

Employers' organisations: Current trends and social responsibilities

Jean-Jacques OECHSLIN *

Introduction

The Constitution of the International Labour Organisation was no doubt the first diplomatic text to recognise officially the role of industrial organisations representing employers (and workers). For more than half a century now, employers' organisations have been participating in the work of the ILO, which has not only remained staunchly faithful to its original principles but has constantly adjusted its programmes to changes in the modern world. Like the other partners in the ILO, employers' organisations have changed, as have the undertakings they represent and the environment in which they operate. The purpose of this article is to assess the way in which employers' organisations have adapted their goals and their methods to present-day aspirations for economic and social development.

The ILO and its publications have, of course, always devoted attention to the evolution of the employer component of the Organisation's tripartite structure. As early as 1926 the Office published a directory of employers' organisations which was recognised at the time as the best work of its kind available; a new up-to-date directory would undoubtedly prove most useful. The *Review* itself has published, though admittedly at not very frequent intervals, in-depth studies on employers' organisations.¹ It was not until fairly recently, however, that the ILO launched a programme of assistance to employers' organisations, inaugurated in 1970 with a Round Table in Tokyo on their role in the countries of Asia, with the principal aim of helping their executives and organisers gain a better understanding of what they do in the various parts of the world.

We ourselves have attended a number of regional meetings at which participants were able to take stock of the current role of employers' organisations in Africa (Nairobi, October 1980), Latin America (Buenos Aires, April 1981), Asia (Tokyo, December 1981) and the Arab nations of

* Vice-Chairman, Governing Body of the ILO; Chairman, Executive Committee of the International Organisation of Employers.

Asia (Kuwait, January 1982).² ILO advisers for these organisations have been assigned to these parts of the world. The programme provides an exceptional opportunity for learning about the structure and present role of employers' organisations throughout the globe, and should interest all who are concerned with economic and social development and the changing pattern of industrial relations, especially as comparative studies are still very few and far between.³ It is for this reason that we felt it would useful to inform readers of the *Review* about the general directions in which employer circles are moving in the light of actual specific experiences, although for reasons of space we have necessarily had to be somewhat selective.

We should also point out that this article covers only employers' organisations in the countries with market (or mixed) economies. We have not limited its scope in this way for ideological reasons but because employers' organisations, in the sense of the term as used here, exist in order to reconcile the need for joint entrepreneurial action in some clearly defined fields with the general freedom of action of undertakings in accordance with the laws of the market and, in particular, their legitimate right to compete with each other. An industrial organisation does not limit competition and on that account differs from a guild or a cartel. As we see it, the issues are viewed quite differently in a planned economy.

The present tasks of employers' organisations

The traditional tasks and their new dimension: collective bargaining

What might be termed the traditional tasks of an industrial organisation can be grouped under three headings: the organisation of bargaining with the workers' unions, defending the interests of the undertakings, and representing the interests of the employers in the councils and organs of the State.

In many countries, especially those influenced by British and German traditions, an employers' organisation acts primarily as the counterpart to an employees' trade union—the spokesman for those who offer work (according to the etymology of the German term *Arbeitgeber*) as opposed to the jobseekers they encounter in a “market”. Employers form associations in response to the moves made by the jobseekers in grouping together to strengthen their relative position on this market with due regard for the traditional economic mechanisms.

A basic distinction has to be made here. In many countries, employers' organisations are genuine bargaining partners, signing agreements with workers' trade unions. The systems may vary as to procedure. The negotiations may be conducted and concluded exclusively at the level of an industrial branch, as is the case in the Federal Republic of Germany, the United Kingdom and many countries in Africa and Latin America. Or again, the system may be centralised at the national level, although it may mean

coming back to the occupational level if negotiations break down; this is typical of the Scandinavian countries. A decentralised system may be supplemented by national negotiations for the purposes of co-ordination, fixing frames of reference or settling specific problems common to the whole economy; examples can be found in Belgium, France and Ireland. But all these systems contrast with those in which bargaining goes on mainly inside the undertakings, as is the case in North America and Japan. In such cases the employers' organisation is no longer a protagonist, and this is why the classic American authors, like Dunlop, do not deal in depth with such organisations, the concept of which might appear foreign to the spirit of a theory which casts the individual undertaking and the workers grouped into a trade union as the principal actors on the industrial stage.

