

Employers' organizations responding to the impact of the crisis

*Interview with Jean-François Retournard,
Director of the [ILO Bureau for Employers' Activities](#)*

With the adoption of the Global Jobs Pact by the 183 member States of the ILO at the International Labour Conference in June 2009 (ILO, 2009), the world's governments, employers and workers have at their disposal an integrated portfolio of policies to address the global economic and social crisis. ILO Online spoke with Jean-François Retournard, Director of the ILO Bureau for Employers' Activities, about a new report which shows that employers' organizations played a major role in worldwide efforts to stem the crisis.

How can employers' organizations help to overcome the global economic and social crisis?

Employers' organizations are traditionally active partners in shaping and tailoring national labour market policies. Responding to the global financial and economic crisis is no exception. The ILO Bureau for Employers' Activities has published a report (ILO, 2010) which describes action taken by 29 employers' organizations worldwide with respect to the crisis. The picture we obtained from this report is by no means complete but it provides some illustrative insights into how employers' organizations have responded to its negative consequences while pursuing opportunities for longer



term positive change which also rise in times of crisis. We found it important to document these experiences, both to stimulate further action at the national level on the basis of lessons learnt and to inform policy debates.

What's more, the crisis also impacts on employers' organizations themselves and their membership¹. New Zealand is a good example: [Business NZ](#) created a new class of membership, the [Major Companies Group](#). The latter covers more than 40 major businesses or multinationals in the country from every sector, representing companies who employ close to half of all working New Zealanders. The Group provides a platform to share information on effective crisis responses in the areas of training and employment and allows them to focus on ways out of the recession.

¹ The ILO Bureau for Employers' Activities is organising a symposium on this issue to be held in January 2011: "National Business and Employers representative organizations: New challenges in a changing world".

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Do you see any common patterns in these crisis-related activities by employers' organizations?



Social dialogue is a strong basis for building the commitment of employers and workers to the joint action with governments needed to overcome the crisis and for a sustainable recovery. The report cites a number of examples on how collective action has been used and evolved in a crisis context. In Chile, the [Confederación de la Producción y del Comercio \(CPC\)](#) adopted a tripartite Labour Protection Pact with the government and the trade unions in May 2009 to prevent job losses over the next 12 months. It is hoped that the six measures taken under the Pact will reduce the unemployment rate by 1.5 percentage points benefiting some 125,000 workers. Similar agreements were concluded in many other countries, including South Africa, where the social partners adopted a *Framework Agreement*, which sets out the collective response of government, organized labour, business and community to the crisis.

The ILO Global Jobs Pact also stipulates measures to promote small and medium-sized enterprises (SMEs)?

Let me give you just two examples from the report in this respect. The [Australian Chamber of Commerce and](#)

[Industry \(ACCI\)](#) has helped to develop tax incentives as part of the public stimulus plan for new private sector investment. These incentives have been heavily (though not exclusively) directed at small and medium sized enterprises and have significantly helped maintain private sector investment. In Armenia, the [Republican Union of Employers of Armenia \(RUEA\)](#) has lobbied successfully for improved tax legislation, reducing more than twenty types of verification procedures for SMEs.

What about measures to cushion the social impact of the crisis?



Many of these measures concentrate on retaining workers in employment as far as possible and facilitate more rapid re-entry into employment. In Singapore, a taskforce, led by the [National Employers Federation \(SNEF\)](#), formed 12 Tripartite Upturn Strategies Teams (TRUST) to visit over 600 companies to create awareness on the full spectrum of measures available as well as to provide advice and guidance on implementation of measures specific to the company/industry. As a result, the number of workers on shorter workweeks and the number of temporary lay-offs increased from 550 before the downturn to 26,500 in the first quarter of 2009. Had these guidelines not been available, many of these workers might otherwise have

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faced retrenchment. In Norway, joint demands by the [Confederation of Norwegian Enterprise \(NHO\)](#) and the [Norwegian Confederation of Trade Unions \(LO\)](#) led to a more flexible system for temporary lay-offs, while the [Turkish Confederation of Employers' Associations \(TISK\)](#) initiated a new legal arrangement on shorter work schedules.

The crisis also created opportunities to use periods of unemployment for training and qualifying workers?

The [Confederation of Netherlands Industry and Employers \(VNO-NCW\)](#) supported a Reduced Working Hours Scheme. Under this scheme, employers may reduce working hours by as much as 50% during which period the employees receive unemployment benefits for the hours that they are not working. The scheme initially applies for a maximum of three months, with the possibility of two extensions of six months each, and is accompanied by training agreements for employees during the period they are not working. In South Africa, [Business Unity South Africa \(BUSA\)](#) helped create a training programme to save jobs. In the Training Layoff Scheme, workers who would have originally been laid off as a result of the crisis are sent for training for a period of three to four months. While in training they receive a reduced salary paid for with the combined funds from the Unemployment Insurance Fund and the National Skills Fund.

Skills development initiatives are particular important for young people entering the labour market in these difficult times?

Our report cites the [Irish Business Employers' Confederation \(IBEC\)](#) which has launched its own initiative to help provide work experience for the approximately 16,000 graduates who left college in 2009 and were unable to find employment. The matching service allows graduates to view internship opportunities across a range of sectors and different business types through a dedicated website. IBEC has also engaged with the Government to allow graduates undertaking internships to retain their existing social welfare entitlements in cases where companies are unable to pay wages during placements. In a country like Ireland which was particularly affected by the crisis, such an initiative could be instrumental in ensuring that graduates do not emigrate to seek employment opportunities elsewhere.



References

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International Labour Office (ILO). 2009. [Recovering from the crisis: A Global Jobs Pact - \[pdf 143 KB\]](#) • [Français - \[pdf 117 KB\]](#) • [Español - \[pdf 86 KB\]](#) (Geneva)

Further resources

ILO Publications

Rychly, L. 2009. [*Social dialogue in times of crisis: Finding better solutions*](#) - [pdf 480 KB] (Geneva, ILO)

Simonsen, I.E. 2003. [*Social dialogue at the workplace: Trainer's workshop manual*](#) - [pdf 720 KB] (Geneva, ILO)

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Vandenberg, P. 2009. [*Micro, small and medium-sized enterprises and the global economic crisis: Impacts and policy responses*](#) - [pdf 3.41 MB] (Geneva, ILO)

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• [Français](#) - [pdf 1.20 MB] • [Español](#) - [pdf 1.36 MB]

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ILO Websites

[International Labour Office: Bureau of employers' activities \(ACT/EMP\)](#), Website


[International Labour Office: Skills and Employability Department \(EMP/SKILLS\)](#), Website


[ILO Global Job Crisis Observatory: Social dialogue](#), Website


[ILO Global Job Crisis Observatory: Employment promotion](#), Website

[Reaching out to SMEs: An electronic toolkit for employers' organizations](#), Website

ILO Videos

ILO TV. 2009. [*Flexible working arrangements help Australia maintain employment rate during economic crisis*](#) - Interview with Peter Anderson, Chief Executive of the Australian Chamber of Commerce and Industry  (Geneva, ILO)

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