



TIME TO CUT OUR CLOTH

The forthcoming ILO Governing Body session will see preliminary discussions on the Programme and Budget proposals for 2008-09. These discussions are expected to be extremely difficult with a number of governments likely to express their reluctance to support any increases to the level of the budget. This is not a new situation. Discussions on the budget over the last number of years have been at times highly charged, a number of high-paying governments did not, for instance, support the current budget in 2005.

It is high time to examine the fundamental reasons behind this. Perhaps this could best be put down to the following statement: *value for money*. Constituents want to see the limited funds the Office receives spent on effective programmes that have a real impact on the world of work. In fact, if the Office had focussed on real priority areas which responded to the expectations of the constituents and attempted to bring solutions to the challenges they are faced with, we may have found ourselves in the opposite situation – how to manage the influx of funding for widely supported programmes (the IPEC programme on Child Labour provides a useful historical analogy of how this can happen).

To date the reaction of the Office to the on-going budgetary constraints has been akin to a ‘*salami slicer*’ approach, whereby cuts are proposed across the board, regardless of the impact or value of a particular programme. What this does is simply weaken every area of the Office.

A different approach should now be pursued, one that will no doubt require some difficult decisions. Programmes need to be examined from this ‘*value for money perspective*’. If a programme is not living up to expectations then serious questions should be asked of its long-term viability and, more pertinently, could the money be more effectively used elsewhere? Is there any

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duplication in work amongst departments and field offices; *can savings be made in this respect?* Is there duplication by the Office of the work of other agencies? What areas should the Office focus on in line with its mandate and comparative advantages and what areas should it not be involved in?

In terms of the operating procedures there is plenty of scope for savings. The Asian Regional meeting is taking place this month at considerable cost. For example, significant costs are incurred in sending 103 ILO staff to Korea to attend this meeting for a week or more. The Governing Body and the International Labour Conference should be shortened by a number of days, resulting in both savings and increased effectiveness. Other meetings too should be looked at from the perspective of value added, for instance the proposed Globalization Forum. A range of research programmes and other marginal activities are also questionable in terms of their cost and value. The Employers' Group will bring specific proposals in respect of all these issues to the debate in November.

Change can be difficult and painful because it impacts on vested interests. But realities, none more pressing than financial realities, must be faced in a forthright manner – they can be a positive enabling force. Financial pressures can provide the catalyst for a proper analysis of the work and mission of the Office and this can lead to a rationalization of its endeavours and result in a better and more focussed organization. That is in everybody's interest.



Antonio Peñalosa
Secretary-General

IOE and Member Activities

At the invitation of the *Alliance of the Romanian Employers' Confederations* (ACPR), the annual meeting of the IOE European members will be held this year in Bucharest (Romania) from 13 to 16 September. Delegates from IOE European members will discuss the following issues: Flexicurity in Europe - *the Danish Model and its adaptability to other contexts*; Migration and its impact on the human resource needs of enterprises; and International standards and direct application by companies. The ILO, the International Confederation of Free Trade Unions (ICFTU), the International Organization for Migration and the International Hotel and Restaurant Association will bring expertise on these issues. An update on ILO and CSR will also be given to participants as well as a presentation on social dialogue in Romania. Background documents will soon be available on the IOE website. IOE contact: [Eric Oechslin](#).

