
Governance of Employers' Organisations

Practical Guidelines

by
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**Dutch Employers
Cooperation Programme**

Governance of Employers' Organisations

Practical Guidelines

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DECP, the Dutch Employers' Cooperation Programme, was set up at the end of 2005 with the aim of assisting and supporting employers' organisations in the Netherlands' 36 partner countries. DECP is a joint initiative of the Dutch Employers' Organisations and the Ministry of Foreign Affairs of the Kingdom of the Netherlands.

As we share the same objectives and focus on the same organisations, DECP decided to cooperate closely with the ILO, ACT/EMP, Bureau for Employers' Activities in Geneva and its network of experienced and qualified Senior Specialists in the field offices, as well as with IOE, the International Organisation of Employers in Geneva.

In addition, from the end of 2006 onwards, DECP has also been working closely with EMPACT, the Employers' Activities Bureau of the ILO-Training Centre in Turin. Several training programmes have been successfully developed in the meantime. For example, in cooperation with ITC/EMPACT, DECP has developed training materials to encourage good governance practices by employers' organisations: they are at the disposal of the constituents in the partner countries.

In this respect we are grateful to the ILO/ACT/EMP for allowing us to update and issue the publication by J.M. Standaert "Governance of an Employers' Organisation", Budapest 2004.

Table of Contents

	Foreword	9
1	Introduction: Basic Principles for business organisations: - Freedom of Association - Basics of an Organisation - Who is the Employer? - Differences between an enterprise and an organisation	11
2	Mission Statement and Strategy of an Employers' Organisation	15
3	Members - Principles - Forms of Membership - Rights of Members - Duties of Members - Termination of Membership - Members as Customers	17
4	Statutes and Bylaws	23
5	The Board, the President and Vice-President(s) - Role/function and composition of the Board - Preconditions for board membership - Rules for board members - Transparent decision-making - Committees and ad-hoc working groups	27
6	Finance - Role of the Treasurer - Rules for membership fees and other incomes - Rules for expenditure - Division of the revenues of an employers' organisation	31
7	Staff - Remuneration of staff members - Functions in the staff - Required competences/qualifications of the staff - Interaction of the secretariat with the board - Role of the General Manager	35

8	Services	39
	- Two kinds of services: collective services and tailor-made services	
	- Documentation and information centre or library	
	- Regular meetings with the members	
	- International	
	- External relations	
	- Examples of tailor-made services	
	- Membership benefits	
9	Communication with the Members	43
	- Logo	
	- Database of members	
	- Circulars	
	- Leaflets and/or brochures about the organisation	
	- Activity report	
	- Newsletter and bulletin	
	- Handbooks and special publications	
	- Website	
10	Employers' Organisations and Politics	47
	- Why?	
	- What about a Party of Employers?	
	- What about deployment of retired politicians?	
11	Other issues:	51
	- About "mandates"	
	- About "missions", "study tours" and "international invitations"	
Attachments		
1.	Table: Relations between Chambers of Commerce and Employers' Organisations	53
2.	Rights of Employers' Organisations	54
	- Equal status with government and trade unions	
	- Freedom of expression	
	- Freedom of association	
	- Right of consultation	
	- Freedom of representation	
	- Free and voluntary collective bargaining	
	- Tax deductibility of membership fee	
3.	Benchmarking or auditing your organisation	57
4.	Selection of publications for Employers' Organisations	58

Foreword:

Running an employers' organisation

An employers' organisation is not a holding company or other company in which the majority of shareholders make decisions about activities, investments, expenditure, and so on.

An employers' organisation is also different from a political party in which, again, the majority make decisions over several matters against the minority. Furthermore, an employers' organisation should not belong to a political party or a trade union.

An essential characteristic of an employers' organisation is that it should be an independent organisation: it cannot be linked or belong to any governmental institution nor can its statutes, internal rules, the membership conditions and the board be regulated by a law or by a decision of a minister.

Employers' organisations are non-governmental organisations (NGO) and belong to civil society organisations (CSO).

The aim of an employers' organisation is promotion of the common interests of the members vis-à-vis government, trade unions, consumer organisations and other interest groups.

An employers' organisation is a members' organisation: the members are its heart and strength. It is the members who make decisions about the activities, positions and development of the organisation, not the general managers or the president alone, even when the latter have a firm mandate from the members. Members must be regularly informed and consulted, and involved in the activities of the organisation.

Indeed, an employers' organisation is made by and for the members: they decide! At the same time, decisions should be taken rather by consensus than by a majority against a minority.

1. Introduction: basic principles for business organisations

Given that running an employers' organisation is different from running a company, it requires special skills on the part of its leaders, who must always be aware of the specific needs and interests of the members and act and think pro-actively.

The present brochure is intended to provide some basic rules of successful development for those who want to set up or develop an employers' organisation. It does not pretend to lay down rules: it only seeks to offer some practical hints on how an organisation might be improved, based on observation and experience.

We are well aware that the principles and ideas described in the following pages refer to an ideal situation: organisations from economies in transition should consider those principles as a goal to reach.

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Freedom of Association

One of the Four Fundamental Principles of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998) is freedom of association.

This is a basic condition for building prosperity and growth in a modern society. Every person or organisation has the right to join or to refuse to join an organisation of his own free will, and no one can declare joining an organisation to be compulsory.

Thus, membership of an employers' organisation can only be voluntary: organisations which claim to represent the interests of employers and which are based on compulsory membership, cannot be considered to be employers' organisations.

Freedom of association means that an organisation may freely decide how it will operate, what its objectives are and how it will attain them.

Freedom of association also refers to pluralism of organisations: more than one organisation can claim to represent the interests of employers. However, an organisation's level of representativeness will determine its authority and bargaining power, but also its responsibilities.

Basics of an Organisation

The three main components of an organisation are: (i) the members, who come together in the General Assembly, (ii) the board and (iii) the staff.

The General Assembly elects the board members, determines the mission and objectives, and also takes decisions on financial matters.

The board appoints the staff, determines strategy and policy (the best way of achieving the objectives decided by the General Assembly), controls the finances and reports regularly to the General Assembly.

The staff are in charge of implementing strategy: however, they cannot make decisions in their own right, but must report to the board on its main activities.

No constituent can survive on its own: good cooperation and synergy are the key to the organisation's success.

Members expect support from the board and the staff, but they in turn must support the latter by paying membership fees and actively participating in the organisation's activities .

Who is an employer?

The employer is the legal entity with which the worker signs a labour contract and with which trade unions conclude collective agreements.

The concept of "employer" is notional, existing only for the purpose of regulating industrial relations via the labour code, in order to define who is recruiting or employing workers.

On all occasions where the employer is concerned, he/she is represented by a duly appointed member of the management. In larger companies, representation is carried out by the manager in charge of human resources (HRM). But this can also be one of the tasks of the general manager.

In small companies and in case of handicrafts, the employer is usually the owner of the company if he/she is also in charge of the management.

