



Speaking Notes for “Rebuilding Societies and Economies – Role of Business”

Linda Kromjong, De Beurs van Berlage, Amsterdam, 7 December 2017

Your Majesty, dear guests,

Introduction

After a war or a disaster, we naturally think of the victims and survivors. But for today's discussion, let us take some time to think of those who have to put all the pieces back together again. The task of these actors is immense, and the lives and well-being of thousands or millions depend on getting it right.

So where do businesses feature in this?

As the Secretary-General of the largest private sector network in the world, the International Organisation of Employers (IOE), I would like to share with you the private sector contribution to this rebuilding process and provide you with some good examples on where we have effectively served this purpose.

Role of Businesses

There is nowadays agreement among the International Community, fragile states and humanitarian agencies that the contribution of the private sector should be an integral part of the international community's response to rebuild societies post conflict.

Indeed, the long-term stabilisation of a country post conflict will largely depend on the viability of its private sector. Private companies and humanitarian agencies share a common interest to work in places with satisfactory security conditions and where fundamental humanitarian principles are not systematically violated. Thus, they are interested in rebuilding societies and economies in post conflict environments not for profit making purposes only, but also because it is the right thing to do. Nowadays doing business in a responsible and sustainable manner is no longer a nice to have but a must!

The contribution of the private sector in rebuilding economies should focus on what businesses do better than others, that is, doing business. By reviving business activity, entrepreneurship and education opportunities, normal economic activities can resume. The positive outcome of all this is the creation of jobs and hence providing an income for families and increased tax revenues for the local authorities and, of course, public services.

The private sector is key when it comes to stabilisation of post conflict countries. The various groups affected by conflict, for instance: ex-combatants, refugees, internally displaced persons and youth, need jobs to restart their lives. An enabling environment is needed for enterprise creation and development. This can be achieved by attracting investment, training of the displaced persons, re-establishing the education system at all levels, reviving agricultural production, and restarting trade in the aftermath of the conflict or disaster.

What has business to show for itself?

Let me now take a step back and talk about the IOE and how we have contributed to rebuilding processes. For those who are not familiar with the IOE, the IOE is a membership driven organisation, representing over 150 national employers' organisations around the globe on labour and social policies within the UN but also in intergovernmental processes such as the G20. We serve as the Secretariat for the Employers' Group within the International Labour Organisation (ILO), the only tripartite UN agency.

For local societies to occupy the leadership role in the complex recovery process, a bold and transformative long-term approach to rebuilding is necessary. This is achieved from a policy setting angle through, among others, our efforts within the ILO.

Given the fact that disaster and war often push people to informality as a way of survival, the tripartite Constituents of the ILO adopted ILO Recommendation 204 on the transition from the informal to the formal economy. Most recently this June, the private sector contributed to the revision of Recommendation 71 on creating employment when transitioning from war to peace. Such tools are important instruments that enable communities and groups to transition to viable economies post conflict.

Outside of the ILO, the IOE also actively supports and promotes private sector efforts on a variety of labour and social issues in all countries, including countries in post conflict or disaster environments. Education is an integral part of a long-term response to rebuilding societies but also to combat child labour.

In 2013, the IOE founded the Global Apprenticeships Network (GAN) in response to the global youth unemployment crisis and the need for businesses to ensure skills for the future. The GAN is a positive model of employer-led innovation to facilitate school-to-work transition for many young people. Since 2013, the GAN has grown into a successful network where private sector companies, business federations and associations come together to share best practices to advocate and commit to action around youth employability and skills development. By building up the talent pool through investing in skills development and education, the private sector strengthens the capacity of national actors to rebuild societies, making these societies peaceful and attractive for talent to flourish and grow.

The IOE is also actively involved in the Global Labour Migration Debate and is home to the Business Mechanism to the Global Forum on Migration and Development. The Business Mechanism represents the interests of the private sector in inter-governmental debates on migration and brings economic and business perspectives to sometimes sensitive political dialogues. A global talent pool is the current reality for all countries. Thus, the Business Mechanism translates companies' needs and challenges to governments especially on bureaucratic processes to the business community. It advocates for coordinated, well regulated, and well-managed migration policies, that are an essential part of a well-functioning labour market. It addresses the importance of skills mobility for businesses, the matching of skills to labour market needs, the need for responsible recruitment and the role of entrepreneurship for development: all these are essential elements for rebuilding economies.