Meeting of the
IOE European
Members

<p>The Uruguayan employers organizations (CIU and CNC), with the support of the Spanish employers' organization (CEOE) and the IOE, will host the Seventeenth Meeting of Ibero-American Presidents of Business Organizations in Punta del Este, Uruguay (1-2 November). The meeting will take place within the framework of the businesses events of the Summit of Heads of State of Ibero-America. The business leaders of Latin America, Spain and Portugal will debate issues such as competitiveness in the region, youth employment, CSR and migration trends. The main objective of the gathering is to reflect on and adopt a common statement for the Heads of State meeting at the Summit. An additional objective is to analyse ways to expand existing collaboration with the recently created Ibero-American General Secretariat (SEGIB). IOE Contact: Andres Yuren</p>	<p>Meeting of Ibero-American Presidents of Business Organizations</p>
<p>In a context of hostile governmental policies, the Venezuelan employers (FEDECAMARAS) held their Annual General Assembly at the end of July. The main message from the meeting was the need to respect the right to private property. As the Chavez regime moves towards transforming Venezuela into a seemingly state-owned country, ideas questioning the existence - or extreme limitations - of this right are proliferating within the new "intellectual political elite". In the official statement issued as a result of its annual meeting, FEDECAMARAS also underlined their serious concerns regarding the unilateral decision of the Venezuelan government to withdraw from the Andean Community of Nations (CAN) which over the past thirty seven years consolidated a sub-regional market which yearly exceeds 90 billion US dollars and creates 80,000 direct jobs in member countries. IOE contact: Andres Yuren</p>	<p>Venezuelan Business Community Under Siege</p>
<p>On 21 and 22 September, the IOE and the ILO Turin Centre will be organizing a Conference on SME and employment strategies (the Bucharest process). Federations from throughout the sub-region will attend. The ILO Turin Centre is now a partner of this sub-regional IOE network contributing both expertise and funding. A further major event is scheduled to take place at the end of this year in Sofia on the <i>'business climate for enterprise creation and development'</i>.</p> <p>Mid October, the IOE will also be organizing the sixth meeting of its network of experts in labour law from South Eastern European Employers' Organizations. As usual, a joint meeting will follow and will focus on the role of social partners within the Stability Pact and on 'flexicurity'. IOE contact: Eric Oechslin</p>	<p>Stability Pact for South East Europe</p>
<p>Earlier this summer, the Secretariat sent all members a survey on: Labour law and micro and small enterprises; Wage policy; and Trends in collective bargaining. The data gathered will in the first instance be used for key policy debates at the November session of the ILO Governing Body. These policy discussions will shape the future of ILO Employment Policy in these areas. We would ask those federations that have not yet completed the survey to please send it to us by the 10 September at the latest. IOE contact: Gary Rynhart</p>	<p>Labour law survey</p>

<p>Earlier in the year, the IOE conducted a survey on the role of employers' organizations in accessing finance, in particular microfinance. A Guide for employers on this issue was also prepared (currently available on the IOE website). The overall finding from the survey was that most of the employers' organizations that responded expressed the need to play a role on microfinance issues and that the Americas and Africa are the regions where this need is more evident. If members would like a copy of the tabulated results, please contact Gary Rynhart</p>	<p>Microfinance</p>
<p>The second Business Membership Organization (BMO) Conference hosted by Business Unity South Africa (BUSA) and supported by employer organizations from Denmark, Sweden and Norway is scheduled to take place in Cape Town from 11 to 13 September. The Conference is funded by the Norwegian, Swedish and Danish national development agencies and will bring together Chief Executives and Presidents of employers' organizations from Sub-Saharan Africa and establish a platform for a sub-Saharan Africa Business Network. IOE contact: Frederick Muia</p>	<p>Launch of a Sub-Saharan Africa-Scandinavian BMO Partnership</p>
<p>The Seventh Asia-Pacific High-level Employers' Conference met in Ulaanbaatar (Mongolia) on 21 and 21 July 2006 under the auspices of ACT/EMP, IOE, Asian Pacific Employers (CAPE) and Japan Business Federation. The Chief Executives of the employers' organizations of the region discussed the business environment in the context of current developments and adopted a number of recommendations for action by the employers' organizations.</p> <p>The participants reflected on the required present needs and reforms and the role of the employers' organization in this process. Discussions were centred on Labour Market Legislation and Reform, Privatisation, SME development strategies, Governance and Corruption, Migration, Income Disparities, Education and Training. The action points for employers' organizations adopted by the Conference are available at ACT/EMP on request.</p>	<p>Asian Pacific Employers met Mongolia</p>
<p>International Labour Organization</p>	
<p>The ILO Asian Regional Meeting, which takes place in Korea from 29 August to 1 September, brings together representatives from 40 countries to discuss the impact of past ILO activities as well as to set the agenda for the ILO over the coming four years, through discussions linked to the promotion of competitiveness, productivity and job creation.</p> <p>For employers, this meeting – coming as it does in the lead-up to the first discussion on the 2008-09 Budget in the Governing Body in November – is an opportunity to put their priorities on the table and to help focus the ILO's work in the region. This should focus on key elements, such as the creation of the right environment for business and investment, sound governance, formalization of the informal economy, appropriate legislative and regulatory frameworks, strong labour administration, etc., that will help ensure that the enhanced levels of economic development experienced by the region over the last few years can be sustained in the future. IOE contact: Brent Wilton</p>	<p>ILO Asian Regional Meeting</p>