A shareholder without any management activities in the company cannot be considered to be an employer, nor as a representative of the employer. Shareholders are only owners of a part of the capital, and the capital is one of the stakeholders in a company.

An entrepreneur can represent the employer, if he/she is the manager in charge of human resources, i.e. with the task of recruiting employees, signing labour contracts and/or signing collective agreements.

Differences between an enterprise and an organisation

Running an organisation is different from running an enterprise. In an enterprise, all decisions are taken by the board and the manager appointed by the board, and they are evaluated by their contribution to the profit of the company.

An organisation does not have profit maximisation as its objective: its objectives are the promotion of the interests of the members, and this is not very easy to quantify. Members decide about the objectives and activity of the organisation, via the board. The management has to execute the decisions of the board.

The following table shows similarities and differences:

	Company	EO	Objectives
Founders:	Shareholders	Members	Shareholder value
Users:	Customers	Members + stakeholders	Customer Value
Input:	Raw materials	Information	Quality
Output:	Products	Position papers, proposals	Quality
Producers:	Employees	Staff, secretariat	Competences, skills
Result:	Profit / loss	Surplus / deficit	Positive / negative

2. Mission Statement and Strategy of an Employers' Organisation

The aim of an employers' organisation is to promote and defend the common interests of its members. It is not the primary aim of an employers' organisation to promote and defend the particular interests of individual members, unless this can serve as an example or precedent for future, similar cases.

The basic value on which an employers' organisation is built on solidarity among its members¹.

For this reason, it is important that an employers' organisation tries constantly to improve its representativeness: the wider the membership, the better its representativeness, and the greater its authority as spokesman for the employers of its sector or territory.

However, in order to attract more members, an employers' organisation must clearly define what its "common interests" are, and on that basis define and explain its objectives and goals.

For this purpose it must work out a mission statement, supported by a programme of objectives and a strategy for achieving them.

The mission of an employers' organisation is very specific and differs from that of a business association or Chamber of Commerce, whose objectives are more to stimulate business relations among the members (see Table in Attachment 1).

In countries in transition in particular, employers' organisations have a responsibility to work out proposals for economic and social reform which will promote the development of enterprises and entrepreneurs.

¹ See also the speech by Rolf Thüsing, Executive Vice-president of the International Organisation of Employers, at the inauguration of the International Symposium on "The Future of Employers' Organisations", organised by ILO/ACT/EMP in April 1999 (doc. ACT/EMP 20, page 52)

3. Members

It must therefore develop position papers which detail the reforms they would like implemented: for example, concerning privatisation, energy policy, collective bargaining, ways of boosting employment, and so on.

An employers' organisation's main strategy for implementing a reform programme is the lobbying of decision-makers: government, parliament, media, public services, and all kinds of interest groups, including trade unions, consumer organisations, environmental groups, and so on. The social dialogue is a unique, specific tool for employers' organisations in their lobbying strategy.

The General Assembly must regularly reflect on the mission statement and objectives, and update them from time to time.

A mission statement should be no longer than two pages and, after the members have approved it, should be communicated to the main "stakeholders": staff, customers, the authorities, and local and national news media.

Each employers' organisation should adopt a mission statement with definition of its goals or objectives and an action plan or strategy for bargaining and lobbying.

The mission statement should be updated on a regular basis, for example every five years or on the election of a new president or new board.

The position papers adopted by the board should be based on the mission statement.

Members are the most important and most valuable asset of an employers' organisation.

Members are those employers who have signed an application form in which they agree with the statutes of the organisation, in consequence have been accepted by the board or the assembly of the organisation and have paid the membership fee. Payment of the membership fee is an essential condition for qualifying as a member.

Employers, even after having signed the application form, but neglecting to pay the membership fee, cannot be considered to be a member and thus have no rights in the organisation:

- they are not entitled to voting rights at the General Assembly,
- they cannot apply for or keep their membership in the board of the organisation
- cannot benefit from the assistance by the organisation and the services of the organisation (and lose the right to a discount when participating in some paying activities),
- they should ultimately be removed from the membership list, after having not reacted to reminders and warnings.

Those who do not pay the membership fee can be considered potential members (prospects) or sympathisers, but not members. As a consequence, the representativeness of an employers' organisation can only be based on the number of paying members.

Principles

The members are the employers in a particular sector or in a certain region: the members are grouped in sector associations and/or in local or regional organisations.

All employers of the same sector or industry or of the same region have the right (to be invited) to join an employers' organisation: multinational companies or joint ventures with international partners cannot be refused entry to such an organisation, and as members they have the same rights as domestic employers.

State-owned companies can also be invited to join an employers' organisation, as long as the management is independent of the government and the objectives of the company are really focused on the stakeholders' interests and in conformity with

the goals of the employers' organisation. Otherwise, those companies will be the spokesmen of the policy of the government, and not of their own interests and thus endanger the independence of the organisation.

Employers may as well be individuals, persons who recruit employees as legal entities (companies, enterprises, institutions, and so on).

Although its members are both colleagues and competitors, it cannot be the aim of an employers' organisation to regulate "market" issues with the aim of limiting or distorting competition between members or with non-members (unless in conformity with the law on competition). In most countries this is also forbidden by law.

Several sectors can form a confederation: usually, individual companies cannot be members of a confederation, but exceptions can be made for important companies if their sector association is not a member of the confederation.

A confederation can decide to admit only one sector association, if there are several organisations in the same sector: in that case, the confederation should choose the one which is most representative and which agrees with its objectives. The fact that only one organisation per sector is invited to join a confederation is an opportunity for the board of the other organisations of the same sector to start to reflect about the mission and priorities of those organisations and need for a rationalisation and improvement of the efficiency of the services provided by more than one organisation.

In some countries, confederations are based on direct membership of enterprises which are then organised in "sections": the membership fee is paid into the accounts of the confederation and part of the fee is then allocated to the administration of the section. But sections are not autonomous, not independent legal entities, and will thus not be accepted as members by international sector organisations.

In addition, the administration of such confederations with direct membership of enterprises can become very difficult and costly: for example when a large number of individual members have to be invited to the annual General Assembly. That is why it is highly recommended to organise a confederation with "collective members", as sector and/or regional organisations.

Even some sector organisations, as in the food industry and in the construction sector, are organised as a confederation with sub-sector organisations as collective members.

Membership of international organisations is usually also limited to one organisation per country, unless there is an agreement between the organisations about a division of competences, tasks and representation (condition of non-competition). However, in case the international organisation is based on direct membership of companies, all companies present in the territory should be invited to join the organisation, without any limitation if they agree with the objectives and the statutes.

Membership is always voluntary: it cannot be compulsory. As a consequence, the organisation, via its staff and activities, must strive constantly to gain the confidence of its members by providing the services they expect and for which they pay the membership fee. Members are entitled to a return on their contribution to the organisation.

Needless to say, if the organisation is expected to provide excellent services and take the positions demanded by the members, the latter must pay their membership fees on time.

