



PRESIDENT’S NEW YEAR MESSAGE

Editorial

The year that has just closed has seen a major increase in pressure from a number of representatives of civil society to pass on directly to enterprises those responsibilities that traditionally belong to the State.

Quite clearly, any commitment by enterprises in the exercise of their responsibilities as citizens should be strongly encouraged. However, this new trend – which is also being taken up by the multilateral institutions and, in particular, the United Nations High Commission for Human Rights – risks resulting in the authority of the ILO being bypassed, and yet it is precisely that Organization’s mission, through dialogue and tripartite agreement, to set standards in the social area.

In this connection, the IOE has been successful in formally adopting a clear position acceptable to all its members, thanks to the efforts of its Working Party on Corporate Social Responsibility. This has enabled the IOE to bring the debate back to the ILO and to provide a clear and straightforward employer position.

It is essential in fact – and this is the wish I express for this new year – that the IOE’s presence be clearly visible and its voice heard in all the public debates where issues affecting the business world are discussed.

The IOE was established and structured in such a way that it could present a global collective business point of view. This representativity should not only be cultivated through close cooperation with enterprises but used to the full by taking strong action with each government on positions defended by member federations.

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Alongside this active role within our network, we must give thought together on how best to use the resources member federations bring to the IOE in making the voice of the business world heard.

Political and economic liberalization are drastically changing the role and mission of employers' organizations. Competition may bring with it isolation and egoism. The internationalization of enterprises is placing certain companies in direct contact at the international level with our trade union partners, with the multilateral institutions or with the governments of countries where they invest. Like others, they can be tempted to act outside the employer structure – and, in particular, outside that of the IOE.

It is an attitude which can highlight certain individual philosophies and initiatives, but it is better to do this in a more concerted manner in order to serve as an example for others. The IOE must be the benchmark that enables individual enterprises to conduct their own policy as responsible citizens in full knowledge of all the virtues, difficulties and dangers.

In this as in other fields, the employers' organization exists in order to be able to serve the enterprises – those already engaged in the process and needing a mediator at the national or international level, and those wanting to engage and looking to discuss at the global level with our natural partners, the workers' representatives and the governments in each country.

This big swing in the way in which public opinion views our role in society, the shifts in where debates take place and where agreements are reached, the need to inject new impetus and greater authority into the IOE both within and outside the ILO are the basis of the present in-depth reflections I have called for within our Organisation on our objectives, our methods of work and the means available to us. The conclusions of these reflections will be presented to our General Council in May.

The IOE – whose members at the national level are the official partners of the trade unions and the governments – possesses the legitimacy and the mandate to speak on behalf of the entire business community. No other organization can take this representativity nor this legitimacy from us. It is up to us to make optimum use of it at a time when realities and the business point of view must be made clearly and strongly known to public opinion.

I wish you all a Very Happy Year.



François Perigot
President

IOE and Member Activities

A training workshop on the IOE/ILO SME Toolkit was held in India in December for South Asian employers' organizations. This workshop was the third such event, with earlier workshops held in Albania (in August) for the Balkan Countries and in Johannesburg (in September) for Southern and East African countries.

What is clear from these workshops is that the broad framework *Representation-Advocacy Services* of the Toolkit is the correct approach. The way the toolkit outlines these three 'key pillars' of the employers' organizations' mission is proving very useful for strategic planning.

The key outcome from these workshops has been the development of preliminary strategic action plans for SME development by participating employers' organizations. The workshops have focused on developing 'sustainable' strategic action plans that employers' organizations can realistically implement in a self-financed manner.

The workshops are part of an ongoing process and are not a panacea that will not solve the issue. What they will do is give participating organizations that have this issue as a priority an opportunity to focus on strategic planning for three full days and, importantly, to listen and learn from others in the same position.

Emasculating regulation and bureaucracy has come up consistently as a central issue in all three workshops. Clearly employers' organizations in many cases do not have the capacity to undertake major research and should focus on collecting and using existing data. In this respect the World Bank/International Finance Corporation, which have participated thus far in two of the three workshops, is a useful resource in terms of research and data on the 'business environment' to support lobbying efforts.