<p>Efforts by companies to reduce underage employment have played an important role in reducing child labour throughout the globe according to the ILO report “The end of child labour: Within reach”. The ILO reports that the numbers of child labourers fell by 11% between 2000 and 2004 (from 246 million to 218 million) and it believes that the worst forms of child labour can be eliminated in ten years. Companies working in partnership across sectors have, according to the ILO been the most effective (such as the tobacco industry’s <i>End Child Labour in Tobacco</i> coalition). Work on the IOE-ILO Child Labour Toolkit for employers is gathering pace and is expected to be available in the coming months. IOE Contact : Sandy Gros-Louis</p>	<p>Child Labour</p>
<p>In collaboration with the ILO international training centre (Turin), the ILO Standards department and the IOE, the Federation of Employers of Ukraine will host a two-day workshop on ILO Supervisory procedures of international labour standards and their impact for employers, in Kiev on 28 and 29 September. The workshop will have a special focus on freedom of association. The objective of the workshop is to assist national employers in better understanding how the ILO supervisory procedures work and how can they participate more actively in them. IOE contact: Eric Oechslin</p>	<p>ILO supervisory procedures : Employers' Workshop</p>
<p>The Joint IOE-ILO SME Toolkit is currently being updated and this work is expected to be completed in the coming weeks. The ILO Turin Centre is working on developing the training material for the ‘roll-out’ workshops (three of which will occur later this year – two in South-East Asia and one in the Maghreb region). IOE contact: Gary Rynhart</p>	<p>SME Toolkit</p>
<p>UN and other International Organizations</p>	
<p>On 28 June the United Nations Global Compact Board convened its inaugural meeting at UN Headquarters in New York. The meeting focussed on the following general areas: Review of Overall Strategic Direction and Integrity Measures.</p> <p>The meeting resulted in a number of significant outcomes:</p> <ul style="list-style-type: none"> ▪ A commitment by the Secretary-General to encourage his successor to endorse and support the UN Global Compact. ▪ Strong consensus by the Board that the Global Compact represents one of the Secretary-General’s most significant achievements and a belief that the initiative will be among his most important legacies. ▪ Decision to launch five working groups of the Board aligned focussing on the following areas: Local Networks, SMEs, Human Rights, and Communications on Progress and Anti-Corruption. ▪ Agreement that Local Networks should strive to include all key stakeholders and a decision that an associated working group will explore strengthening of LNs with respect to representation, governance, and accountability. 	<p>First Meeting of the Global Compact Board</p>

<ul style="list-style-type: none"> ▪ Recognized differing opinions of the developing ISO “Social Responsibility Standard”, with agreement that in any case it must support the ten principles of the Global Compact. ▪ The development of the revised GRI guidelines will be followed as one possible approach to communicating progress. ▪ Consensus that small- and medium-sized enterprises (SMEs) need more assistance in engaging with the Global Compact and in overcoming issues such as language barriers. Associated working group to explore. ▪ Consensus that business participants need more assistance in understanding their commitments to the human rights principles. Associated working group to explore. <p>The background note as well as the final report of the Inaugural Board meeting is now available for download at www.unglobalcompact.org. The IOE was present at the Board through its Secretary-General, Antonio Peñalosa.</p>	<p>» ! <i>First Meeting of the Global Compact Board</i></p>
<p>The UN Economic and Social Council (ECOSOC) High Level segment (HLS) had its annual meeting this year in Geneva in July. The theme was “<i>Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development.</i>”</p> <p>The IOE worked with the International Chamber of Commerce (ICC) in preparing a joint statement (available on the main page: www.ioe-emp.org) that was presented to the Council. The IOE was represented by Executive-Vice President Daniel Funes de Rioja who participated in the panel on “<i>Creating Decent Work opportunities with productivity growth</i>” and Shanti Chadha, Executive Member of the Federation of Nepalese Chamber of Commerce and Industries (FNCCI), who participated in the panel on “<i>Innovative Strategy for Developing Women Entrepreneurship & Gender Equality in Nepal</i>” (available in employment policy section - women’s entrepreneurship at www.ioe-emp.org). However, despite the fact that employment is generated through private sector initiative, it was (sadly once again) very disappointing to see the limited role at the HLS afforded to the private sector, despite the best efforts of the IOE.</p> <p>While the conclusions of the HLS (Ministerial Declaration adopted by the Council at its High-level Segment) contain some useful language on the role of the private sector, one was left questioning the value of it all. As the Financial Times noted at the launch of the Report of the World Commission on the Social Dimension of Globalization, “<i>if more talking shops and pious exhortations were all that was needed to make the World a better place, it would surely be one by now</i>”. IOE contact: Gary Rynhart</p>	<p>ECOSOC</p>
<p>The IOE has been asked to be part of the SME international expert team to draft a "UN Global Compact Operational Guide for SMEs" to assist in understanding the 10 principles and their relation to their daily operations. The international expert team will additionally have the task of defining the process of delivery to SMEs. The team, which will be lead by UNIDO, will meet for the first time in Barcelona at the end of September. IOE contact: Gary Rynhart</p>	<p>SMEs & the Global Compact</p>