Must it then be concluded that employers' organisations exist only in the first type of system? This would be going too far and would even be erroneous. In the second type their organisations have an undoubted role to play in industrial relations. They have first of all a co-ordinating function to perform similar to that of the central organisations in a system which is decentralised into branches. In Japan, for example, the influential Federation of Employers' Associations (NIKKEIREN) draws up guidelines which are often worked out by bodies where the major undertakings that will apply them are represented and backed up by studies carried out by qualified staff. Another function of employers' organisations is to advise. This function is particularly common in the developing countries, where the undertakings are often short of experienced personnel managers. In many cases, the employers' organisation provides permanent officers to assist the undertaking's negotiators and sometimes take their place at the bargaining table. The result can be considerable cohesion among the employers and an outcome comparable to that arrived at through negotiations conducted by an organisation.

In the first type of system, on the other hand, it would be a fallacy to believe that the undertakings contract their social policy out to their industrial organisations. While it is true that the most elaborate systems, like that of the Federal Republic of Germany, provide for a single bargaining level (which guarantees legal security by preventing the outcome of negotiations from being challenged at another level), some matters still continue to be discussed in the undertaking—or even at the workshop level. Moreover, the agreements as often as not only fix minimum standards. Above all, however, no delegation of functions to an industrial organisation justifies an abdication of social responsibilities on the part of the heads of undertakings. The organisation is not an authority placed above an undertaking and the relations between it and its members are of an associative and not a hierarchical nature. Even in the most centralised systems the employers' organisations are very particular about developing the social policies of undertakings and encouraging initiatives and exchanges of views in matters relating to personnel management.

The evolution in the content of collective bargaining has often been discussed, not least in this *Review* and other ILO publications.⁴ It will be sufficient here, then, to point out how this evolution affects employers' organisations. To begin with, collective agreements for the most part only covered direct remuneration and working conditions, especially hours of work. The employers' side was mainly concerned with keeping labour costs at a level which would not endanger the competitiveness of the undertaking. This is obviously still a prime concern. However, the importance of the indirect labour costs as well as the so-called qualitative elements—whose effects are difficult to gauge even though they are very real in terms of constraints placed upon the employer—make it more difficult to assess the cost of the additional advantages granted. For the organisation this entails more elaborate studies and consequently the services of competent specialists. But sometimes bargaining does not stop with the signing of an agreement. More and more frequently, it leads to the establishment of institutions—social schemes, interpretative organs, safety and health improvement bodies—to be run jointly by employers and workers for the good of the entire occupational or industrial community.

Another well-known aspect of the recent evolution in collective bargaining is the growing role of the State, whose neutrality is now hardly more than a memory. The preoccupation with combating inflation or, on the contrary, sustaining demand, not to mention political pressures, have made the government a partner—sometimes invisible but always present at the bargaining table. There has been, as it were, a widening of outlook: over and above the perfectly legitimate interests of the parties, negotiations must take account of the general interest and the achievement of a balance between consumption of the fruits of production and investment, between the short and the long term. A balance between the two sides of industry becomes an essential condition for harmonious economic development.

Some industrial relations systems are not based on the conclusion of collective agreements but on arbitration awards, as is the case in Australia and New Zealand. More detailed analysis shows that these procedures in no way rule out bargaining, quite the contrary; negotiations may be conducted beforehand with the awards ratifying the agreement, or the two procedures may go hand-in-hand. The employers' organisations have evolved in these countries in a novel way but, when all is said and done, they have striking similarities with those of other market economies.

From defence to representation of interests

The free market economy system of the last century did not involve organisation on the part of the employers any more than any other form of representation of interest groups. It was in fact based on the abolition of the guilds system, and everything that in any way resembled that system long had a bad image. During this period, employers' organisations were few and far

between and confined themselves to technical matters or providing a framework for social contacts. In some countries, particularly outside of Europe, this situation continued well into the twentieth century.

The first efforts made by undertakings to organise were undeniably triggered off by defensive reactions. Sometimes they felt that their economic interests were being, or might be, threatened by the commercial policy of the State (at the outset free trade certainly aroused a host of protectionist reactions in many industrialists). This need to defend their interests also arose as a reaction against the organisation of other social groups, particularly wage earners, or against the end of a certain neutrality of the State in the economic and social field. Whereas trade unionism, right from the start, contained an element of revolt against the existing order, employers' organisations began rather by aiming to protect entrepreneurs against real or imagined onslaughts upon their position or prerogatives.