The Toolkit is a work in progress. It is now becoming clearer where its strengths are and where it needs to be strengthened. Obvious gaps have emerged, such as advocacy training for staff in employers' organizations and strengthening communication aspects; these will be addressed in 2006. Additionally, case studies of action taken by employers' organizations under the three pillars will be added. (If members have examples that they would like to add please contact the Secretariat). Further workshops are envisaged in 2006 for employers' organizations in the Arab States and in Latin America.

IOE contact: [Gary Rynhart](#).

IOE/ILO SME
Toolkit - Training
Workshop

<p>Members of the Pan-African Employers Confederation met Tunis in December to launch a ‘think tank’ for enterprise promotion in Africa. The event was led by the Tunisian employers’ organization, UTICA. Both the IOE President and Secretary-General participated in the launch. The new institution, the Pan African Convention on Investment and Partnerships and will bring together heads of employers’ organizations, directors of companies and their institutional partners to act as a platform for dialogue and exchange of ideas. It will also carry out thematic studies, share and disseminate information and organize showcase events. IOE contact: Frederick Muia.</p>	<p>Private sector promotion ‘think tank’ launched</p>
<p>Leading national employers’ organizations in India, in a statement issued following an ILO tripartite national workshop, have committed themselves to the fight against HIV/AIDS in the workplace.</p> <p>Though India has a low prevalence rate, the country has the second largest population of HIV/AIDS infected individuals in the world. The statement recognized that HIV/AIDS has emerged as a major threat to the workplace since more than 90 per cent of HIV infections in the country were reported from the most productive age group (15-49 years). The statement calls on all businesses in the country to take an urgent and proactive response against HIV/AIDS. IOE contact: Frederick Muia.</p>	<p>Indian Employers tackle HIV/AIDS</p>
<p>At the end of November, with the support of the IOE, the Iran Confederation of Employers Association (ICEA) held a national gathering in Tehran, with the participation of more than 250 employers from all over the country, to reaffirm in front of the national authorities the role of private sector employers in society and to request the national authorities to introduce the expected reforms in the labour code, which had been negotiated with the previous government.</p> <p>The IOE, represented at this meeting by its Secretary-General, Antonio Peñalosa, openly supported ICEA as the internationally recognised voice of Iranian employers and its role in the in the different national and social debates. He made an appeal to the Iranian business community to unite efforts behind the ICEA in order to face the numerous challenges facing it and especially to strengthen ICEA as a valuable tool in defending its principles and interests.</p>	<p>Private Sector Associations gathering in Iran</p>
<p>The phrase ‘creating an environment conducive to enterprise creation and development’ is a favoured one by employer negotiators, especially here in Geneva. A perusal of recent International Labour Conference conclusions, recommendations and conventions will find this key phrase tucked away somewhere in the text. But what exactly does it actually mean? What is a ‘conducive environment’?</p> <p>Increasingly, others are asking these same question and it is now a key feature of the work of a number of development agencies. The World Bank in particular has been to the fore in these efforts and has created an annual ‘Doing Business’ database which effectively asks the question – how easy do governments make it to start, operate or close a business? The data shows just how difficult some</p>	<p>The Business Environment</p>

<p>governments make it for business, for instance nearly 200 days in some cases to open a business; nearly 1,500 days to resolve disputes in the courts; or taxes that would amount to 164% of a company's gross profit.</p> <p>This issue is now firmly in the international spotlight. This was the case at a major international Conference on Reforming the Business Environment in Cairo, where the IOE was the only international business organization present. The participants at the conference were primarily donor governments and donor agencies led by the World Bank and the ILO. IOE member the Vietnam Chamber of Commerce and Industry VCCI participated on one of the panels. The VCCI presentation focused on (the very successful) regulatory reform in Vietnam an the role of VCCI in that process. They also gave examples of their efforts to increase their representativity amongst SMEs.</p> <p>There were plenty of positive messages from an employers' perspective at this influential gathering, for example that the private sector has a key role in monitoring the effectiveness of reforms (acting as a watchdog); in disseminating legislation and explaining the same; that reforming the business environment is a political process that needs local actors to lead it such as organizations representing the private sector (international agencies and the like can only provide technical assistance and research); and that the more representative the organization (of both big and small enterprises) the stronger its ability to convince governments to reform legislation.</p> <p>The IOE has been working closely with the ILO in this area and the conference usefully served to present their efforts to other institutions. The IOE will develop a guide/handbook in early 2006 on how employers' organizations can play a role in reforming the business environment. IOE contact: Gary Rynhart.</p>	<p>→ <i>The Business Environment</i></p>
<p>International Labour Organization</p>	
<p>A CD-ROM 'toolkit' which aims to assist employers' organizations to take effective workplace action against HIV/AIDS (Tools, Best practice examples etc) will be available in early 2006 in English (French and Spanish versions will be available in March/April). The toolkit will help users find relevant materials, identify key tools and resources, and share the experience of others. It will provide employers' organizations and enterprises with accurate facts about HIV/AIDS. The Toolkit contains case studies from employers' organizations in Barbados, Botswana, Brazil, Cambodia, Cameroon Indonesia, Jamaica, Kenya, Swaziland, Thailand and Uganda. One of the case studies (Cameroon) is currently available on line: http://www.ilo.org/public/english/bureau/inf/features/05/hiv aids_cameroon.htm</p>	<p>HIV/AIDS Toolkit for employers' organizations</p>