Other than global interventions, the IOE also interacts with regional actors. For instance, youth unemployment is a major concern in Africa as the African growth story has not translated into more and better jobs. Every year, about 3,000 young people die in the Mediterranean Sea as they try to seek opportunities in Europe. In addressing the root causes of migration, the IOE is mobilising a multi stakeholder group via the Jobs for Africa Foundation. Its main objective is to sustain economic growth and accelerate the pace of job creation in the continent to absorb the millions of African youth that enter the labour market each year.

Policy setting, rules and regulations are, of course, needed to put governance in place in a very complex world. But have recent policies and regulations changed the role of business? The answer to this question is yes, it has. I mentioned

before that doing business in a responsible and sustainable manner is no longer a nice to have but a must. Over the last decades the spotlight was shed first on environmental responsibility, followed by a focus on strict financial compliance rules and, most recently in 2011, the social component was added through the unanimous adoption of the UN Guiding Principles on Business and Human Rights.

Over the years we have seen more and more companies including these elements into their own policies and target setting. Ultimately these concepts have become an integral part of their business strategy because this not only makes good business sense but also because investors, employees, civil society and governments expect this from business.

Nowadays, the world is increasingly complex and global. In this context, we see an increased request for more openness and transparency in reporting and benchmarking. We also see indicators reflecting the much-needed shift from “naming and shaming” to “knowing and showing” resulting in a more productive and constructive, multi-stakeholder collaboration and dialogue. One thing is clear: many of the issues we face today cannot be solved by one actor alone.

Collaboration via PPP and multi-stakeholder platforms is the way forward. Business does not want to be viewed in these partnerships as an ATM machine but as an equal development partner. Building trust and overcoming cultural sensitivities does require time but in the long run, they are a sound investment.

I have already shared with you the IOE examples on PPPs such as the GAN, the Business Mechanism for the Global Forum on Migration and Development and the Jobs for Africa Foundation.

There are many more individual company examples that I can cite. Let me just name a few:

1. Deutsche Post DHL Group, in its collaboration with the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), offers logistic expertise through a global network consisting of over 400 specially trained employees who volunteer their time to be a part of Disaster Response Teams. When called up by the United Nations, these teams can be on the ground and operational at a disaster-site airport within 72 hours.
2. JTI's collaboration in the ARISE program with the ILO and Winrock International aims at combating child labour in Brazil, Tanzania, Malawi and Zambia by actively working with the communities and offering solutions in

a multi-faceted way; building schools, training parents to ensure better quality harvests and hence higher income, enabling them to also grow other crops to provide vegetables for their families.

3. Coca Cola's project "Last Mile" is a cross-sector partnership between USAID, the Global Fund and others, using Coca-Cola's knowledge and expertise and sharing it with Health Ministers in 8 countries to enable life-saving medicines to be supplied to all citizens no matter where they live.

All these initiatives are linked to the core of the business, to their business expertise and to their ability to create a well-functioning multi-stakeholder team. That is what brings success to these initiatives.

In conclusion:

The recently adopted Sustainable Development Goals clearly recognise the role of the private sector as an important development partner. The role that businesses play has been directed towards reviving the economy, doing what business does best, on the basis of putting in place strong foundations which include sound economic and investment policies, implementation and enforcement of international legislations and establishing peace.

Through these efforts, the private sector allows for the creation of jobs for everyone, young and old, men and women. By investing in the war-torn country and, yes these do offer business opportunities, business brings in a higher degree of stability and even better, hope for a brighter future in their own country, hence reducing the need for finding jobs elsewhere.

Ultimately for the country to be able to move from poverty to sustained economic growth and development, the involvement of the private sector in the rebuilding process is key. But the private sector alone can do no wonders. As the saying goes, it takes a village to raise a child. Similarly, rebuilding economies requires a collaborative effort from all stakeholders: governments, business, civil society and the international community.

Thank you.