The meeting of all the members is called the General Assembly. This usually takes place at least once a year on the date fixed by the statute or the board. All members must be invited and they have to approve or reject the activity report, the annual accounts of the previous year and the budget for the coming year, as well as elect new members of the board, controllers of the accounts, and so on. An extraordinary General Assembly can also be requested, to make changes to the statutes.

Forms of Membership

In order to increase representativeness, different categories of members can be envisaged: for example, full members or ordinary members with voting rights at the General Assembly, and associate and/or honorary members, without such voting rights. Associate or honorary members are usually individuals or organisations and institutions with strong links with the sector and whose advice is valued by the members (for example, research centres or university faculties).

Rights of Members

Usually, each member has one vote; however, in some cases the statutes may weight voting rights in proportion to the size of a company, taking into account turnover, added value, and so on. The statutes must provide clear rules in order to avoid misunderstandings and conflicts. It is also important to avoid a situation in which such weighted voting rights enable a small group of large companies to control the whole organisation.

In addition to the annual meeting of the General Assembly, the members have the right to be regularly informed and consulted throughout the year, not only by means of meetings, but also through newsletters and other regular information. Another way of increasing member participation is to involve them in specific activities: working groups, committees, and so on.

Even if all decisions have to be passed by a majority, the board and the staff cannot ignore the positions of minorities, especially if they represent a large number of members: a minority might at any time become a new majority in the organisation. For this reason it is better to try to reach decisions by consensus.

Duties of Members

Members have to bear their own costs of participation in the meetings and activities of the organisation (in addition to the membership fee). Indeed, they benefit directly from this, obtaining first-hand access to information, important for their activities: those who do not participate have to wait until the relevant information or activity reports are issued.

Termination of Membership

The main reasons for exclusion are non-payment of membership fees, disagreement with the objectives of the organisation and involvement in or condemnation for illegal activities.

Members as customers:

Members have to be nurtured not only as the most valuable asset of the organisation, but also as the first and most important customers of the services provided by the organisation.

The board and the management have to know the concerns of the members, why

they want to join the organisation. In order to ascertain the expectations and wishes of the members, the board and staff should periodically organise surveys among the members, at least once a year.

Caring for the members also means following changes in contact details: addresses, phone and fax numbers, e-mail-address and website, as well as the names and titles, functions of the contact persons, especially when they are promoted!

In relations with members, especially when sending the invoice for the payment of the membership fee, it is recommended to add a note detailing the benefits of membership, not only the discounts on services provided by the organisation, but also the achievements and positive outcome of lobbying efforts by the organisation's staff. Such a list of arguments and benefits should always be at hand for a discussion about membership of the organisation.

Employers' organisations are founded by the members and work for the members.

Employers join sector associations and local or regional organisations.

Confederations are set up by sector associations and regional organisations: membership is usually limited to one organisation per sector and per territory.

Membership is voluntary.

Members have the right to be informed and consulted.

But members have the duty to pay the membership fee on time.

The staff must take care to keep the membership data-base up-to-date

The staff have to listen to the wishes and needs of the members: they are not above the members, but at their service.

4. Statutes and Bylaws

The statutes are the basic regulations of an organisation.

Every member – and every subsequent new member – must sign up to them, and changes can be decided only by a large majority vote (usually 2/3 or 60 %) of a specially convened General Assembly.

They contain the following basic provisions:

- name – both full name and abbreviation or acronym – and address of the organisation (which should be different from the address of one of the founders!);
- logo, if there is one;
- aims of the organisation;
- concerning the members:
 - definition of who can become a member and how;
 - rights and duties of members, e.g. membership fee;
- concerning the General Assembly:
 - how and when it may be convened and who may participate;
 - rights and duties;
 - decision-making process: how to vote;
- concerning the board:
 - who may become a member of the board and how;
 - tasks and duties;
 - special functions of the president, vice-president and treasurer;
- finances:
 - tasks of the treasurer and controllers of the accounts;
 - budget;
 - annual accounts;
 - control and reporting of the accounts;
- representation and liabilities of the organisation as regards "third parties";
- staff and its competences;
- merger or dissolution of the organisation.

Which legal basis?

Of course, the statutes must be in conformity with the local law on employers' organisations, if such law exists, or the law on associations which should allow also the membership of legal entities. Where the law only allows citizens to set up or join an association, then this law is not appropriate, as only individual managers can join the organisation, and not their company, the legal entity as employer. One of the

main tasks of an employers' organisation is to negotiate and conclude, sign collective agreements with trade unions. By a collective agreement, the members of employers' organisations, as well as of trade unions are bound. This is not the case if the collective agreement is signed by a citizens' association. In addition in a citizens' association, the manager can remain affiliated even after he has left his company or moved to another one.

In some countries, employers can only set up a Chamber of Economy or a Chamber of Commerce, whose organisation is regulated by a special law on the Chambers of Commerce. Such a law usually regulates the statutes, the activities, the revenues, the elections for the board, etc. and they are authorised under certain conditions to perform services on behalf of the public authorities, such as issuing import and export licenses, certificates, or to maintain the registration of companies. Such a law is not in accordance with the ILO conventions on freedom of association.

In some countries, employers' organisations are set up as an "Economic Interest Group": this is not appropriate either, since such a law is mainly intended for commercial cooperation between companies with the aim of creating higher profits. Indeed, an employers' organisation should have the statute of a non-profit organisation (NGO) and belong to civil society (CSO).

It's important that the law confers legal personality or the statute of a juridical person to a registered employers' organisations. In some countries this is done through a special law on employers' organisations: however, in this case, it is important that the principles of freedom of association are respected which is not the case when specific conditions are foreseen for setting up and functioning of an employers' organisation.

In some countries, the registration of an employers' organisation is regulated by an article in the labour code or by the law on collective bargaining: it is important that this registration authorises the employers' organisation to act as a legal entity and thus can recruit staff members, rent an office, that their logo is protected, that they can open a bank account for collecting membership fees, sign contracts, etc.

Registration of an employers' organisation

Statutes are usually registered at the Court of Justice or the Ministry of Justice, together with the application for legal personality, and are made public through either the register or publication in the Official Journal. The registration should be only a formality: without many complex forms to fill in, without delay (maximum two weeks) and without examination the statutes (see Article 7 of ILO Convention 87 on Freedom of Association and Protection of the Right to Organise).

Bylaws

The board usually makes decisions concerning bylaws: these concern internal organisational matters and are not registered, though they may sometimes be communicated to all members.

The statutes and bylaws have to be in conformity with the local law which has to be in accordance with the ILO principles on Freedom of Association.

Employers' organisations need legal personality in order to be able to sign contracts, etc.

Registration should be only a formality, without much paperwork and bureaucracy and completed rapidly.

5. The Board, the President and Vice-President(s)

Role/function and composition of the Board

The board is the governing body of an employers' organisation. Its task is to implement the decisions of the General Assembly and to take care of members' interests on a permanent basis.