• **ILO TRIPARTITE SEMINAR ON SOCIAL DIALOGUE ON GLOBAL SOURCING IN FINANCIAL SERVICES IN ASIA**

Sectoral Activities

Tripartite delegations from India, Indonesia, New Zealand, the Philippines, Sri Lanka, Thailand and Vietnam met in New Delhi in late November to discuss employment issues and the place of social dialogue in the context of global sourcing in financial services.

The meeting recognized that global sourcing helps make globalization fairer by generating jobs in developing countries and by allowing these economies to enter markets that were long dominated by industrialized countries. The right of management to take decisions was also reaffirmed, together with the recommendation that social dialogue be engaged "in a timely manner" on the modalities of implementing relocation decisions, after the decision to outsource has been taken.

Somewhat more difficult – but eventually successful – was the recognition of the need for governments to take employers' rights, alongside workers' rights, into account in the required creation of an environment conducive to social dialogue.

• **ILO TRIPARTITE SEMINAR ON SOCIAL DIALOGUE ON STRUCTURAL AND TECHNOLOGICAL CHANGE IN ASIAN RETAILING**

Tripartite delegations from China, Indonesia, Japan, Singapore and Thailand were invited to attend a sub-regional meeting in Bangkok in December, with a view to examining the impact on employment of the introduction of new technologies in retailing (this will be the theme of an international tripartite meeting to be held in Geneva in the second half of 2006).

It appeared though that not much is known on the real impact of these new technologies and the debate focussed more on social dialogue in general and on training requirements. The conclusions adopted therefore, logically highlighted the need for specifically targeted training as well as for research at national level on the impact of new technologies on employment. The participants recognized the need to support the continued competitiveness of SMEs in the retailing sector as an important source of employment in the region. Also accepted by the participants was that employability, rather than job security, had to be pursued, and that decent work also had to be productive. The prerogative of management to take decisions was additionally underlined.

The meeting agreed to recommend to governments that labour administrations receive appropriate resources to carry out their functions, including monitoring compliance with national applicable laws and regulations.

IOE contact: [Jean Dejardin](#).