<p>As the curtain fell on the Sixteenth International AIDS Conference in Toronto, which was held from 13 to 18 August, employers were pleased to see that many of their initiatives to respond to the HIV/AIDS pandemic in workplaces and in surrounding communities were highlighted.</p> <p>With still no vaccine for AIDS in sight, the Conference focused more on prevention and treatment. It is for this reason that the United Nations General Assembly has called for commitment and total social mobilization of all sectors to confront the disease. There has been a tendency for previous conferences to focus more on the work of activists and community groups and less on the scientific community. This was the case in Bangkok in 2004 where scientists complained of complete marginalization. With renewed focus on treatment and the commitment by G8 leaders to achieve universal access to treatment, the Toronto conference was able to strike a balance between the role of activists and that of the scientific community (for example new methods in prevention like the use of microbicides were given prominence).</p> <p>Employer representatives from Asia, Africa, the Americas and Europe shared their experiences and contributions in the fight against the disease. The IOE was invited to share the initiatives taken by its members worldwide in a number of panels. One of the panel discussions organized by the World Economic Forum in which the IOE participated focussed on how to scale-up and sustain the business response, particularly in smaller businesses. The role of big companies in championing the fight against HIV/AIDS was also discussed and the IOE was privileged to have the support of the Chairman of the Board of Levi Strauss & Co., who spoke strongly on the need for companies to take a firm response. The Spokesperson of the Workers' Group in the ILO also spoke strongly on the need for partnership between workers and employers in this domain, thus underscoring the importance of the joint IOE/ICFTU agreement on HIV/AIDS. IOE contact: Frederick Muia</p>	<p>International AIDS Conference</p>
<p>Other</p>	
<p>UNI, the global services union, has signed a number of International Framework Agreements over the past months.</p> <ul style="list-style-type: none"> ❑ An agreement with graphical companies Euradius and Euradius International was signed in August. The agreement mainly covers core labour standards, with additional references to health and safety concerns, collective agreements, opportunities for training and acquiring skills in new technologies and interestingly, recognition of the "potential effects of industrial activities on the environment" (see next article). The agreement is for five years. ❑ An agreement with Swedish-based security services company Securitas was signed in June. This agreement draws on the UN's Declaration of Human Rights and the ILO's fundamental principles and provides for regular dialogue between unions and Securitas. 	<p>International Framework Agreements</p>

<p>□ In May an agreement was signed between UNI and South African packaging multinational Nampak. The agreement also extends to Nampak's subsidiaries. The accord commits the company to respecting core labour standards.</p> <p>IOE contact : Sandy Gros-Louis</p>	<p>» ! <i>International Framework Agreements</i></p>
<p>Earlier in the summer the International Confederation of Free Trade Unions (ICFTU), Global Unions Research and the Trade Union Advisory Board of the OECD launched a new trade union sustainable development unit. The main function of the unit is to provide country level information that can be used by national unions in lobbying and campaign efforts (www.tradeunionsdunit.org)</p> <p>There has been a increased amount of trade union activity in this policy domain. In January this year UNEP hosted the first trade union assembly on labour and the environment (the IOE was also represented at this meeting). The Assembly, according to trade unions, provided the first opportunity .. <i>“for trade unionists to identify the common links between the environment, climate change, occupational health & safety, as well as chemicals and could help identify synergies with existing campaigns, i.e. Ban Asbestos, HIV/AIDS, as well as others dealing with trade, poverty and investment issues”</i>. The UNEP view is <i>“Trades Unions have an important role to play in this, helping to push employers to raise the environmental standards of goods and services and environmental health standards in the work place.”</i> This is clearly an area to which employers should pay greater attention. IOE contact: Brent Wilton</p>	<p>Trade Unions & the Environment Agenda</p>
<p>The Secretariat of the Working Group on social responsibility has advised that the fourth Working Group meeting will be in held in Sydney, Australia from 28 January to 2 February 2007. A full notice from the Secretariat can be expected shortly. The Chairman's Advisory Group will meet in New York on 13 December to prepare the meeting . IOE contact: Brent Wilton</p>	<p>International Standardization Organization (ISO) Working Group On Social Responsibility</p>
<p>A major conference entitled <i>“Strategies for Workforce Development: Keys to success in the 21st Century”</i>, hosted by the United States Department of Labour in co-operation with the Government of Vietnam, to take place in Hanoi from 18 to 20 September, will provide an opportunity to exchange ideas on workforce development. Participants will have the opportunity to hear and discuss public-private partnership programmes, with workshops on many aspects of workforce development including education, career pathways and service provision.</p> <p>Martin Been, Managing Director of Education for Microsoft Corporation, will be the keynote speaker. This Conference, which may be of interest to your Federation or to your members, is open to all sectors that contribute to human resource development. Registration for the Conference may be done through www.dtiassociates.com/apec/</p>	<p>APEC Conference</p>