For this reason it is important that the board members reflect the membership of the organisation:

- in the case of an employers' confederation, each sector and regional organisation should be represented on the board;
- for sector organisations, there must be a balance of representation in terms of:
 - level of employment: large companies and SMEs;
 - territory;
 - nationality: national and multinational companies;
- for regional organisations the criteria must be similar.

Unless they are elected by the General Assembly, the board chooses from among its members a president, one or more vice-presidents and a treasurer.

The president is "primus inter pares" among the board members: he is the "first" in terms of representing the board of the organisation in relation to external partners. He is obliged to inform and consult his colleagues on the board concerning his activities.

Preconditions for board membership

Membership of the board is usually limited in time (to three or four years), but it can be renewed. The mandates of the president, vice-presidents and treasurer must also be limited in time, and should be renewed only once, at most twice. On expiry of their mandate, the board can nominate them honorary president, vice-president or treasurer if they have had special merits for the organisation.

Board members and members of a committee or working group always act unpaid: although such activities may represent a cost to the company or organisation which the member represents, they benefit greatly from the information which such participation gives them.

However, as the office of president can involve incurring extra costs without any material return for his company, some expenses can be reimbursed. As this is always a sensitive issue it is advisable for the board to produce a written agreement before the election of a new president.

Furthermore, in some circumstances – for example, if a delegate has to travel a long distance to participate in a meeting at which he has to represent his company and organisation – reimbursement, even partial, of his travel costs can be envisaged.

Rules for board members

Board members must be active, not retired managers of the company and thus be able to engage the company or, in case of membership of the board of a confederation, the sector or regional organisation they represent. In order to avoid lifelong memberships, it may be useful to establish an age limit for membership of the board and for some appointments.

The president, vice-president and treasurer should be real leaders who agree with the objectives of the organisation, and their business activities should be beyond reproach.

As the president and board members, as well as the staff, are supposed to make regular media appearances (radio, TV, newspapers) in order to explain and promote the objectives and positions of the organisation, they have to be "whiter than white", i.e. of impeccable reputation, both in public and in private: these days, the more a person is in the public eye, the more eager the media are to look for gossip about them.

All representatives of the organisation, president, vice-presidents, and board members, should be independent of all political parties or movements, since they must represent the organisation in relation to both government and opposition.

Transparent decision-making

Usually, the board takes decisions unanimously – preferably – or by consensus: it is not good for the organisation if the same board members are always in opposition. The board must strike a balance between the different positions of the members. If this cannot be attained, a vote is organised, either by secret ballot (for example, for an election) or by a show of hands.

In order to allow board members to take decisions in full awareness of the matter in

hand, a written agenda should be sent out well in advance, with the reports of the committees and the working groups. Before a decision is taken, each board member will have the opportunity to express his opinion freely (or the opinion of the organisation he represents).

Board decisions should be put in writing and be incorporated in the minutes, at the latest within two weeks, and must be approved at the next meeting. This is in order to avoid further discussion and modification of decisions taken at the previous meeting, which can be detrimental for the future of the organisation.

For important decisions, however, it is advisable to proceed in two stages: at the first meeting there should be an open discussion of the issue, and a decision is then taken at the following meeting.

Meetings should take place every month, on a date announced well in advance, and the minutes should contain all important decisions, as well as minority positions and the outcome of votes.

The board must also issue concrete and precise instructions to the staff concerning their duties, after engaging in open discussion with them.

Only the board can commit the organisation to an official position. Committees and working groups are not independent and autonomous institutions: their conclusions, in the form of draft working documents or position papers, must always be approved by the board, unless the board has decided otherwise, for example in an emergency.

For this reason, two board members, usually the president and one of the vice-presidents or the general manager of the organisation, should sign all agreements. Board members should always agree with a press statement expressing the position of the organisation. A position paper sent out to the government, ministers or parliament in the name of the organisation should always be signed by the president and another board member or the general manager.

6. Finance

Committees and ad-hoc working groups

The board can set up committees for specific purposes, or working groups to address ad-hoc issues. Committees or commissions have a more permanent character.

The aim of committees and working groups is to advise the board on specific issues: for this reason it is recommended that they are chaired by a member of the board; if not, the chairman has the right to attend board meetings when the report of the committee or working group is being discussed.

Members of committees and working groups are usually assistants of board members and experts of member companies or organisations.

All important decisions and position papers have to be taken by the board, not by the daily management or the staff.

The composition of the board has to reflect the diversity of the members.

The decision-making process has to be transparent (no personal or hidden agendas)

Decisions can be prepared by experts in committees, ad-hoc groups, etc.

"L'argent, c'est le nerf de la guerre" [money is the sinews of war], said Napoleon.

No organisation can survive without money, and if an employers' organisation wishes to maintain its independence, the money must come from the members.

Role of the Treasurer

Given the vital importance of financial affairs a member of the board should be delegated to take responsibility for them and to report on them regularly.

The tasks of the treasurer are as follows:

- to present the budget to the board and the General Assembly;
- to present the tariffs for the membership fees;
- to report regularly to the board about income and expenditure, and once a year to the General Assembly;
- to send out and sign the invitation letters with invoices for membership fees (and also to sign reminders);
- to advise the board about investments.

In addition, the General Assembly has to appoint independent and external auditors (or controllers) who will report to the General Assembly on the draft annual accounts (which they have to approve).

The treasurer will have at his disposal the services of an accountant, who should be a member of staff.

The income of an employers' organisation should largely consist of membership fees². Other income includes subscriptions from members and non-members to seminars, conferences, publications, and so on, as well as from the sponsoring of specific activities. In recent years the trend in Europe has been to become less dependent on membership fees and the share of other income is growing.

² See "The revenues of European employers' organizations. Short survey on current policies and practices", ILO ACT/EMP 52, Geneva 2006

Rules for membership fees and other income

In the conclusions of successive ILO European Regional Meetings, the last one in 2005 in Budapest, the membership fee paid by the employers to their organisations should be considered as a tax-deductible cost.

The membership fee should be calculated on the basis of clearly defined and objective criteria, for example based on the number of full-time employees, a percentage of the added value generated by the company or turnover. It is important that the criteria are easily available and verifiable in order to avoid endless and fraught discussions.

The membership fee should be paid once a year or quarterly: shorter periods mean more administration and more costs.

The call for payment of the membership fee should be decided at the beginning of each working year by the board of the organisation at the proposal of the treasurer, for example at its first meeting. In execution of this decision, the treasurer will sign and send letters with attached the invoice with the amount of the membership fee. In the accompanying letter, the treasurer can remind the members about the successes achieved by the organisation in the past year and the benefits of the membership. The invoice should also mention a deadline for the payment and the bank account into which payment has to be made: payment in cash is not recommended, or at least against a receipt.

