



**NEW LOOK ILO?**

**Editorial**

Over the last five years the ILO has seen many positive developments. Its profile and global visibility have increased significantly. Employment creation is now a major part of what the Organization does. The World Commission on the Social Dimension of Globalisation was a significant achievement.

Perhaps the most striking outcome from this World Commission Report was the message that globalization can be a tremendous force for positive change – economic, political and social. The World Commission has genuinely helped to move the debate on globalization away from confrontational polemics. But it must be remembered that it was a Report that entailed compromises and it is doubtful if even one of the 26 commissioners would agree to all its recommendations. In short, it was a document that tried to keep everybody on board by incorporating a broad spectrum of views.

The World Commission Report includes numerous proposals related to the ILO’s core responsibilities, which means that, undoubtedly, the follow-up has to be done at the ILO. Its tripartite structure and the consensus spirit of the Organization are unique and the key for future success. However, a number of other important proposals fall outside the mandate of the ILO. During the discussion on the Report at the March Governing Body (and later in June) the message from many of the constituents, not just employers, was that the ILO has to remain in the areas where it can add value, where it has shown its strength and expertise – and to do that well.

In some respects the ILO seems to be at a crossroads and there is a temptation to move away from its ‘core competencies’ towards a policy advocacy role in numerous areas, rather than an implementing one. This is a direction that will clearly affect the future of the Organization and many of the expectations of the constituents. There are also financial realities and a choice to make.

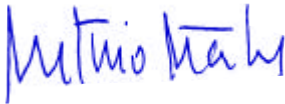
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<p>The impact of such an approach would be that of weakening the hard work that has taken place over the last five years in raising the ILO's ability to deal with issues such as Child Labour; HIVAIDS; Social Security; Health and Safety; the Declaration on Fundamental Principles and Rights at Work; SME Development; and the Informal Economy. The ILO has made a name for itself in these areas and is contributing, through them, in fighting poverty and addressing the Millennium Development Goals. It needs to continue building in these areas in real tangible terms, rather than slowing down.</p> <p>Shifting away from or reducing efforts in its areas of expertise is a risk, but there is also a danger of the ILO trying to do too much. It is clear that, in the current climate of resource tightening, that capacity is limited. There are already major concerns of the lack of depth of much ILO activity; resources need to be adequately given to ensure that technical activities are carried out efficiently, thoroughly and are results-oriented. But, by trying to spread itself too thinly or trying to compete with other organizations in their sphere of expertise, the ILO risks falling between two stools.</p> <div style="text-align: center;">  <p>Antonio Peñalosa Secretary-General</p> </div>	
<p><b>International Labour Organization</b></p>	
<p>A recent ILO report entitled <i>'Economic security strengthens tolerance and happiness as well as growth and development'</i> has raised a number of concerns, not only in relation to the accuracy of the information and data it contains. The report makes a number of very wide generalizations about the levels of economic security in different countries – some of which seem to be, at the very least, open to interpretation. For example, ratification (but not actual enforcement) of ILO labour standards and trade union membership are two key indicators. The indicators have been developed internally in the ILO, without the involvement of the Social Partners. However, it is the disregard for the wishes of the constituents that is perhaps the most disappointing aspect. In the Report of the International Conference of Labour Statisticians (November 2003) <i>"The Working Group overwhelmingly opposed the aggregation of the indicators into a composite index of decent work for the purpose of ranking countries"</i>. The Governing Body subsequently endorsed this decision. Ranking by countries is exactly what this Report has done.</p> <p>A number of federations have already contacted the Secretariat expressing major concerns over this research and its findings. The IOE has already indicated to the ILO its considerable disquiet over this Report. The report can be accessed at : <a href="http://www.ilo.org/public/english/bureau/inf/pr/2004/38.htm">http://www.ilo.org/public/english/bureau/inf/pr/2004/38.htm</a></p>	<p><b>ILO Report on Economic Security</b></p>