In order to defend its members' interests, an employers' organisation puts its case to the authorities and to public opinion, mainly via the press. Both these lines of defence are still important. The ways and means of influencing the authorities obviously depend on the political structure of the country. Relations are rarely institutionalised between employers and political parties in the way that they are between some trade unions and the socialist movement, but it is true that all employers' organisations seek to establish links with members of parliament and the leaders of the administration. As far as influencing public opinion is concerned, significant attention has to be paid to the new means of expression, particularly radio and television, which call for special skills and techniques. In addition, special care must be taken to get the message across to particular groups which play a key role in the forming of opinion, such as teachers, the clergy and officers of the armed forces.

There is nothing particularly original in all this, which is common to all pressure groups. What is far more interesting is the content of the message. Economic liberalism in its pure state is nowadays seldom the dominant doctrine of States. More and more, the political debate is both economic and social in nature and centred on social options. This calls for a different type of reaction on the part of employers' organisations. It is no longer enough for them to take a stand on isolated questions; they will also have to abandon some of the discretion which has often surrounded entrepreneurial circles. They are thus increasingly organising demonstrations on a scale capable of attracting the attention of the media to subjects which exercise public opinion. This, for instance, is one of the aims of the periodic conferences of the French employers. It is also necessary to present to the public a well-balanced and coherent picture of an economic society based on free enterprise and other related freedoms. The activities undertaken in this respect in Sweden are significant. There is, however, a limit which must not be overstepped, since an industrial organisation cannot turn itself into a political party or it will run the risk of compromising

the interests of its members and creating confusion prejudicial to the workings of democracy.

Another development is even more significant. In times past defence of private interests was tolerated rather than recognised. In France the well known *Le Chapelier Law*, which abolished the guild system in 1791, prohibited the defence of "alleged mutual interest". Nowadays the public authorities recognise that they need to hear the views of interest groups, and ask for them. A defensive stand has given way to representation of employers' interests.

Section 32 of the Swiss Constitution, adopted in 1947 by popular referendum and which concerns economic policy, provides that "the competent business organisations should also be consulted before the enactment of the laws of execution". This is simply explicit recognition of a widespread practice in the majority of administrations which has also obtained the sanction of an ILO instrument, the Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113), dealing with co-operation between public authorities and employers' and workers' organisations. Industrial organisations no longer have to approach ministerial offices via the back door, as it were; they are invited and their opinions are openly solicited. They are called upon to sit on innumerable committees, to run social institutions along with representatives of other groups, in particular workers' trade unions. With the latter they no longer have merely contractual relations but must together formulate opinions or run public law institutions.

Thus we arrive at tripartism. It was enshrined in the ILO Constitution as far back as 1919 at a time when it was based on little more than a few experiments carried out during the First World War by the principal belligerents. It was then a new idea, ahead of its time. The tripartite principle has been recognised in the various economic and social councils provided for by the Constitutions of France and some African and Latin American countries as well as in the Treaty establishing the European Economic Community and elsewhere set up by legislation or on the initiative of the parties. There are other ways of enabling employers' and workers' organisations to share power, such as according them a special status in the organisation of the nation.

Does this mean a return to corporatism? Although it was strengthened at a certain moment by the social doctrine of the Catholic Church, this system has been discredited by the use made of it by fascist and authoritarian regimes. There will always be a radical difference between the political authorities and private groups, even when they represent a key social category, and even if it is recognised that political power can no longer be exercised effectively without investigating and taking into account the reactions of the circles concerned.

Some new tasks

A few details about some of the new tasks of employers' organisations will serve to illustrate their social responsibility vis-à-vis the nation as a whole and its development.

The modern undertaking is constantly evolving. Adapting to change is one of the major functions of the entrepreneur and one which cannot be delegated even to an industrial organisation. The latter may, however, assist in this adaptation.

One example is in the fight against hazards to the health or even the lives of the workers. New technologies call for continuous vigilance in this regard. Employers' organisations must constantly keep the heads of undertakings informed about safety and, in particular, must encourage them to keep safety considerations in mind even when manufacturing processes are still only at the planning stage. Accordingly, employers' organisations are devoting an increasing part of their activity to making their members aware of the problems and making technical advice available to them. Even organisations with limited means are engaging one or more specialists for this purpose.