Members should be asked to pay the membership fee within 30 days into the organisation's bank account: after 30 days, a special procedure decided by the board and the treasurer should be instigated in order to remind non-payers. If after two written reminders payment is still not made, all services should be withheld. It is an important principle: no payment, no service! A further step is the expulsion of the non-payer, on the decision of the board

Subscriptions to publications or entrance fees for seminars and congresses organised by the employers' organisation have to be paid in advance, and a higher price, usually 15% to 30%, can be charged to non-members (or there can be a discount for members).

Where publicity or sponsoring is used to cover the cost of periodic publications or for special events, the board should first lay down specific, transparent rules for

inserts, contributions from non-members in order to avoid negative reactions from members!

Never accept payment in kind, always in money, and preferably through an account at a reliable bank.

Rules for expenditure

Only expenses envisaged in the budget are permissible.

For equipment and supplies, it is recommended that an organisation always ask for three offers based on a schedule of conditions specified by the organisation (a tender system with proper terms of reference). By means of competition among suppliers an organisation can significantly reduce its costs.

Payment orders to the bank, even for small amounts, should always be signed by two board members, one of whom should be the treasurer.

A budget at the beginning of the year is an essential instrument of good management. It should be part of a financial plan that covers several years (three to five years).

The budget should give an overview of expected income and expenditure: projected income must be realistic, while expenditure must be clearly justified. There should be a balance between income and expenditure: if there is a deficit, it must be made clear how it will be covered.

Should income exceed expenditure in a given year, the surplus should be put in a special reserve fund, to be used when income falls short. The reserves should never be allowed to fall below the costs of closing down the organisation (severance payments, terminated contracts, and so on).

Division of the revenues of an employers' organisation:

At the start-up of an employers' organisation, main sources are the membership fee, up to 80 – 90%, and sponsoring which should be used for buying office equipment (investments).

7. The Staff

After a couple of years, the employers' organisation will develop new services and activities for the members which are not included in the membership fee and thus have to be paid in addition (up to 20 - 30 % of total revenue).

In addition, a well developed employers' organisation can also apply for projects funded by international donors, but usually such projects always require an own contribution (co-financing).

Depending on the kind of activities and services, sources of revenues can vary as follows:

Membership fee	40 to 60 %
Services and activities:	20 to 30 %
Projects from (international) donors:	10 to 20%
Sponsors:	max. 10 %

It's important that the organisations will not depend too much from revenue from projects nor from sponsors. Projects can only be welcome if they contribute to the development of new services for members and the members really agree with such project. Even so, sponsors are welcome for financial support of activities of the organisation, for example a periodic newsletter or a website, but they must never interfere in the decisions by the board.

The board of an employers' organisation has to appoint a treasurer from among its members who will be in charge of the budget and the revenue and control the expenses.

Every year a budget has to be presented by the board to the assembly of members.

The call for membership payment has to be decided upon by the board and members should receive an invoice with the amount to pay, the deadline and the bank account number.

The strength of an organisation, its "strike force" (force de frappe), consists of the capacities and competences of the staff (or secretariat).

Every organisation needs highly qualified staff, including lawyers, economists, experts in social affairs and international issues, and so on. They should be full-time, not part-time on secondment from member companies, as they have to work for all the members.

For this reason, it is important to spend time looking for the right people: it is not wise to restrict the search to the friends or family members of the president or other board members.

The general manager and higher ranking staff members should be appointed by the board, although the board can delegate this task to a special committee of board members which will define the staff organisation (organigram), job descriptions, the required skills, intended wage levels, and the recruitment process. A decision should be based on the result of an assessment of several candidates.

Remuneration of staff members

The board should pay particular attention to staff remuneration in order to make sure that they are properly motivated and are not tempted to seek a better paid position elsewhere. Otherwise they are likely to leave the organisation, which will both lose their particular skills and be compelled to begin the difficult process of replacing them.

Functions in the staff

An employers' organisation should have one or more professionals to deal with each of the following:

- labour law and international labour standards;
- collective bargaining and conflict prevention;
- occupational health and safety;
- social security (pensions, health care, unemployment insurance, and so on);
- vocational training;
- tax;
- economics and logistics;
- international affairs (ILO, EU, and so on).

-
- support services, as:
 - press and PR;
 - accounting;
 - publications (newsletter, website, handbooks, and so on);
 - training.

Required competences/qualifications of the staff

Recruitment should commence with a thorough discussion by the board about the organigram, job descriptions, and the required skills. In addition, working for an employers' organisation requires special social skills and competences:

- knowledge of at least one or two international languages, and by preference English;
- high – preferably university – level qualifications in law, economics, social affairs, international relations, and so on;
- practical experience: for example, a lawyer should have worked for at least one or two years as a solicitor or as a company lawyer;
- social skills: flexibility, readiness to serve the members (service-mindedness);
- ability to write reports;
- communication skills (for interviews, and so on);
- pro-active thinking;
- stress resistance.

Interaction of the secretariat with the board

The staff professionals are at the disposal of the members: important decisions and positions are taken by the board, not by the staff, unless they have received an explicit mandate from the board.

In practice, staff members represent the organisation in daily meetings with ministerial civil servants, in collective bargaining and in daily contacts with other interest groups.

Whenever they represent the organisation, staff members, as executives, require a mandate and must report to the board.

However, for important meetings – for example with a minister or top-level civil servant – the organisation should be represented by a board member, for example the president, a vice-president or the chairman of a committee, depending on availability: after all, the board members are primarily businessmen and must give priority to their business! Nevertheless, board members should always be accompanied by staff members.

Role of the General Manager

The general manager, who heads the staff, is the "go-between" between the board and the staff: for this reason he should at least be present at all board meetings. In some circumstances, it may be advisable for him to be considered as a member of the board.

The general manager – or secretary general or director general – should be appointed (and dismissed) by the board, to which he must report regularly. As an executive, he cannot make decisions alone or against or instead of the board.

In addition, as manager, director of the staff of the organisation, he has to have real management competences:

- as the manager of human resources, able to motivate and stimulate the staff team,
- able to implement the decisions of the board,
- able to run the services and match the expectations of the members,
- able to manage the finances of the organisation, in cooperation with the treasurer.

Finally, working for an employers' organisation can be very stressful. It is hard work, involving a lot of meetings, and requires considerable flexibility: board members are not always unanimous and often representatives have to deliver a negative answer to proposals from trade unions, government and other interest groups. In addition, increasingly the organisation's viewpoint must be presented in the media, which exposes the spokesman to a certain amount of negative treatment.

8. Services

About the premises of the Employers' Organisation

The office of the secretariat should be easy reachable by the members, not on a top floor of a building, and be permanently manned by an employee who is able to answer phone calls, receive visitors, answer urgent e-mails and faxes. In addition there should be enough parking places for visitors.

It should also be situated not far from the "political centre" of the country, within walking distance of the main ministries, trade unions and parliament.

The secretariat should have a meeting room for board meetings and committees: not only a large table in the office of a secretary. And there should be also a library and a special place for archives.