<p>The IOE Secretary General represented the IOE at the first African Social Partners' Forum in Ouagadougou, Burkina Faso in September, with the participation of trade unions and employer organizations from all over Africa met, and which had as its theme <i>'Decent Work: a driving force for Africa's development'</i>. The conclusions of the meeting included:</p> <ul style="list-style-type: none"> <li>• to make <i>decent work</i>, a global and an African objective (At the opening it stated that one of the indispensable conditions for decent work is the existence of a conducive environment for the creation and development of enterprises).</li> <li>• to promote <i>integrated development strategies</i> to tackle poverty through a comprehensive macroeconomic and social policy framework.</li> <li>• to focus on highly productive and <i>employment-intensive sectors</i> with particular attention to the agricultural sector, education, health, human resource development, culture, tourism and the priority sectors of NEPAD.</li> <li>• to work towards the transformation of the <i>informal economy</i>.</li> <li>• to undertake concrete measures to reinforce and extend <i>social protection</i> to the poor.</li> <li>• to implement specific proactive measures to deal with the <i>HIV-AIDS pandemic</i>.</li> <li>• to promote tripartism and institutionalize <i>social dialogue</i></li> <li>• to strengthen <i>democracy</i> and good state and corporate governance in order to promote transparency, accountability and combat corruption.</li> <li>• to prioritize enterprise and employment creation in poverty reduction strategies in international development responses.</li> </ul> <p>IOE Contact: <a href="#">Frederick Muia</a>.</p>	<p>Conclusions of the African Social Partners' Forum</p>
<p>As announced in the last issue of the IOE.Net, the Preparatory Technical Maritime Conference (PTMC) was held in Geneva from 13 to 24 September 2004 to examine the draft consolidated maritime instrument to be adopted by the 94<sup>th</sup> (Maritime) session of the International Labour Conference.</p> <p>One of the main issues at the very beginning of the discussion was the inclusion of a specific reference to the ILO Declaration on Fundamental Principles and Rights at Work in the draft Convention.</p> <p>The Shipowners' fear, shared by the US government, was that such an inclusion would convert the Declaration's political commitment into legal obligations in the maritime field and submit the Declaration to the ILO supervisory machinery.</p> <p>After a long debate, during which the ILO Legal Adviser indicated that <i>"... the two instruments (the Convention and the Declaration) are different and the ILO supervisory bodies have no competence to examine the implementation of the Declaration, which has its own follow-up mechanism..."</i>, the Shipowners accepted the inclusion of a specific reference to the Declaration in the preamble of the Convention (such reference is also to be found in Conventions N°182 on Child Labour and N°183 on Maternity Protection), as well as a reference to the principles of the Declaration in Article III of the draft Convention. This reference reads as follows :</p>	<p>Preparatory Technical Maritime Conference</p> <p>13-24 September</p>

<p>Each Member shall satisfy itself that the provisions of its law and regulations respect, in the context of this Convention, the fundamental rights to :</p> <p><i>a) freedom of association and the effective recognition of the right to collective bargaining;</i>  <i>b) the elimination of all forms of forced or compulsory labour;</i>  <i>c) the effective abolition of child labour; and</i>  <i>d) the elimination of discrimination in respect of employment and occupation."</i></p> <p>To a question raised by a Shipowner as to whether this implied an ensuing obligation by the ratifying member State to include these four rights in national law and regulations, the reply by the ILO Legal Adviser was clearly "yes".</p> <p>For other issues remaining unsolved at the end of this PTMC (which can be compared to a first Conference discussion) – notably social security and accommodation – a tripartite working party will be set up and will meet before the 94<sup>th</sup> session to examine possible solutions.</p> <p>Finally, because of budgetary reasons, although the 94<sup>th</sup> (Maritime) session of the International Labour Conference was initially scheduled for 2005, it is now more likely to take place in 2006. IOE Contact: <a href="#">Jean Dejardin</a>.</p>	<p>→ <a href="#">Preparatory Technical Maritime Conference</a></p>
<p>Banning asbestos worldwide remains high on the agenda of the international trade union movement. This has led the ICFTU to request consultations with the ILO and the World Health Organization, to exchange information on work being undertaken in promoting the protection of workers against harmful exposures to asbestos fibres, with the expected output being improved coordination and possible joint actions in this domain.</p> <p>The IOE and ACT/EMP will be watchful as to the consequences of these Consultations. Employers – and the asbestos industry in particular – fully support increased promotion of ILO instruments covering the use of asbestos [the Asbestos Convention, No.162, (1986) and its accompanying Recommendation, No. 172 (1986) – which are as valid today as they were when they were drawn up almost twenty years ago – as well as the Code of Practice on Safety in the Use of Asbestos (1983)].</p> <p>Raising the visibility of ILO OSH instruments was moreover one area identified by the International Labour Conference during the discussion on an integrated approach to OSH in 2003, as part of the ILO action plan for the promotion of safety and health at work. However, the international trade union movement is envisaging increasing its pressure within the ILO to ban asbestos worldwide – which, at present, is not the most viable solution. Employers can anticipate a major debate in this area. IOE Contact: <a href="#">Barbara Perkins</a>.</p>	<p><a href="#">Renewed union pressure for a world ban on asbestos</a></p>

<p>The European Union Economic and Social Committee will organize the above event in Brussels to seek the views of employers, trade unions, farmers and other non state actors on the ongoing WTO multilateral trade negotiations. The seminar whose theme is the search for better governance will be attended by IOE representatives from the European Union member countries, African, Caribbean and Pacific countries (ACP), Latin America and the Mediterranean countries.</p> <p>The seminar will also focus on lessons learned from the Cancun ministerial Conference, and how non state actors can be more involved in WTO trade negotiations. IOE Contact: <a href="#">Frederick Muia</a></p>	<p><a href="#">EU Seminar on the Contribution of civil society organisations to the work of the WTO in search of better governance</a></p> <p>Brussels, 27-28 September</p>
<p><b>IOE and Member Activities</b></p>	
<p>The debate within the UN High Commission for Human Rights over the responsibilities of business for human rights continues. Earlier this year the IOE, with the support of its members, was instrumental in stopping the further consideration within the UN Commission on Human Rights of an initiative entitled “<i>Draft Norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights</i>” which looked to make all businesses responsible for international human rights as well as ILO labour standards. The High Commission has now been asked by its member States to prepare a report for its next session in April 2005 on the scope and legal status of existing initiatives relating to the responsibility of transnational corporations and related business enterprises with regard to human rights so that it may identify options for strengthening these standards.</p> <p>The IOE has been asked to contribute its views on this to the Commission and, as part of the IOE’s initiatives, a high-level delegation, led by the IOE President, will meet with the authors of the report and the High Commissioner herself, Mrs Louise Arbour, in early October. The purpose of the meeting is to enable the IOE to stress the issues in this debate that are important for business as well as to try and answer any outstanding questions the Commission may have. A number of governments will also participate. IOE Contact: <a href="#">Brent Wilton</a>.</p>	<p><a href="#">Business and Human Rights</a></p>
<p>Just over a year ago, the IOE and the ILO decided to commission a consultant to carry out some preliminary research on the role of employers’ organizations and SME development. Several different countries in Asia, West Africa and Europe were chosen for this research. A number of important and positive messages emerged from this exercise, with perhaps the key one being that closer and more focused work between IOE member federations and the ILO’s <i>Job Creation and Enterprise</i> department (EMPENT) was warranted. One of the other key messages that has emerged is that it is the employers’ organization – not government – that has perhaps the most important role in creating the conditions for SMEs and entrepreneurs to thrive. Consequently, the IOE has intensified work with the ILO and has deepened cooperation, a key component of which is the development of a set of SME developmental tools <i>specifically</i> for employers’ organizations. This process is moving rapidly ahead, with a complete web-based package envisaged which will incorporate a comprehensive set of tools and pro-</p>	<p><a href="#">The IOE-ILO SME Toolkit for employers’ organizations</a></p>

<p>grammes for employers' organizations, as well as case studies and examples from employers' organizations. In this last respect, member federations are asked to contact the Secretariat if they feel they have case studies on SME development that they feel could contribute to this process.</p> <p>IOE Contact: <a href="#">Gary Rynhart</a>.</p>	<p>→ <i>The IOE/ILO SME Toolkit for employers' organizations</i></p>
<p>Representatives of 21 employers' federations met in Kuala Lumpur to discuss ways in which employers' organizations could assist companies in their efforts to gain and retain productivity. Most countries in the region had or were exploring mechanisms to address productivity issues, either through productivity centres or through bipartite and tripartite dialogue.</p> <p>Among the key issues identified were :</p> <ul style="list-style-type: none"> <li>• The need to address macro economic issues such as the appropriate legislative framework that promotes flexibility in the workplace to meet the realities of modern competitiveness pressures.</li> <li>• Avoidance of overregulation and prescriptive standard-setting so as to encourage business growth and innovation.</li> <li>• Modern education and skills systems responsive to the needs of the job market.</li> <li>• A focus on modern enterprise human resource management, including productivity- focussed remuneration, employee motivation.</li> <li>• Good governance. Government is a key actor in providing the right environment for productive and competitive businesses.</li> </ul> <p>From the meeting, participants were keen to find ways to better exchange experiences and learn from each others' successes. Initial follow-up will look to ways in which the ILO, CAPE and IOE can assist identifying means for this exchange to occur. IOE Contact: <a href="#">Brent Wilton</a>.</p>	<p><b>ILO/IOE/CAPE Asia pacific Regional Meeting on Competitiveness through productivity improvement</b></p> <p>Kuala Lumpur, 14-16 September</p>
<p>The 2004 meeting of the IOE European Members, hosted by the Confederation of Polish Employers (KPP) on the occasion of its 15<sup>th</sup> anniversary, took place in Warsaw in September. High on the agenda were SMEs and employers' organizations (see article above), Corporate Social Responsibility (CSR) and the increasing role of the European Commission in the work of the ILO. Contributions from the CSR session will be included (with others) in the drafting of a final IOE strategy paper, which will be put to the next meeting of the IOE CSR Working Group on 11 November for consideration. Following that, the final text will be submitted for adoption by the Management Board on 13 November. IOE Contact: <a href="#">Brent Wilton</a>.</p>	<p><b>IOE European Members Meeting</b></p>
<p>Prior to the European Members' Meeting and with the support of the ILO, the IOE organized a special session in Warsaw on the role of employers' organizations in the fight against corruption. This meeting brought together participants from European employers' organizations as well as experts from Transparency International, the ICFTU, UNDP, Shell and the ILO. The meeting</p>	<p><b>The role of employers' organizations in the fight against corruption</b></p>