Another example is provided by the new forms of work organisation introduced partly in response to new technologies but also to meet the aspirations of workers for more responsibility and autonomy in the definition and performance of their tasks, i.e. greater participation. The specific arrangements can only be settled in the undertakings themselves but the employers' organisations can look into them beforehand with the entrepreneurs and subsequently evaluate the results obtained. The compiling of a catalogue of such experiments from which lessons can be learned is in itself a step in the right direction.

Employers' organisations have thus become institutions for training directors of undertakings either directly or indirectly. Most of the big employers' federations have set up further training centres for managers which offer various programmes, including many devoted to the human aspects of management, particularly in the two fields mentioned above. In the less advanced countries direct training is no doubt beyond the capacity of the organisations, but it is probably these very countries which are hardest hit by a shortage of qualified industrial managers. This shortage is one of the most serious obstacles to development since it can only be surmounted by a long and exacting effort aimed at overcoming human and cultural handicaps which are more difficult to counteract than the lack of equipment or money. Employers' organisations nowadays consider that they have direct responsibility in this area, whether it be in the planning of management training policies or in the running of the institutions established by the public authorities or international bodies. In particular, they show concern for productivity, a notion which calls for full awareness of the problem on the part of every person in the undertaking.

Consequently, the responsibilities of employers' organisations in the field of training do not stop at the management level. Apprenticeship was one of the least debatable responsibilities of the old guilds. In some countries, particularly in Central Europe, undertakings have retained direct responsibility for initial training. Experience shows that this facilitates the integration of young people into industrial life through a judicious balance of practical and theoretical training. Appropriate training undoubtedly promotes employment.

But an evolving economy, and this is the case with the industrial as well as the developing nations, calls for permanent training. Many big undertakings earmark considerable sums for this purpose and regard such expenditure as their best investment even if the personnel trained in this way pursue their careers in other undertakings. Medium-sized or small undertakings may consider such activities beyond their means. It is then up to their industrial organisations to take on the job. In France training associations have been set up for this purpose, but other formulas are possible. For example, employers' organisations support major training institutions in various countries of Latin America, such as the SENAI or the SENAC in Brazil, or the SENA in Colombia.

In most countries there is a quantitative, but, above all a qualitative, imbalance between training and jobs. Since most of the productive jobs which are essential for development are located in existing industrial undertakings, or will be available in undertakings due to be established, it is vital that the educational systems, in the widest sense of the term, and the undertakings should not live in two completely separate worlds. Co-operation, without any ideological preconceptions or preconditions, would give young people a better preparation for working life not only through appropriate technical training but also through the development of their creative faculties and their ability to adapt to economic and technological changes.

Another example of the functions of general interest performed by employers' organisations is their participation in national planning activities. Although not widespread in the industrial market economies, except for France, it is commoner in the developing countries even where the economy is mainly private and the plan is indicative rather than imperative. Co-ordinated forecasting entails the active participation of organisations representing the undertakings. In the industrial nations of Europe there are also forecasting bodies which are more or less formalised, even if only for the purpose of "concerted action", designed to enable the various partners in the economic life of the nation to collate the basic data they have to take into account. If they are to perform this function in a worth-while manner industrial organisations must equip themselves with the means to voice the undertakings' points of view from a wider standpoint than the immediate defence of their everyday interests.

Structures adapted to current tasks

An employers' organisation thus appears to be as necessary for the proper functioning of democracy and the economic system as for the undertakings themselves. But it also has to be representative, i.e. recognised as a spokesman for the economy not only by its members but also by the other parties, and must be endowed with the means to express itself freely and authoritatively.

If we look at the way associations representing undertakings are organised in most countries, the situation looks very complex indeed. On the basis of regional or occupational affinities undertakings form a considerable number of associations—several thousand in the large countries—which in turn form different types of federations and even one or more central confederations; in other words they constitute a structure or system of employer representation rather than an organisation.

In some countries, particularly in northern Europe, the Federal Republic of Germany and the English-speaking countries of Africa, the concept of employers' organisations is limited to the employment market. The organisation's field of competence is restricted to so-called "social" questions, i.e. negotiating with workers' organisations, formulating opinions and guidelines on the labour legislation and joint discussion of these problems. It is therefore the exact counterpart of the workers' trade union and often has the same legal form. This does not mean to say that bargaining is necessarily carried out at the central level: on the contrary, in many systems it frequently takes place at the occupational level (as in the Federal Republic of Germany), with the federation playing a co-ordinating role. At the same time the undertakings can have "economic" associations whose aim is to defend their other interests, for example, with respect to the tax or business legislation or foreign trade.