Corporate Social Responsibility Round-Up

- ❑ Eight official complaints about alleged breaches of UN Global Compact principles by signatory companies have been registered in the six months since a review procedure was introduced (under the 'integrity measures'). The companies cited will now be required to respond in writing to the Global Compact Office, which can suggest remedial action: www.globalcompact.org
- ❑ The World Tourism Organization (UNWTO) is creating a framework for companies in the sector to 'address human rights within their operations'. The UN Agency already has a global code of ethics for tourism: www.world-tourism.org
- ❑ A UK survey of 100 businesses, NGOs and consultancies showed that most respondents found that the stakeholder dialogue in which they had taken part had actually fuelled further demands from the various participants: <http://www.le.ac.uk/ulmc/cradle/>
- ❑ L'Oreal, the cosmetics company, has won an award from the Global Business Coalition on HIV/AIDS for its work in African countries in educating hairdressing salon workers (who subsequently played an educational role through their access to the general public): <http://www.hbsa.uk.com/news.html>
- ❑ In another example of 'shareholder activism' the Ecumenical Council for Corporate Responsibility tabled a Resolution (which was defeated) criticizing Shell's social and environmental performance at its Annual General Meeting: www.eccr.org.uk
- ❑ Global sales of fair-trade products rose by a third to \$1.46 billion in 2005 according to the fair-trade foundation (the UK is the largest market for such products). www.fairtrade.org.uk
- ❑ Anglo-American, the mining company, has committed to redoubling efforts to get staff to test for HIV/AIDS (the company's target of 50% of employees by 2005 was only half met). The company believes that little progress on tackling HIV/AIDS can be made without testing: <http://www.angloamerican.co.uk/cr/hiv aids/>

IOE Secretariat

- ❑ In September 2004 the Secretariat initiated 'Tradetalk' – a bi-monthly update on trade issues, particularly those with a social and labour focus (it was produced in English only). The document simply provided basic information on key trade issues, with a link for further information. More recently updates on the trade negotiations were produced which were attained from attendance at the regular WTO briefings. Through a survey of members earlier this summer, it was determined that this kind of information is of value to some federations. The IOE is currently considering the possibility of having a more thorough document, probably on a quarterly basis, produced by an external professional. It is anticipated that the first edition will be sent to members by the end of the year.
- ❑ The IOE produces on a regular basis articles for members in English on social and labour policy developments at the international level (approximately 1500 words). If federations are interested in this service, please contact [Gary Rynhart](mailto:Gary.Rynhart@ioe.org).
- ❑ The Secretariat prepared a Guide for employers to the controversial Recommendation 198 on Employment Relationships – this Guide is currently available on the IOE website in English and will shortly be available in Spanish and French (www.ioe-emp.org).

Major Forthcoming Meetings

- 13-15 September » ! IOE European Regional meeting
- 18-20 September » ! Tripartite Meeting on the Social and Labour Implications of the Increased Use of Advanced Retail Technologies (Geneva)
- 21-22 September » ! Meeting on Employment and SME strategies for South East Europe (Zagreb)
- 28-29 September » !ILO supervisory procedures : Employers' Workshop (Kiev)
- 9 October » !Tenth Meeting of the Ministers of Labour and Employment of the G8 Countries (Moscow)
- 10 -12 October » !Tripartite Caribbean Employment Forum
- 13-14 October » !South Eastern European employers' organizations network of experts in labour law (Bucharest)
- 23-26 October » !Tripartite Meeting on the Labour and Social Issues arising from Problems of Cross-border Mobility of International Drivers in the Road Transport Sector (Geneva)
- 1-2 November » !The XVII Ibero-American Presidents of Business Organizations (Punta del Este, Uruguay)
- 2-17 November » !297th Session of the Governing Body and its committees (Geneva)