Staff employees have the task to execute decisions by the board of the organisation: they are not "above" the board.

The director or general manager of the staff is responsible for the implementation: he has to report about it to the board. He must also be real manager with competences on HRM, lobbying and financial management.

The secretariat must be easy accessible for the members and situated near main decision-making centres of the country.

Members expect their organisation to provide services in return for their membership fees³.

There are two kinds of services: collective services and tailor-made services.

Collective services include lobbying, collective bargaining, information and consultation activities, publications, websites, and so on. Those services should be included in the membership fee.

Tailor-made services are services developed to address the specific needs of a member or group of members: for example, arbitration, assistance in solving a social conflict in a company, and training. They are not covered by the membership fee, but are charged for separately. Each organisation will have to decide which kind of such service they will provide: such decision should be taken in close consultation with the members. Given the "risk of conflicts of interest" between members, it is recommended that such tailor-made services be provided by a separate legal entity, although it must of course belong to the organisation. These tailor-made services should be "self-supporting", that is, their cost should be wholly covered by appropriate charges.

The most important service provided by employers' organisations is regular information and consultation of members concerning its activities, achievements, results, and so on. In fact, since no representative of an employers' organisation, whether he is a staff professional or a board member, can ever represent the organisation without a mandate; he must inform and consult the members both before and after, through either internal meetings or written information and consultation.

Even in case of emergency, when there is no opportunity to inform and consult the members, a representative is obliged either not to take a position or to make it on condition of subsequent approval.

In comparison with competing institutions, information and consultation of members in order to develop a representative position is essential for an employers' organisation. This is the "added value" of being a member of an employers' organisation,

³ See also DECP publication "Increasing your Revenues", www.decp.nl, 2007

which must be consulted by the government or mandated to negotiate with the trade unions. Other institutions cannot offer such services at the same level.

In order to provide such services and involve the members in the activity of the organisation, the following must be organised:

Documentation and information centre or library

Employers' organisations must set up an efficient documentation and information centre for the use of both the staff and the members. The following information must be made available:

- statistics, national, regional and international;
- regulations: laws, decrees, main court decisions, technical regulations related to sector activities;
- studies, reports, principal handbooks;
- press cuttings, relevant journals

The better the quality of the information, the better the service the organisation can deliver to the members and the more confidence the latter will have.

"Information is power": this is only the case when the information is used and distributed, not if it is kept secret!

Regular meetings with the members

Members expect to be informed and consulted by their organisation: they become very reluctant to maintain their support when they learn important news through the media.

For this reason, it is important to involve the members in the activities of the organisation via committees and working groups, not to mention the annual General Assembly and the board.

For important issues, such as social affairs, economic affairs, and so on, committees with members' delegates or experts should be set up to advise the board on important strategic decisions. Committee meetings should be scheduled at regular intervals, for example on a monthly basis.

Workgroups should be organised to deal with specific ad hoc matters, with the participation of members' experts. External experts, for example from universities, can also be invited, if needed.

International Relations

More and more decisions affecting the interests of employers are taken at international level, for example agreements in the WTO, conventions of the ILO or European regulations and directives for the EU member states and their neighbours. A special team of board members and staff professionals should follow those international affairs and the decisions taken in Geneva, Brussels, Luxembourg and Strasbourg.

For the organisations of the EU member states and the neighbouring states, it may be wise to have a special representative office in Brussels in order to be well informed about what is going on in the European Commission and the related institutions. Of course, this represents an extra cost for the organisation and the benefits will depend on the quality of the network that such an office builds up.

External Relations

The relations with the media are becoming extremely important for employers' organisations, and require thus specific competences in the organisation.⁴

The employers' organisation has to be prepared also for daily contacts and providing of information to each kind of media: newspapers, periodicals, radio, TV, internet, etc. The information has to be provided in such a way that it can be useful for the media: for example, the representatives of the employers' organisation have to be trained in writing a good press statement, or give an interview for radio, for TV, etc.

Relations with the media are nowadays part of the lobbying strategy of each important employers' organisation.

Examples of tailor-made services:

Before starting such service, the Organisation has to check if there is a real need from the members for such service, and they should then prepare a business plan or feasibility study.

⁴ See also DECP publication "Effective Media Publicity", www.decp.nl

9. Communication with the Members

- pay-roll administration service, specially for SMEs,
- accounting service
- other HRM services
- external occupational safety and health service
- Management training
- Vocational training for workers in the sector
- IT service, internet services, etc.
- arbitrage
- others.

Membership benefits

Sector and regional organisations can offer their members discounts on products and services from suppliers by concluding collective contracts. Discounts up to 15% for the members can be obtained in this way. Examples of products and services which are offered by existing membership benefits programmes of EOs are: ICT equipment and automation, insurances, telecom and internet services, fuel and electricity supply, hotels and travelling, printed matters, HRM services, promotional activities, etc.

Collective services should be included in the membership fee, while tailor-made services should be charged for separately.

All those services should be set up in close liaison with the members.

Regular, virtually constant communication with the members is a basic task of an employers' organisation.

In order to improve communications and to strengthen the organisation's message, the following tools are recommended:

Logo

Employers' organisations nowadays, in communications both with members and externally, require a strong logo, one which is easy to recognise and clearly identifies the organisation.

The logo must be put on all printed documents: business cards, envelopes and letters, invitations and brochures, books issued by the organisation, reports, newsletters, the website, and so on.

Database of members

For efficient communications, the organisation must develop a database of all practical information, including names, addresses, phone numbers, fax numbers, e-mail addresses, websites, and the names and titles of the principal managers who are in regular contact with the organisation.

The database must be regularly, even constantly, updated: this should be the task of the staff member in charge of member relations. Letters with incorrect or wrongly spelled names, or with the wrong title, will give members the impression that the organisation either is not interested or does not respect them.

Circulars

Important news for the members should be sent in an individually signed letter.

Leaflets and/or brochures about the organisation

For the recruitment of new members, but also for raising awareness and interest in the organisation externally, a presentation folder should be produced with a special application form for new members. This document must make a detailed presentation of services and activities, together with the benefits members can expect from the employers' organisation.

Activity report

The activity report presented at the annual General Assembly can also be used as a means of convincing potential members to join the organisation.

Newsletter and bulletins

Employers' organisations should issue (at least monthly) a newsletter or a bulletin for their members with the following content:

- activities: meetings, workshops, seminars, and so on, both internal and external (for example, international), at which the organisation was represented.
- informing the members about what the organisation has done for them (together with the members' contributions);
- new regulations which will affect the members: laws, decrees, court decisions, and so on.
- new publications and other useful information for the members.

The newsletter should be illustrated with pictures related to past activities and events and should be in colour.

As editing a newsletter can represent a heavy cost for the organisation, advertisements can help to cover the costs of printing and mailing. However, advertising must not influence the content of the newsletter, and adverts from non-members who are competitors of member companies must be avoided!