This system is justified for a variety of reasons, in particular because it is easier to secure employer cohesion on the "social" plane than on the "economic" one. Nevertheless, the social policy of undertakings is determined by economics. Furthermore, the newest tasks of the employers' organisations have to do with issues in which it is difficult to make a clear distinction between social and economic aspects. In the countries where there is still such a distinction it has therefore been necessary to take steps to co-ordinate closely the activities of the two types of organisation. For this same reason undertakings in countries where there is no division of tasks between the two types of organisation have preferred to retain multi-purpose types of associations. There are, however, relatively few cases of one system giving way to the other, the most significant having been in the United Kingdom where a unified—economic and social—organisation was formed in 1965 out of specialised federations.

In actual fact the structure in each country has evolved according to the conditions prevailing in its own national environment and as often as not

without any preconceived plan. Some organisations are very old, having been founded in the nineteenth century both in Europe and in other continents (one of the oldest being the Argentine Industrial Union which dates from 1887) and their functions were not always the same as those of a modern organisation. Rather than create new structures it has sometimes been deemed preferable to adapt the old ones, which explains the disparity in the terms used.

Whatever form they take, employers' organisations must ensure unity of employer representation and maintain the internal cohesion necessary to pursue their activities.

Unity in the organisations and diversity in the undertakings

The members of employers' organisations are not individuals but undertakings; these may range from craftsmen employing one or two journeymen to companies with several thousand employees, private undertakings or firms whose capital is partly or entirely owned by the State, national groups or subsidiaries of multinational groups. Undertakings in one and the same sector are competing against each other. The interests of industry, commerce and transport do not always coincide, nor do those of the various regions. In addition directors of undertakings can differ in political or religious convictions, ethnic origin and so on. Employer unity is not something that immediately strikes the eye.

What type of undertaking should belong to an employers' organisation? The present trend is certainly towards representation of the widest possible range. What has to be avoided is any attempt to gather together units that are so different in nature that it would prove almost impossible to arrive at a common position. Three main problems arise: in regard to non-industrial sectors, small and medium undertakings, and publicly owned companies.

While there are still many countries in which the non-industrial sectors—commerce, transport, and agriculture—have their own organisations, the trend is more towards amalgamation, though perhaps less so in agriculture, especially in the countries in which the farms are still on average fairly small. Expansion is moreover easier in organisations whose scope is limited to social questions. Recently, however, it has been found that the need to put forward common positions has prevailed over intersectoral clashes of interests and has made it possible to transform organisations of industries into organisations of undertakings.

Membership of almost all employers' organisations is open to small and medium-sized undertakings above a certain scale which, when actually specified, is generally small. This does not resolve the problem of their effective participation. These undertakings need their organisations more since they benefit more from their services, but they are more vulnerable and their directors have less time to devote to organisation matters. Their full participation calls for a sustained effort on the part of the organisation in the

field of services and in respect of structures to enable them to let their own interests be known. Recognition by their directors of the specific nature of these interests has led in some countries to the setting up of specialised organisations, which does not, however, rule out dual affiliation. This situation is not bad in itself provided that co-ordination is maintained between the organisations to avoid rivalries weakening their over-all representativeness.

The affiliation of public undertakings to employers' organisations can threaten their freedom of expression if these undertakings are not in themselves sufficiently independent. The answer to this problem in each case depends on the way their administration is conceived and the size of the public sector. There can thus be no single answer. It can be said that, in the majority of cases, concern to ensure sufficient representativeness has led to the acceptance as members of at least those national companies which carry on their activities in similar conditions to the other undertakings and which produce for an open market, hence excluding services administered directly by the public authorities or state monopolies. It sometimes happens that governments prohibit the undertakings they control from joining employers' organisations but this has generally been regretted by the other employers.

Apart from these differences arising out of the nature of the undertakings, their directors can sometimes group together on the basis of their political, social or religious views. These movements normally lie outside the general pattern of organisations and do not claim to be representative. A good example would be the groups of Christian employers, which can quite often be very active and have established an international organisation. Except for isolated cases employers' organisations, in the strict sense, are non-denominational and avoid divisions of a political nature.

Achieving coherence through effective participation of the members

For an organisation to be representative it is not enough for it to be open to all undertakings; they must also join it, participate actively in the discussions and decision making and help to provide it with the necessary resources.

