives for future development, such as the GIRN, GOSH, the CSR Working Group and the human rights debate.

### ***Providing technical support***

Providing technical assistance is an important role for the IOE, and of great interest to members, and in 2008, training in collective bargaining skills was provided with ACT/EMP for employers' organisations in Bosnia, Croatia, FYROM and Albania. The IOE European Vice-President visited both Georgia and Slovakia to support the national Employers' Associations in the promotion of new Labour Codes, which were opposed by the ILO and trade unions, but promise positive outcomes for the country.

# ANNEX

## IOE GENERAL COUNCIL

The General Council is the supreme governance body of the IOE. Meeting once a year before the commencement of the ILO International Labour Conference, it brings together representatives of the IOE's 147 member federations.

The General Council's key function is to provide a final forum for the adoption of IOE policy positions, governance of the IOE's budget and work programme and the election of its officers, as well as an opportunity for the exchange of national issues and experiences.

More than two hundred representatives of member federations attended this year's session. Mme Laurence Parisot, President of MEDEF, was guest speaker. The IOE welcomed three new members: the Sudanese Businessmen and Employers' Federation, the Portuguese Industrial Association and the Rwanda Private Sector Federation.

The Council thanked Abe Katz for his contribution to the IOE during his presidency of the last two years and warmly welcomed on board newly-elected President, Wiseman Nkuhlu of South Africa.

## MANAGEMENT BOARD

As an elected group of representatives from within the five regions of the IOE's membership, the Board functions to provide a regular forum in which policy is developed for final approval at the General Council, prepares and oversees the financial and administrative requirements and management of the IOE, and ensures that the objectives set for the IOE and the decisions of the General Council are implemented.

The Management Board held sessions in March, May and November, during which it adopted the *Employers' Vision of the ILO*, a comprehensive statement outlining the approach the employers wished to see the Organization adopt in the next five years, and carried out various evaluations of the IOE's activities and strategic objectives.

## MANAGEMENT BOARD MEMBERS

### President

Wiseman NKUHLU (South Africa)

### Executive Vice-President

Daniel FUNES DE RIOJA (Argentina)

### Vice-President (Africa)

Olusegun OSHINOWO (Nigeria)

### Vice-President (North America)

Ronnie GOLDBERG (United States)

### Vice-President (South America)

Dagoberto LIMA GODOY (Brazil)

### Vice-President (Asia)

Toshio SUZUKI (Japan)

### Vice-President (Europe)

Renate HORNUNG-DRAUS (Germany)

### Treasurer

José Maria LACASA ASO (Spain)

### Deputy Treasurer

Michel BARDE (Switzerland)

### Secretary-General

Antonio PEÑALOSA

### Members

Samir ALLAM (Egypt)

Peter ANDERSON (Australia)

Abdallah Sadiq DAHLAN (Saudi Arabia)

Oleg EREMEEV (Russian Federation)

José Manuel GONZÁLEZ DE TOVAR (Venezuela)

Emmanuel JULIEN (France)

Andrew MOORE (United Kingdom)

Pavel PRIOR (Czech Republic)

Jorge DE REGIL (Mexico)

Ashraf TABANI (Pakistan)

Lassina TRAORE (Mali)

Göran TROGEN (Sweden)

Luis Carlos VILLEGAS (Colombia)

# SECRETARIAT

## **Secretary-General**

Antonio PEÑALOSA

## **Deputy Secretary-General**

Brent WILTON

## **Senior Advisors**

Fred MUIA

Gary RYNHART

## **Advisors**

Maria Paz ANZORREGUY

Janet ASHERSON

Jean DEJARDIN

Eric OECHSLIN

## **Assistants to the Secretary General**

Linda HOTHAM

Bárbara LEÓN

## **Chief of Financial Services**

Patricia RINDLISBACHER

## **Chief of Technical Services**

Bernard GIMBAL

## **Management Assistants**

Josefa CAÑOTO

Ann CHENTOUF

Valérie GUGL

## **Management Secretary**

Monique DEPIERRE

## **Secretaries**

Stephanie SCHNEIDER

Jane WADE

## MEMBER FEDERATIONS

### AFRICA (42)

Confédération Générale des Entreprises **Algériennes** / Câmara de Comércio e Indústria de Angola / Organisation Nationale des Employeurs du **Bénin** / **Botswana** Confederation of Commerce, Industry and Manpower / Conseil National du Patronat **Burkinabé** / Association des Employeurs du **Burundi** / Groupement Inter-Patronal du **Cameroun** / Association Commerciale de Sotavento du **Cap-Vert** / Association Commerciale, Industrielle et Agricole de Barlavento (**Cape-Verde**) / Conseil National du Patronat **Tchadien** / Fédération des Entreprises du Congo (**DRC**) / Union Patronale et Interprofessionnelle du **Congo** / Confédération générale des Entreprises de Côte d'Ivoire/ Federation of **Egyptian** Industries / **Eritrean** Employers' Federation / **Ethiopian** Employers' Federation / Confédération Patronale **Gabonaise** / The **Ghana** Employers' Association / Conseil National du Patronat **Guinée** / Federation of **Kenya** Employers / Association of **Lesotho** Employers and Business / Groupement des Entreprises de **Madagascar** / The Employers' Consultative Association of **Malawi** / Conseil National du Patronat du **Mali** / Confédération Nationale du Patronat de **Mauritanie** / **Mauritius** Employers' Federation / Fédération des Chambres de Commerce, d'Industrie et de Services du **Maroc**/ Confédération Générale des Entreprises du **Maroc** / **Namibian** Employers' Federation / Syndicat Patronal des Entreprises et Industries du **Niger** / **Nigeria** Employers' Consultative Association / Rwanda Private Sector Federation/ Conseil National du Patronat du Sénégal / Business Unity **South Africa** / Sudan Businessmen and Employers' Federation/ Federation of **Swaziland** Employers and Chamber of Commerce / Association of **Tanzania** Employers / Conseil National du Patronat (**Togo**) / Union **Tunisienne** de l'Industrie, du Commerce et de l'Artisanat / Federation of **Uganda** Employers / The **Zambia** Federation of Employers / Employers' Confederation of **Zimbabwe**

### THE AMERICAS (32)

**Antigua and Barbuda** Employers' Federation / Unión Industrial **Argentina** / **Bahamas** Employers' Confederation / **Barbados** Employers' Confederation / **Bermuda** Employers' Council / Confederación de Empresarios Privados de **Bolivia** / Confederação Nacional da Industria (**Brazil**) / **Canadian** Employers' Council / Confederación de la Producción y del Comercio (**Chile**) / Asociación Nacional de Empresarios de **Colombia** / Unión **Costarricense** de Cámaras y Asociaciones de la Empresa Privada / The **Dominica** Employers' Federation / Confederación Patronal de la **República Dominicana** / Federación Nacional de Cámaras de Industrias del **Ecuador** / Asociación Nacional de la Empresa Privada (**El Salvador**) / Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras (**Guatemala**) / Association des Industries d'**Haïti** / Consejo **Hondureño** de la Empresa Privada / The **Jamaica** Employers' Federation / Confederación de Cámaras Industriales de los Estados Unidos **Mexicanos** / Confederación Patronal de la **República Mexicana** / Consejo Superior de la Empresa Privada (**Nicaragua**) / Consejo Nacional de la Empresa Privada (**Panama**) /Federación de la Producción, la Industria y el Comercio (Paraguay)/ Confederación Nacional de Instituciones Empresariales Privadas (**Peru**) / **St. Lucia** Employers' Federation / **Suriname** Trade and Industry Association / The Employers' Consultative Association of **Trinidad and Tobago** / **United States**

Council for International Business / Cámara Nacional de Comercio y Servicios de Uruguay / Cámara de Industrias del Uruguay  
/ Federación de Cámaras y Asociaciones de Comercio y Producción de Venezuela

## ASIA (29)

Australian Chamber of Commerce and Industry / Bahrain Chamber of Commerce and Industry / Bangladesh Employers' Federation / Cambodian Federation of Employers and Business Associations / China Enterprise Confederation / Chinese Taipei Federation of Industries / Fiji Employers' Federation / Council of Indian Employers / Employers' Association of Indonesia / Iran Confederation of Employers' Associations / Japan Business Federation / Jordan Chamber of Commerce / Korea Employers' Federation / Kuwait Chamber of Commerce and Industry / Association of Lebanese Industrialists / Malaysian Employers' Federation / Mongolian Employers' Association / Federation of Nepalese Chambers of Commerce and Industry / Business New Zealand / Oman Chamber of Commerce and Industry / Employers' Federation of Pakistan / The Employers' Federation of Papua New Guinea / Employers' Confederation of the Philippines / Council of Saudi Chambers of Commerce and Industry / The Singapore National Employers' Federation / The Employers' Federation of Ceylon (Sri Lanka) / Employers' Confederation of Thailand / Federation of United Arab Emirates Chambers of Commerce and Industry / Vietnam Chamber of Commerce and Industry

## EUROPE (44)

Council of Employers' Organizations (Albania) / Federation of Austrian Industry / National Confederation of Entrepreneurs (Employers') Organizations of Azerbaijan Republic / Fédération des Entreprises de Belgique / Association of the Organizations of Bulgarian Employers / Croatian Employers' Association / Cyprus Employers and Industrialists Federation / Confederation of Industry of the Czech Republic / Danish Employers' Confederation / Estonian Employers' Confederation / Confederation of Finnish Industries / Mouvement des Entreprises de France / Georgian Employers' Association / Confederation of German Employers' Associations / SEV Hellenic Federation of Enterprises (Greece) / Confederation of Hungarian Employers and Industrialists / National Association of Employers and Entrepreneurs (Hungary) / Confederation of Icelandic Employers / Irish Business and Employers' Confederation / Manufacturers' Association of Israel / Latvian Employers' Confederation / Confederation of Lithuanian Industrialists / FEDIL - Business and Employers' Federation Luxembourg / Malta Employers' Association / National Confederation of Moldova Employers / Montenegrin Employers' Federation / Confederation of Netherlands Industry and Employers / Confederation of Norwegian Enterprise / Confederation of Polish Employers and Entrepreneurs / Confederação da Indústria Portuguesa / Associação Industrial Portuguesa / Alliance of the Romanian

Employers' Confederations / Coordinating Council of Employers' Unions of Russia / Associazione Nazionale dell'Industria Sammarinese / Union of Employers of Serbia / Federation of Employers' Unions and Associations of the **Slovak Republic** / National Union of Employers (Slovak Republic) / Association of Employers of **Slovenia** / Confederación Española de Organizaciones Empresariales / Confederation of **Swedish** Enterprise / Union Patronale **Suisse** / **Turkish** Confederation of Employer Associations / Federation of Employers of **Ukraine** / Confederation of **British** Industry