<p>The International Labour Conference this year will see a discussion on employment relationship with a view to adopting a Recommendation. This has been an extremely difficult discussion in the ILO for the last ten years. An agreement to consider a Recommendation on ‘disguised employment’ in 2006 was only reached after major compromises on the part of the employers.</p> <p>A questionnaire was sent to all governments in 2005 to help shape the Report for the discussion and the draft instrument. This questionnaire, instead of focusing on what had been agreed in 2003 as a basis for moving forward, unfortunately re-introduced a number of the very problematic issues from the 2003 discussion. The IOE sent a guidance note on this questionnaire to all members in early January 2005.</p> <p>This process is now at an end and the Report for June along with the draft instrument will be available at the end of this month. The Secretariat will be contacting all members at the end of January / beginning of February with some guidance on the next steps. IOE contact: Gary Rynhart.</p>	<p>International Labour Conference 2006</p>
<p>The tripartite meeting of experts that met in December to examine and adopt an updated List of Occupational Diseases to replace the list of occupational diseases included in the Annex to the List of Occupational Diseases’ Recommendation, 2002 (No.194) ended in deadlock. This was due to a great extent to the fact that views differed greatly as to the precise mandate of the meeting.</p> <p>From the outset, the employer experts firmly believed that it was essential to include on the new updated list general criteria that had to be met for identification as an occupational disease. This, they stated, was all the more called for when the list was being used for compensation purposes, as it included not only a growing number of new diseases for which guidance was required but also diseases which in the majority of cases were not of an occupational origin – such as malaria and chronic obstructive pulmonary diseases.</p> <p>Although agreeing that “when updating the list in the future, criteria along the lines proposed by the employer experts would be useful”, the worker experts would not accept inclusion of such criteria in the present updated version. Moreover, legal advice from the Office that “the addition of the new wording would modify Recommendation No.194 and that such a change was only possible at the International Labour Conference” was challenged by the employer experts, who firmly believed that, within their mandate to update a List appearing in Annex, it was quite in order to include the criteria being proposed by them. They therefore remained firm in their stand that, without endorsement of their proposed criteria, they could not support the amendments to the List.</p> <p>Despite lengthy negotiations, no consensus could be reached and the meeting ended in deadlock. As no Updated List of Occupational Diseases was adopted, the List currently annexed to Recommendation No.194 remains unchanged.</p>	<p>ILO Meeting of Experts on Updating the List of Occupational Diseases</p>

<p>A Joint Working Group on ship scrapping established by the International Maritime Organization (IMO), the International Labour Organization (ILO) and the Parties to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (led by UNEP), met at the end of December. The Joint Working Group met for the first time in February 2005.</p> <p>This year has seen the IMO's Assembly adopt a resolution seeking the development of a legally binding instrument on ship recycling. It is envisaged that such an instrument would provide global regulations on the design, construction, operation and preparation of ships so as to facilitate safe and environmentally sound recycling. In parallel to the development of a new treaty on ship recycling, an International Ship Recycling Fund is expected to be established in the near future in its support: Report of the Second Session</p>	<p>IMO, ILO and the Basel Convention: Co-ordinating approaches to ship recycling</p>
<p>UN and other International Organizations</p>	
<p>Within the changes proposed to the structure of the Global Compact, there is an increased emphasis on country level Global Compact networks. These networks will undertake outreach activities, act as a platform for the sharing of learning and dialogue amongst companies and help develop partnership projects. Whilst these are primarily national groupings of Global Compact supporting companies, other stakeholders are often also involved. If there is a national Global Compact Network, it may be something national employers' organizations may wish to engage in (in some countries, the national employers' organization has taken the key role in forming and supporting the network). Given national circumstances and the need to ensure a "business" dimension to the work of the network, the IOE supports members' engagement, thereby contributing to ensuring the Global Compact continues to be a voluntary mechanism for companies. IOE contact: Brent Wilton.</p>	<p>Global Compact</p>
<p>The Chief Executives of 52 members of the Employers' Federation of Pakistan (EFP) signed a pledge to promote the 10 principles of the Global Compact within their enterprises, as part of a meeting to launch the Global Compact in Pakistan on 22 December 2005. In his opening address to an audience of over 200 business representatives gathered in Karachi, EFP President Ashraf Tabani stated that this commitment of member companies to the Global Compact would send a strong message internationally of Pakistan's readiness to match the efforts of others in the world business community towards a sustainable future of socio-economic growth. IOE contact: Brent Wilton.</p>	<p>Global Compact Launch - Pakistan</p>
<p>UNCTAD is currently engaged in what it refers to as "<i>Guidance on Corporate Responsibility Indicators in Annual Report</i>". Expected to be finalized in late 2006, the Guidance will consist of roughly 17 indicators in 8 areas including: contribution to economic development; human rights; labour practices; human resources development; health and safety; community support; value chain and corruption. The IOE is closely monitoring this process and will keep members informed of developments. IOE contact: Sandy Gros-Louis.</p>	<p>UNCTAD</p>