As regards the first point, the problem would seem to be solved where the legislation requires employers to join a specified organisation. This situation, which exists in some countries, particularly developing ones, does not necessarily mean that the organisation in question is not independent and may not be considered to be a genuine employers' organisation. Many Chambers of Commerce find themselves in this position in countries of continental Europe (whereas in the English sense of the term Chambers of Commerce are voluntary associations of businessmen in a town or region). In these countries, however, undertakings have set up separate employers' organisations based on voluntary membership. This is certainly more in conformity with the principles of freedom of association as set forth in the

ILO's Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) (which applies to employers as well as workers), but above all it obliges the organisations to make a constant effort to maintain and increase the number of their members. Consequently they have to conduct themselves as a matter of course like undertakings on a competitive market and offer their members services which they are entitled to expect (legal advice, training activities, information, etc.), particularly in the case of the primary associations which are in direct contact with the undertakings. An organisation in which membership is compulsory runs the risk of being regarded as a sort of public administration having little to do with the aspirations of heads of undertakings.

Except in very small countries the structure of employers' organisations is necessarily complex. An interoccupational organisation at the national level is one essential. Another is that the undertakings should have an organisation close at hand to enable heads of undertakings in the same occupation and locality to have personal contacts with each other. Between these two, federations are established at the level of the branch of activity as well as, frequently, regional organisations. The latter are particularly necessary in geographically large countries, especially those with a decentralised or federal political structure. These could be independent associations belonging as of right to the central organisation, or regional offices or sections. Basically this is immaterial; what matters is that the newest tasks of the employers' organisations, whether they relate to the environment or participation in development, should generally speaking result in a strengthening of these decentralised structures. What must be avoided, however, is giving the undertakings in the capital city the appearance of having a preponderant influence.

Any institutional structure tends to be bureaucratic and to defeat its purpose by hampering communications between the bottom and the top of the pyramid. Direct membership of undertakings in the central organisation is designed to prevent this from happening. This solution will not work everywhere, since it can also have the effect of weakening the intermediate structures, which have their own function to perform, being closer to the members. It can also favour the bigger undertakings at the expense of the smaller ones.

The diversity of undertakings in fact causes a problem of balance. Unlike associations of physical persons, the members of employers' organisations are often legal entities carrying very different economic weights. One of the roles of the intermediate structures is to unify the representation of undertakings of every category by acting as spokesmen for a sector of activity and not for particular undertakings. The achievement of an adequate balance and the successful functioning of a system of internal communications call for a judicious composition of the executive or research organs of an organisation, achieved either through statutory regulations or as the result of practice. There are other means, such as the organisation of mass gatherings on the

occasion of general assemblies or independently of them, but this formula is worth while only if it is the outcome of preparatory work involving all the regions, all the branches and as many undertakings as possible.

If the directors of undertakings are aware of the role of their organisations in society they will also understand that they cannot perform this role if they do not have the necessary material resources. They must help first of all by giving up some of their time to organisation matters and releasing some of their executive staff for the same purposes. This is not the easiest thing to arrange, but many heads of undertakings understand that it is part of their civic and social responsibilities. Although the role of heads of undertakings is vital, the organisations must also have permanent staff at their disposal. Working for an employers' organisation has become a profession for which training must be provided. To enable all these tasks to be performed the services of numerous specialists are also needed, in such fields as public relations, the press, economic analysis and statistics.

All this obviously requires money. Contrary to what one might think, employers' organisations are subject to financial constraints like all other associations. The establishment of a scale of contributions, whether based on staff, the wage bill or value added, is a perilous exercise which is not unconnected with the balances to be maintained between sectors, regions and undertakings. Experience shows that this is one of the weak points, especially with organisations of recent date and in the developing countries.

International developments

The main features of employers' organisations on the international plane are no different from those observed nationally.⁵ There are international employers' organisations by branch of activity such as the Confederation of International Contractors' Associations, which comprises three construction industry contractor associations (from Europe, Asia and the Pacific, and the Americas), or the International Shipping Federation.

Interoccupational bodies have generally been set up to act as spokesmen to an intergovernmental institution. For example, there is the Business and Industrial Advisory Committee (BIAC), an employers' organisation within the OECD comprising employers' federations of the member countries, which replaced the Council of European Industrial Federations to the European Economic Co-operation Organisation. There are also the Union of Industries of the European Community (UNICE, after the French initials), the Association of Latin American Industrialists in the Latin American Free Trade Association, the Caribbean Employers' Confederation, the South-East Asian Employers' Confederation, and so on.

