



ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACION INTERNACIONAL DE EMPLEADORES
INTERNATIONAL ORGANISATION OF EMPLOYERS

WORKING TOGETHER FOR A BETTER WORLD

Statement by the International Organisation of Employers to the G-8 Meeting, Evian (France) 2003

The International Organisation of Employers (IOE) is the recognized organization representing the interests of employers in international social and labour policy debates, with over 137 member federations in 133 countries. The IOE is the largest global business network.

THE CENTRALITY OF GOOD GOVERNANCE AND DEMOCRACY

A democratic system of government reinforced with sound national governance structures are prerequisites for economic and social development. It comes as no surprise that the countries which are slowest to develop economically and socially are those lacking democracy and democratic institutions. The democratic governance structures needed for development must be transparent, free of corruption, legitimately serve the public interest and accountable to the public. Genuine accountability and responsibility are fundamental to democracy and good governance.

The openness of the democratic model offers business and other actors in society the best means to engage in the debates most relevant to economic and social improvement. Multilateralism is most effective amongst democracies. More is needed to both support and extend democracy.

The IOE supports and welcomes initiatives to improve and make more effective national governance, such as the NEPAD initiative which, since its inception, the IOE has supported both directly and through its member federations in Africa as well as through the Pan-African Employers' Confederation. These efforts however will require continuing support, and G-8 member States should ensure that their own policy responses are conducive to the attainment of the goals set by NEPAD.

REINVIGORATING WORLD TRADE

An open multilateral trade system is the most effective way to maximize the growth needed to encourage employment creation and entrepreneurship and, by consequence, to properly address the root causes of poverty. Open and free trade can play a very important role in the democratization process, because it ensures competition, provides choices and

restrains monopolistic tendencies. It is the view of the IOE that poverty, not trade, lies at the heart of poor working conditions and that these are best corrected through expanding commerce and development.

The forthcoming Ministerial meeting in Cancun is fundamental to the reinvigoration of world trade. There are hard issues to address and governments should be looking to engage with the relevant actors at national level to explore ways forward. A failure at this stage would have far-reaching effects on all of the issues before this G-8 Meeting.

IMPLEMENTING THE MILLENNIUM DEVELOPMENT GOALS

Efforts to address the Millennium Development Goals will require the participation of all actors in society. Each should bring their own strengths to bear and none should look to shift or impose their own obligations on to others. Transparency and understanding lies at the heart of efforts taken to achieve those goals.

HIV/AIDS continues to afflict millions of people, destroying economic and social advances and hampering the development of many developing countries. If efforts to address this pandemic are to be successful, the G-8 will have to focus definitively on allocating the means necessary to truly address this scourge.

We hope that in your discussions in Evian reference can be made to the significant efforts by companies in G-8 countries to respond to the G-8 Africa Action Plan adopted in Kananaskis, which placed special emphasis on HIV/AIDS. IOE member organizations – particularly those with members in the extractive, health and service sectors – have joined in such international efforts as the Global Fund to fight AIDS, TB and Malaria, the Massive Effort Campaign, the Global Health Initiative, the Global Business Alliance on HIV/AIDS, the Global Alliance on Vaccines and Immunizations, as well as in scores of unilateral actions in the communities they serve.

COLLECTIVELY FACING OUR RESPONSIBILITIES

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Business has always recognized that it has an important role along side other actors in contributing to the development of the communities in which it operates. This understanding has become part of a developing debate on the role of business in a globalizing world. Globalization has made the global network of modern business and the efforts of business to address economic, environmental and social development more visible. Corporate social responsibility (CSR) is the name now most commonly applied to the multitude of innovative and positive initiatives by business in both the marketplace and the wider community to

voluntarily integrate social and environmental concerns in their business operations and in their interaction with their stakeholders.

CSR is not static; it is a dynamic and multi-dimensional concept that is constantly evolving to adapt to variable economic, political, social and environmental circumstances. Innovation lies at the heart of modern CSR initiatives. The plurality of these innovative responses needs to be supported. It gives companies the ability to respond to rapidly changing markets, delivering real benefits to their societies. CSR must be able to be supported by the company. Each company needs the freedom to engage in CSR initiatives as its interests and ability allows. This innovative, flexible and voluntary nature of CSR encourages this engagement in different ways and at different levels, allowing CSR to be pursued by all business – large and small – throughout the world.

As the notion of CSR grows, it is necessary to draw a clear distinction between the role of companies and that of governments. In the public debate, expectations currently falling on business are in many cases neither realistic nor legitimate. The basic role of companies is to generate wealth. Fulfilling this role is crucial to economic and social development in any society. Having said this, the IOE also acknowledges that the ways in which that wealth is created are equally important. Thus, companies take into account the environmental and social implications of their operations.

The role of governments is to establish and enforce law and to create and maintain stable and predictable political and legal systems alongside a climate conducive to economic and social progress. It is government's responsibility to invest in the education and social well-being of its citizens so as to be able to create the appropriate conditions for business growth and competitiveness. Companies can have a supportive effect by implementing and demonstrating appropriate social standards in their own operations.

COMMON VALUES AND PRINCIPLES

Freedom, responsibility and transparency are fundamental values that belong to, and should be exercised by, all actors in the economy and in society at large. Values are those concepts that constitute the essence of a democratic market economy: individual responsibility and freedom of choice, responsibility, respect for the law, respect for the individual and property, transparency, integrity, human dignity, equality, freedom and intellectual honesty.

Where there is a lack of, or a failure in applying, proper values in the functioning of society, this can manifest itself in an inability to fully exploit the benefits of the model and a risk of failure to integrate into the world economy. The free market economy works best when the values that underpin it are shared by the society as a whole and largely applied in its dealings with each other and with the outside world. The challenge is to find a way in which the values of a system that promotes individual achievement and responds to the natural

human self-interest inherent in us all can be targeted to some ‘collective’ or societal outcomes.

PROMOTING EFFECTIVE EMPLOYMENT POLICIES AS CENTRAL TO NATIONAL DEVELOPMENT

Employment needs to be at the heart of all national and international economic and social policy debates. The objectives of an integrated employment policy should be to generate productive, sustainable employment; match the skills of people to current and emerging job requirements; raise standards of living through policies which lead to more productive and better jobs in the economy; move the unemployed into employment; focus public and private investments, as well as international assistance, in the most productive areas.

PROTECTION AND SAFETY IN THE WORKPLACE

Social protection systems that are well designed and targeted to those in need, affordable and sustainable over time are a basic social requirement today; yet a large majority of people remain unprotected. More debate is needed on how to respond to this social challenge in innovative and new ways.

Health and safety plays an important role in social and economic development and impacts positively on poverty alleviation. It remains a key mechanism to ensure economic performance and employee wellbeing. However, occupational health and safety also requires a strong commitment from governments to assist employers and workers in continuing to seek improvements.

THE CONTINUING IMPORTANCE OF THE ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

As globalization has progressed, international attention has been focused on how best to improve social conditions and raise respect for labour principles. The *Declaration on Fundamental Principles and Rights at Work* remains instrumental as the only truly global consensus on the labour principles that all governments should seek to achieve. The Declaration has played an important role in social improvement and would be further enhanced by a strong affirmation by the G-8.

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