Handbooks and special publications

Important regulations likely to significantly affect members, especially when the organisation has been involved in their preparation, should be presented in handbook form, with comments specifically related to members' concerns: for example, the text of a collective agreement with specific instructions for its implementation by the employers, a new labour code or tax code, etc.

Naturally, such handbooks cannot be provided free of charge, although members should receive a discount.

Website

A website can be an efficient communication tool with the members (with password-only access).

However, websites require regular updating – otherwise, members will eventually forget to consult it.

Use your logo in your communication with the members: they have to be proud to be member of your organisation!

Communicate on a regular way, at least once in a month or once in a week!

The data-base has to be updated constantly with care: members want to be respected, by using their name without mistakes, exact title, etc.

10. Employers' Organisations and Politics

The relations between employers' organisations and the world of politics are always a very delicate issue.

Although employers and their organisations are in permanent contact with politicians and political institutions, employers' organisations are not a political organisation and cannot be affiliated or linked to political parties.

Employers' organisations and their representatives should be politically neutral, not engaged in or toward any political party or movement, in a way, staying out of any political discussion.

Neutrality does not mean lack of interest or ignorance of what's going on in politics. On the contrary, as the main tasks of employers' organisations are bargaining with trade unions which can have close ties with some parties, and lobbying with governments, members of the parliament and civil servants, it is very important to be well informed about the political agenda, the on-going discussions and debates in the parliament, etc. It is important to know the programme of each party, their priorities and sensibilities, their links with other organisations of civil society, to build good contacts and links with the members of the "entourage" of the ministers, their cabinet and members of parliament, their advisors, with those who prepare the political decisions, the "sherpas", as they are described in European circles.

Even in case the programme of a political party is opposed to the fundamental objectives of employers' organisations, as a priority for a market economy and freedom of entrepreneurship, it is not the task of an employers' organisation to contest that programme: this has to be done by other political parties.

Nevertheless, it remains the task of an employers' organisation to advocate for an efficient market economy and for the promotion of free entrepreneurship without direct confrontation with political parties who claim a different programme.

Why?

Because employers' organisations whose first aim is to protect and promote the interests of their members, must build strong and fruitful relations with the government, with all political parties, even those which does not belong to the majority in the parliament and with all civil society organisations (CSO) as trade unions, consumers' organisations, environment protection, etc.

The majority in the parliament on which the government is built, usually changes after elections: thus those who are before in the opposition, can move to the majority and vice versa.

Also some civil society organisations can have links or preferences for different political parties.

But if an employers' organisation is linked to a political party which is in the opposition, the government will not be ready to listen to its claims and requests, as it will always avoid supporting an organisation which belongs to the opposition.

Employers' organisations have to be independent, with no links with any political party, but with fruitful and constructive relations with all political parties, from the majority as well as from the opposition.

Members of the government and the parties of the majority are changing periodically, while employers' organisations have to continue to maintain fruitful relations with the government without considering the parties which are supporting the government.

As a consequence of the above principles:

- presidents, board members and staff members should not be engaged in political activities, nor occupy a political mandate, nor participate as a representative of the organisation in a political contest or election.
- If this is the case, those persons should temporarily resign from their position in the organisation, until their mandate is over.
- They should also not be involved in the decision making process of a political party.
- Employers who are engaged in political parties should not be elected in the board and management positions of the organisations.

But, it can happen that a political party would like to invite an expert of the employers' organisation to a workshop or round table with the aim of learning more or of organising a dialogue about some important issues for the employers, as fiscal matters, environment protection, foreign trade, etc. In such a case, an invitation to attend such exchange of information cannot be refused, on the contrary: it should be accepted in full transparency, which means that the expert of the organisation

should have the approval from the leadership of the organisation and his task is not to bargain a compromise, but to explain the position of the organisation.

What about a Party of Employers?

Sometimes it happens that a strong leader of an employers' organisation, a rich investor is tempted to start a political party or to apply for a high political mandate.

Of course, each individual, also an employer, should have his own political opinion and can have his own political preferences. As an individual with a political vision, an employer can become a member, on a voluntary basis, of a political party, but if he occupies a high position in the organisation, as president or board member, he can never involve his organisation in his political engagement: there must be clear distinction between a personal involvement in politics and an involvement as representative of the employers' organisation. Both functions, activities cannot be combined: it will not contribute to the clarification, the transparency of the message.

It even sometimes happen that leaders of employers' organisations, after having invested a lot of their time and energy in lobbying with the government and the members of parliament, become disappointed about the low outcome of all their efforts. They think they should better start themselves with their own party of employers and to enter themselves the "political arena". Such initiatives are never a success, on the contrary. And the few cases, when an employer succeeded to become popular in politics, he usually lost the support of his employers' organisation...

Employers who want to enter in politics, should not forget that the basic rule in democracy is "one man = one vote" and all employers together, even if this could happen, are not sufficient for electing a majority in the parliament.

What about hiring former politicians and/or civil servants?

It sometimes happen that former politicians, former ministers or members of the parliament who want to remain active and had a good reputation as politician, are hired by employers' organisations, as by any other civil society organisation, in order to become their representatives as chairman or as high-level staff member.

Of course, at that moment, such former politician can no longer act as representative of his political party: each formal link should be cut, even if informal links and

11. Other issues:

networks can remain. Indeed, the value of such former politician is based on the large network he has and should in a way maintain. But it can also happen that for some reason, the doors of the party and the network become closed once the former politician moved to an employers' organisation.

Employers' organisations cannot be involved in politics, nor can they be linked to political parties: they should remain neutral, independent and out of the political debate,

Leaders of employers' organisations, as presidents, board members and staff members, can have their own political opinion and preferences as a citizen, but as a representative of the employers' organisation they cannot express their personal opinion. There should be a clear distinction between their personal opinion and the positions of the organisation.

About "mandates":

A characteristic of an employers' organisation is that it is invited to be represented in different consultative councils and institutions, as the Economic and Social Council, the board of the employment agency, the board of the pension fund, of social security institutions, etc.

The delegates of employers' organisations who fulfil those representations, also qualified as mandates, should be selected by the board or by the presidency on following criteria:

- competence,
- availability, as well to prepare the meeting as to report on the conclusions,
- ability to present the positions of the organisation,
- ability and capacity for bargaining.

Such mandate cannot be considered as a reward for past services rendered to the organisation, nor be considered as a "hobby" for leisure time.

Employers' delegates should take time to prepare carefully the meetings in which they represent the organisation and they should rely on the assistance and support of the professional staff of the organisation.

Sometimes or in some countries, delegates who occupy such mandates receive a fee paid by the institution above the reimbursement of their travel costs. It is recommended and a good practice that in case the organisation has shortage of financial resources, the fee, at least part of it, should be transferred to the organisation.

It also a good practice to appoint staff professionals as representatives of the organisation as it is part of their task, they should have the competence and should be available for such missions.