At the world level there are two organisations representing the undertakings of the market economy countries, one—the International Chamber of Commerce (ICC)—specialising in economic matters and the other—the International Organisation of Employers (IOE)—in social matters,

thus reflecting a division of work existing in certain countries. At this level, too, the distinction between economic and social matters is becoming increasingly blurred and both organisations are being called upon to step up their co-operation, especially vis-à-vis general institutions like the United Nations. Activities in connection with multinational enterprises are a good example of this.

There are obviously certain parallels between the political organisation of the world and the international structure of the employers' movement, one of whose main functions is to represent the point of view of the undertakings in the various bodies established by governments. But this is not the sole function. The setting up of an official institution has often provided the occasion for establishing an employers' structure which also fulfils other purposes such as exchanges of information and joint discussion. The first contacts which led to the creation of the IOE, for example, predate the First World War, at a time when the ILO had not yet been contemplated. Nowadays the international employers' organisations, and the IOE in particular, are considered by their members to be one of the ways of establishing co-operation between the organisations of the industrial nations and the developing world.

Such co-operation is one of the preconditions for the internal cohesiveness of the international employers' organisations and determines the effectiveness of their representation on the international plane. In the space allowed to us here we cannot go into detail, for example, on the role played by the IOE as a driving force in the employers' group in the ILO.⁶ But it would be found that it performs functions similar to those of a national organisation: defending private interests, to be sure, but also contributing to and participating in work for the general interest.

Notes

¹ In the post-war period, Guy J. Puységur: "Employers' organisations in Europe and North America", in *International Labour Review*, May 1951, pp. 507-536; E. G. Erdmann (Jun.): "Organisation and work of employers' associations in the Federal Republic of Germany", *ibid.*, Dec. 1958, pp. 533-551; and J. J. Oechslin: "The role of employers' organisations in France", *ibid.*, Nov. 1972, pp. 391-413.

² The ILO has published a report on the Nairobi meeting under the title *ILO/DANIDA-Pan-African Symposium on the Role of Employers' Organisations in Africa* (Nairobi (Kenya), 13-17 October 1980) (Geneva, ILO, 1980; doc. PASEA/1980/D.6 (Revised); mimeographed); on the Buenos Aires meeting, entitled *Seminario regional para las organizaciones de empleadores de América Latina* (Buenos Aires, 21-25 de abril de 1981) (Geneva, ILO, 1981; doc. SREAL/1981/D.29 (Rev.); mimeographed), and on that held in Tokyo: *ILO/DANIDA Asian and Pacific Employers' Round Table* (Tokyo, 1-8 December 1981) (Geneva, ILO, 1981; doc. RTAPE/1981/D.9 (Rev.); mimeographed). The report on the Kuwait meeting had not yet been published at the time of writing this article.

³ See J. J. Oechslin: "Employers' organisations", in *Handbook on comparative labour law and industrial relations* (Kluwer, The Netherlands, 1982).

⁴ See, for example, *Collective bargaining in industrialised market economies* (Geneva, ILO, 1973).

⁵ J. J. Oechslin and J. F. Retournard: "International employers' organisations", in *International encyclopaedia for labour law and industrial relations*, Supplement 23 (Kluwer, The Netherlands, 1981).

⁶ For further information on the general aspects of the policy of employers and the IOE in the ILO, see J. J. Oechslin: "La crise du tripartisme à l'Organisation Internationale du Travail", in *Droit social* (Paris), Dec. 1977.

Publications of the International Labour Office

Managing a management development institution

Management Development Series, No. 18

Edited by Milan Kubr

Drawing on the experience and contributions of many institutions from both industrialised and developing countries, an international team of 11 authors has written this book for the benefit of those involved in designing, planning, managing and supervising management development institutions. Part I examines key issues of institutional management under the following headings: the institution's profile and basic strategic choices; the process of strategic management; links with the environment; attracting and developing professional staff; organising the institution; operational programme planning and control. Part II contains case studies of institutional strategy and management applied in different environments. The appendices provide detailed guidelines for a diagnostic survey of an institution and a suggested list of indicators for planning its development and evaluating performance.

ISBN 92-2-102955-7

30 Swiss francs

Available from booksellers, ILO offices in many countries or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland.