



## ***PRESS RELEASE***

# **Employers state their vision for the ILO**

## **(27 May 2008)**

At its General Council meeting in Geneva today, the International Organisation of Employers (IOE)<sup>1</sup> was presented with an “Employers’ vision for the ILO” a statement which sets out the key employer policy priorities.

In speaking at the presentation of the Statement, IOE President Ambassador Abraham Katz stressed that the key role of the private sector in terms of national economic and social development was now internationally recognized by all social actors and that this recognition reinforced the important role employers have in assisting the ILO to achieve its objectives.

*“To facilitate that participation however, the employers needed an ILO equipped and focused on the policies that impact on labour markets and workplaces in a globalizing world”* he said.

*“The ILO has a comparative advantage in such policy areas and we need to help the ILO avoid the temptation of spreading itself too widely and in too many areas”* he added.

*“This means an ILO that focuses on the strength of its unique tripartism, that promotes entrepreneurship and enterprise creation, the two means by which work can be created and sustained, and that helps workers be more employable and productive, through education, skills development and training. Productive participation in the labour market is key to alleviating poverty and social disadvantage”* he stressed.

*“We face many challenges in the world of work today, but we are serious in our belief that an ILO that puts work back in the centre of its priorities is an ILO that can make the most positive contribution to the labour and social policy concerns we all have”* he said.

*“We look forward to working with the ILO Director-General and his Office over the coming months in order to realize this vision in the work of the ILO and by doing so helping to improve the positive impact of the ILO on the lives of real people at work”* he concluded.

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**Annex :** Employers’ Vision of the ILO

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<sup>1</sup> The IOE is an international member-based organization founded in 1920 representing the business community in all areas of social and labour policy. Its membership numbers 148 national employer federations in 140 countries.

# EMPLOYERS' VISION OF THE ILO

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The international employer community reaffirms the profound importance of the ILO: its core mission could be even more relevant today than it was at the institution's founding in 1919.

However, the current context for the Organization is markedly different from that of its founding fathers. The last twenty years in particular have seen dramatic changes: the Cold War and the polemic ideologies that went with it are over; massive innovations in technology have changed the face of every industry and sector; liberalized economies have massively opened up markets and presented major opportunities to reduce poverty; and unprecedented gains for political and economic freedom have been made. Even if there are still countries and regions with many problems and restrictions to democracy or freedom, there is now a broad acceptance of the free market economy model and a larger community of interests between employers and unions.

The accelerating rate of change and globalization transcends national policies and challenges multilateral institutions as never before.

Today the task before the ILO, the only international organization with the specific mandate to deal with the world of work, is daunting – that of helping governments, workers and enterprises adapt to rapidly-changing global labour markets. The greater flexibility and structural adjustment required to meet the challenges of a changed global market resulting from technological progress, the rise of new economic centres and accelerating globalization will bring large gains for all – reducing poverty, promoting education and training, and creating more and better jobs; but the process could imply also some pain through job losses and increased poverty in particular sectors and regions.

How the Organization responds to the opportunities and challenges of globalization will determine its continued and future relevance.

The business community has in the past approached the ILO with some reticence. Today the situation has changed.

The role of the private sector in terms of national development strategies and poverty alleviation is internationally recognized by all actors, and the ILO and the employer community are natural partners in the shared goal of wealth and job creation.

*Employers therefore seek an ILO that can provide practical assistance to its constituent partners in facing the enormous challenges in front of them - an Organization that is focused on achieving its goals and capable of adapting to changing realities, that can promote difficult policy choices and is prepared to question itself.*

***That is our vision.***

## **POLICY PRIORITIES**

*The challenges of globalization and development demand collaboration and coherence among a number of U.N. and other multilateral institutions dealing with complex and interrelated social and economic issues. Each institution has a particular mandate and a particular set of competencies and expertise. Identifying and demonstrating the value-added of each agency will be particularly important as the U.N. reform process proceeds.*

*The ILO is well placed in this process. It is the only U.N. agency with a mandate focused on the world of work, and its tripartite nature gives it a unique resource and legitimacy in dealing with these issues. However, securing a place in the One U.N. system will require a disciplined approach. This implies promoting tripartism in the Organization as well as nationally. The Organization must resist the temptation of spreading itself too widely and focusing on too many, albeit related, areas at the expense of genuine competency in areas where it truly has a comparative advantage. It needs to focus uniquely on the policies impacting on labour markets and the workplace. In business terms, it needs to become a global "brand leader" in selected policy areas.*