<p>highlighted both the complexities of this issue and the differences between countries. All participants however stressed the need for their organizations to be alert and active on this issue and to build partnerships with local partners such as trade unions, NGOs and local authorities. Important roles for employers' organizations in promoting good governance, disseminating good practices and making public administration more transparent were also identified. The IOE will assist in implementing follow-up activities at national level. IOE Contact: <a href="#">Eric Oechslin</a>.</p>	<p>→ <i>The role of employers' organizations in the fight against corruption</i></p>
<p>Within the framework of the Stability Pact for South Eastern Europe, the IOE, with the support of the Albanian employers (KOP), organized a conference in Tirana in mid-September on social dialogue and conflict resolution, bringing together employers, trade unions and ministries of justice and labour. The conference aimed to address the issue of social dialogue in Albania, especially in term of resolution of individual and collective conflicts. While a project for a labour court is under discussion, it appears that all parties are not fully aware of the recently adopted labour code and that the priority should be to develop awareness of mechanisms of conflict resolution such as conciliation/mediation/arbitration. Moreover, the Ministry of Justice is not in favour of the establishment of a labour court, and the Ministry of Labour does not see it as a priority. Coordination will be ensured with ETUC and ILO – which have similar projects – to coordinate a better understanding for all concerned parties. Training for professional judges on labour issues will be done by the ILO Turin Centre in parallel with the training of social partners by the ETUC, the IOE and the ILO. Specific activities for employers as a follow-up to this conference will be fixed at the third meeting of the network of experts in labour law, which will be held in Sofia (30 September - 1 October). This meeting will also discuss the problem of economic and social councils in Europe and political lobbying. A joint meeting on 2 October with the ETUC Balkans network will follow on the issues of corruption and labour disputes. IOE Contact: <a href="#">Eric Oechslin</a>.</p>	<p><b>Stability Pact for South Eastern Europe</b></p>
<p>The Jamaica Employers Federation (JEF) is embarking on a comprehensive exercise, through a series of planned events, that aims to raise awareness of the comprehensive role that business plays in Jamaican society. The aim is to try and move the public's view of business away from simplistic perceptions of it in terms of a provider of goods and services to seeing the wider role it plays. The theme for the month is "<i>Partnerships for Enterprise and Workforce Competitiveness</i>". <a href="http://www.jamaicaemployers.com">www.jamaicaemployers.com</a></p>	<p><b>Highlighting Jamaican Business</b></p>
<p>IOE member federations are reminded that the deadline for the receipt of replies to the ILO Questionnaire on the Promotional framework for occupational safety and health for next year's conference is 15 October 2004. IOE Contact: <a href="#">Barbara Perkins</a>.</p>	<p><b>Occupational safety and health</b></p>

UN and Other International Agencies	
<p>Is the Global Compact beginning to tear apart at the seams? Certainly business has major concerns, as reported before on these pages. Recent changes have added to these concerns. First, the addition of a 10<sup>th</sup> Principle on corruption has left many feeling what comes next – an 11<sup>th</sup> or 12<sup>th</sup> principle? Second, the integrity measures that have been introduced to address concerns of both NGOs and unions of companies failing to live up to the Principles to which they commit themselves. It is unclear what these ‘measures’ could eventually end up looking like – some groups are keen to see the Global Compact participants moved towards full accountability.</p> <p>In short, the Global Compact is looking less and less like that which was initially proposed. The worry is that such pressures will continue. NGOs are fervently saying they want tighter measures. A total of 23 NGOs issued a ‘civil society statement’ saying the Compact needs to be ‘redesigned’ or ‘disbanded’ at the June Summit. A senior adviser at the Global Compact Office responded by saying “We appreciate the concerns expressed by participants ...and during the next year we will be working on an improved governance system that will address issues related to quality assurance”. IOE Contact: <a href="#">Brent Wilton</a>.</p>	<p>The Global Compact</p>
<p>The third meeting of the High Level Panel of the Youth Employment Network (YEN) (an interagency initiative of the UN, the World Bank and the ILO) will take place at the end of this month at the World Bank. When the YEN was launched in 2001 it carried with it high hopes and much was expected. Unfortunately the initiative is not delivering on this early promise. The meeting in Washington, where the IOE will be represented by IOE Vice President Tom Niles, will try to clarify its relevance for the future. IOE Contact: <a href="#">Gary Rynhart</a>.</p>	<p>Youth Employment Network (YEN)</p>
Other News	
<ul style="list-style-type: none"> <li>• The United Nations Environment Programme (UNEP) Finance Initiative is spearheading a drive by investors and fund managers to begin work on global principles relating to responsible investment. The World Bank, OECD and IMF are also likely to be involved <a href="http://www.unepfi.net/stocks">www.unepfi.net/stocks</a></li> <li>• According to a study by <i>The Institute of Business Ethics</i>, many major companies in the UK are moving away from direct auditing of supply chains to examining new ways of working with suppliers, such as training programmes. According to the study ‘<i>auditing alone does not improve labour standards and it may even have negative effects</i>’: <a href="http://www.ibe.org.uk/TTT.htm">www.ibe.org.uk/TTT.htm</a></li> <li>• Should business play a more overt role in political life? Is this necessary to achieve progress on major issues like HIV/AIDS or corruption – areas that business alone has a limited ability to impact on? These questions form part of an analysis entitled <i>Gearing up</i> by UK-based SustainAbility: <a href="http://www.sustainability.com/publications/gearing-up.asp">http://www.sustainability.com/publications/gearing-up.asp</a></li> </ul>	<p>CSR Wrap-up</p>

<b>Publications</b>		
<p>The second annual World Bank Report <i>Doing Business in 2005: Removing Obstacles to Growth</i>, which benchmarks regulatory performance and reforms in 145 nations, finds that poor nations, through administrative procedures, still make it two times harder than rich nations for entrepreneurs to start, operate or close a business, and businesses in poor nations have less than half the property rights protections available to businesses in rich countries. Overall, rich countries undertook three times as many investment climate reforms as poor countries last year. European nations were especially active in enacting reforms. On average, it takes a business in a rich nation six procedures, 8% of income per capita, and 27 days to get started; in a poor or lower-middle-income economy, the same process takes 11 procedures, 122% of income per capita, and 59 days. In more than a dozen poor countries, registering a new business takes more than 100 days. <i>‘Doing Business in 2005’</i> updates the work of last year's report in five sets of business environment indicators: starting a business, hiring and firing workers, enforcing contracts, getting credit, and closing a business. It expands the research to 145 countries and adds two new indicators – registering property and protecting investors. Since last year, 13 governments have asked for their countries to be included in the Doing Business analysis.</p> <p>The IOE will meet shortly with the International Finance Corporation, the private sector lending arm of the World Bank Group, to see how cooperation between IOE members and the World Bank can be enhanced – in particular through utilizing such tools as the <i>‘Doing Business’</i> Tool.</p> <p>IOE Contact: <a href="#">Gary Rynhart</a>.</p>		<p><b>World Bank Report</b></p>
<b>Forthcoming Meetings</b>		
<p>6-8 October 2004</p> <p>11 October 2004</p> <p>13-15 October 2004</p> <p>18-22 October 2004</p> <p>4-19 November 2004</p> <p>12-13 November 2004</p>	<p>→</p> <p>→</p> <p>→</p> <p>→</p> <p>→</p> <p>→</p>	<p>Meeting of Presidents of Ibero-American Business Organizations (<i>San José</i>)</p> <p>IOE High level Meeting with the United Nations High Commissioner for Human Rights (<i>Geneva</i>)</p> <p>Youth Employment: the way forward (<i>Geneva</i>)</p> <p>Tripartite Meeting on the Future of Work and Quality in the Information Society: the Media, Cultural, Graphical Sector (<i>Geneva</i>)</p> <p>ILO Governing Body (<i>Geneva</i>)</p> <p>IOE Management Board (<i>Geneva</i>)</p>