<p>The IOE has on numerous occasions worked with the World Health Organization on health and safety matters within the framework of the ILO. However, over the last number of years the IOE has been recognized by WHO as an important partner in the area of HIV/AIDS. The Secretariat is currently undertaking discussions with the WHO to see how this collaboration could be strengthened.</p> <p>WHO officials have approached the IOE to examine ways of closer collaboration with the pharmaceutical industry. This request comes at a time when a number of companies interested in the work of the WHO are establishing contact offices in Geneva. The WHO sees this collaboration with the private sector as a key plank in achieving the G8 stated objective of universal access to HIV/AIDS treatment. IOE contact: Frederick Muia.</p>	<p>World Health Organization</p>
<p>Other</p>	
<p>The IOE's website is being updated and will be re-launched in early January. A considerable amount of additional information can now be found on-line. In particular, the existing "members page" has been updated – if federations have publications that they would like to post, please contact Gary Rynhart.</p>	<p>New website</p>
<p>Corporate Social Responsibility Round-Up</p>	
<ul style="list-style-type: none"> • The UK Government announced at last month's Confederation of British Industry (CBI) annual Conference that it would abolish regulations that would have required large companies to produce <i>Operating and Financial Reviews</i> (OFRs) covering their social and environmental impacts: http://news.ft.com/cms/s/9073a120-600d-11da-a3a6-0000779e2340.html • The Ethical Trading Initiative, in a major shift in approach, has announced that it will end its reliance on 'supply chain audits' and place more emphasis on working in collaboration with suppliers and workers rather than simply auditing behaviour: www.ethicaltrade.org • Electronics companies are linking up with telecoms businesses to examine ways of working together on ethical supply chain management: www.eicc.info • Consultation on global responsibility guidelines for the jewellery industry (being led by the Council for Responsible Jewellery Practices) has been extended until March 2006. To date reservations have been expressed from some industry bodies on the process: www.responsiblejewellery.com • Levi Strauss, will follow Puma and Nike, and publish the names and locations of all of its suppliers : www.levi.com • Banana company Chiquita will now use the logo from its partner NGO the Rainforest Alliance on its products: www.chiquita.com • The Shell Foundation has published a paper on the '<i>Aid industry reform and the role of enterprise</i>' in which it advocates a much more active role for the private sector in delivering aid objectives: www.shellfoundation.org → 	

- Motor company Ford is to provide training on social and environmental matters to all its suppliers worldwide: www.ford.com/en/goodworks
- The Dutch National Committee for International Cooperation and Sustainable Development (NCDO) has developed a range of indicators to measure progress on achievement the Millennium Development Goals: www.ncdo.nl

Publications

- The latest edition of the International Labour Office (ILO) [Key Indicators of the Labour Market \(KILM\)](#) is now available.
- The [2005 Global Corruption Barometer](#), based on a Gallup International survey conducted on behalf of Transparency International for International Anti-Corruption Day 2005 is available on line.
- [Working conditions and working time in an enlarged Europe](#) is a comparative study of working time in 10 central and eastern European countries (CEECs).
- The first issue of [Foundation Focus](#) examines restructuring and its implications from various angles including recent European Commission initiatives on restructuring and trends over the past 18 months.
- The ICFTU has released a new report entitled '[Whose Miracle? How China's workers are paying the price for its economic boom](#)' which gives a critical view of economic progress in China.
- The latest edition of [PovertyNet](#) a monthly newsletter from the World Bank is now available.

Major Forthcoming Meetings

- | | | |
|----------------------------|---|---|
| 2 - 3 February | → | IOE/ACTEMP/ILO Turin: <i>Employers' Organizations and the ILO Supervisory Procedures (Panama)</i> |
| 7 - 23 February | → | 94 th (Maritime) Session of the International Labour Conference (<i>Geneva</i>) |
| 23 - 24 February | → | East, Central and Southern Africa Employers' Organizations Conference (<i>Arusha</i>) |
| 16 - 31 March | → | 295 th Session of the Governing Body and its Committees (<i>Geneva</i>) |
| 24 - 25 March | → | IOE Management Board (<i>Geneva</i>) |
| 25 - 27 April | → | CAPE Technical Meeting (Beijing) |
| 2 - 5 May | → | Sixteenth American Regional Meeting (<i>Brasilia</i>) |
| 8 - 13 May | → | Meeting of Experts on Safety and Health in Coal Mines (<i>Geneva</i>) |
| 30 May | → | IOE General Council |
| 31 May - 16 June | → | 95 th Session of the International Labour Conference (<i>Geneva</i>) |
| 29 August -
1 September | → | 14 th Asian Regional Meeting (<i>Busan Korea</i>) |