### **Employers believe that the work of the ILO should be focused on the following priorities:**

- Promote the Declaration on Fundamental Principles and Rights at Work, which commits all ILO member governments to the principles underlying the core Conventions in the areas of freedom of association, collective bargaining, forced labour, child labour and discrimination;
- Establish a modern and high impact Labour Standards policy which, through consensus outcomes, aims at producing widely ratifiable and implementable standards addressed to the goal of improved economic and social development according to national conditions;
- Reorient programmes and policies towards employment generation and employment security as opposed to job security:
  - Help enterprises become more effective and workers more employable and productive through education, skills development, training and re-training programmes;
  - Create social safety nets by promoting sustainable social policies and social security systems that recognize the economic and social diversity in their development and implementation, as well as encourage people to return to the workforce, cognizant that costs are often the responsibility of society as a whole;
- Facilitate wealth and job creation by promoting policies conducive to the creation of sustainable and competitive enterprises, and a culture of entrepreneurship, which is the basis for innovation, development and economic growth;
- Assist governments in strengthening labour market institutions, constructing economically appropriate labour legislation, and reforming existing regulations so as to promote labour market flexibility, respond to changing market demands, and address the issue of informality. The formalization of the informal economy has to be a major goal of the ILO.
- Promote the creation of safe workplaces through promulgating occupational safety and health best practices that foster a culture of prevention at the enterprise level and shared responsibility, as well as the modernization of labour administration to better respond to the expectation of the global economy;

- Address discrimination in the workplace, so as to ensure maximum labour market participation.
- Foster recognition in all programmes and activities that productive participation in the labour market is the key to alleviating poverty and social disadvantage.

### **IMPLEMENTATION PRIORITIES**

*Complex international organizations are slow and difficult to change, even in the face of rapidly-changing events. The ILO's tripartite structure poses even greater challenges in this regard. However, changes in priorities and culture can be introduced, fostered and accelerated through leadership at the top. **To deliver on the above policy priorities, the Director-General and the Office should focus their implementation strategies on the following objectives, which apply to both the Geneva headquarters and to the activities in the regions :***

- Reorient the focus of the Office from advocacy to technical work and technical assistance, especially capacity-building – where the ILO can make a difference to constituents on the ground. Devote resources to regaining the ILO's position as a globally-recognized knowledge centre on the world of work through the development of robust challenging research on labour markets; and encouragement of an intellectual climate in-house that is open to outside ideas and whereby existing orthodoxies can be questioned and challenged.
- Develop a Human Resources strategy to recruit and retain staff equipped with the skills to help constituents respond to the realities of the world of work and to the pace of change, including more staff from the employer community.
- Ensure transparency and accountability in all activities and decision-making:
  - Systematically incorporate independent impact analysis of ILO programme work (this could be done in partnership with other agencies);
  - Respect the governance functions of the Governing Body and the Conference, and ensure that the Office acts promptly and meaningfully on the expressed decisions of these bodies and reports back on their implementation;
  - Impose financial management principles that secure the operational and institutional requirements of the Organization and that enhance its ability to have real impact within budget realities.
- Strengthen tripartite mechanisms and better utilize and respect the contribution of employers:
  - Ensure equality of treatment by and within the ILO of all constituents of the Organization. This applies to resources, both human and financial, technical cooperation and employment opportunities across the Office;
  - Fully involve employers in the development of ILO policies and products, ensuring that employer priorities, objectives and resources are treated on an equal basis with those of the workers;
  - Develop enabling tools and products for use by both employers' and workers' organizations;
  - Strengthen ACT/EMP's capacity in Geneva, Turin and the field to enable them to cover the needs of constituents and the representation of employer views across the Office;

- Recognize that the employers' programme requires the engagement and support of all parts of the Office, coordinated internally with ACT/EMP, and that technical cooperation resources of all departments need to support employer activities.
- Work closely in collaboration with other international organizations, leveraging each others' comparative strengths in a fashion that is positive and truly complementary.

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