About "missions", "study tours" and "international invitations":

With the growing globalization, enterprises and employers need to set up new strong links with international partners: foreign trade agencies, Chambers of Commerce and employers' organisations could assist them in building those links.

Employers' organisations have to join international employers' organisations such as IOE, for the confederations, or international sector organisations. At European

level there are BUSINESSEUROPE, for the Confederations, and the numerous European sector organisations, as well as UEAPME for the SME organisations, and CEEP for the companies with state ownership.

For Africa, there is the Pan African Employers' Confederation.

In addition, employers' organisations will be invited to many conferences, seminars, workshops abroad.

They should make a selection among all the invitations based on the following criteria:

- usefulness for the organisation itself and its priorities in the mission statement
- benefit for the members
- available capacity within the organisation to benefit from such events.

Indeed each representative who attends such a meeting should at his return prepare a report to be submitted to the management and the board of the organisation, especially about what he has learned and what can be useful for the organisation. A report should also be published in the newsletter.

If the capacity is not available within the organisation, then a staff member of a member organisation could be appointed and recommended to attend the meeting, if the subject can be useful for his organisation.

Indeed, employers' organisations should avoid always sending the same expert to an international meeting because he is the only one who knows the English language: if he is going from one meeting to another, he will not have the time to prepare a report and make recommendations for the implementation of the conclusions.

In addition, members of employers' organisations become critical and angry when they learn that the general manager and/or staff members are away from the office for several days in order to attend an international meeting: they always have questions and doubts if their contributions are well-spent and if such missions abroad will have an immediate benefit for them.

There is no reason not to make selections among all the invitations received and to choose the ones which are of real benefit for the members, which match the priorities of the organisation.

In addition, employers' organisations should avoid appointing the same experts to some international meetings, but try to diversify and to involve also representatives/staff professionals from member organisations.

Attachments

1. Relations between Chambers of Commerce and Employers' Organisations

Who does what?

Characteristics	Chambers of commerce	Employers' organisations
Core activity:	improve commerce and trade	work for social peace via between members collective agreements with trade unions (social dialogue)
Set-up:	by a specific law	voluntary decision to set up an association of employers (legal entities)
Specific interests of:	commercial managers	HR managers
Membership:	compulsory (in most countries)	free, voluntary
Organisation:	local, regional	sector (industry, service) associations
Activity:	international trade, fairs, exclusive obligations imposed by law (such as issuing a visa from some countries, compulsory registration of acts, annual accounts, etc.)	information, consultation on common issues related to social affairs, employment, representation on boards of social institutions
Specific services:	certificates of origin ATA-carnets (international transport)	social services
Specific issues:	trade regulations, customs, transport, logistics, arbitration	labour law (working conditions), wages, social conflicts, social security, social protection (health and safety), public health, investment policy, enterprise development (SMEs, start-ups)
Common issues:	competitiveness, fiscal matters (taxation, VAT, etc.), price policy (inflation), interest rates, technical regulations (standardisation, quality, R&D)	
Relations with:	Ministry of (Foreign) Trade Ministry of Finance	Ministry of Labour (and/or Social Affairs) Ministry of Industry (or the Economy, if the trade unions are involved) Ministry of Health Ministry of Finance (taxation of revenues)
New issues:	consumer interests, environment	
International links:	ICC, Eurochambres	IOE, BUSINESSEUROPE
International organisations:	WTO	ILO

2. Rights of Employers' Organisations

By virtue of the ILO Constitution and the ILO Conventions, employers and their organisations have a number of basic rights, including:

Equal status with government and trade unions:

Declaration concerning the aims and purposes of the International Labour Organisation
(in Annex of the ILO Constitution):

art. 1: "by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments ..."

Freedom of expression

Declaration concerning the aims and purposes of the International Labour Organisation
(in Annex of the ILO Constitution):

art. 1: "freedom of expression and of association are essential to sustained progress"

Freedom of association

Convention 87 on freedom of association and protection of the right to organise (1948):

art. 2: "Workers and Employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation"

art. 3: "1. Workers' and Employers' Organisations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.
2. The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof."

art. 4: "Workers' and Employers Organisations shall not be liable to be dissolved or suspended by administrative authority."

art. 5: "Workers and Employers' Organisations shall have the right to establish and join federations and confederations and any such organisation, federation or confederation shall have the right to affiliate with international organisations of workers and employers."

art. 7: "The acquisition of legal personality by Workers' and Employers' Organisations, federations and confederations shall not be made subject to conditions of such character as to restrict the application of the provisions of articles 2, 3 and 4 hereof."

art. 8:

"2. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention"

art. 10: "In this Convention, the term 'Organisation' means any organisation of workers and employers for furthering and defending the interests of workers or of employers."

Right of consultation

Convention 144 on tripartite consultations to promote the implementation of the International Labour Standards (1976)

art. 2

"1. Each Member of the ILO which ratifies this Convention undertakes to operate procedures which ensure effective consultations, with respect to matters concerning the activities of the ILO ... between representatives of the government, of employers and of workers."

Freedom of representation

Convention 144 on tripartite consultations to promote the implementation of the International Labour Standards (1976)

art. 3:

"1. The representatives of employers and workers for the purposes of the procedures provided for in this Convention shall be freely chosen by their representative organisations, where such organisations exist."

Free and voluntary collective bargaining

Convention 98 on the right to organize and the Collective bargaining convention (1949)

art. 4: "Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements."

Tax deductibility of membership fees

Resolution aiming at ensuring the independence and facilitating the financing of employers' and workers' organisations

"The 5th European Regional Conference of the ILO, Warsaw, 20-27 September 1995

Invites the governments of European countries:

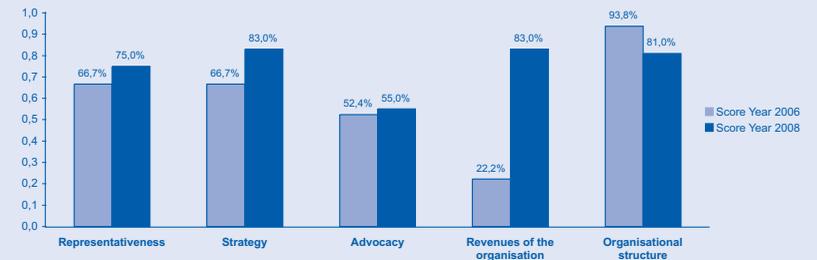
[...]

c. to consider appropriate measures that would enable their laws, regulations and practice, including tax regulations, to allow enterprises and workers to account for their subscriptions to their respective organisations as cost items."

3. Benchmarking or auditing your organisation

It can be useful to investigate how your organisation performs in comparison with other organisations or to follow the progress of your organisation. DECP developed therefore its "List of characteristics of an efficient and effective Employers' Organisation"⁵. With this list the EO can be audited or benchmarked which will result in a zero scan of the organisation's position on strategy, representativeness, revenues, advocacy and organisational structure. An example of such a zero scan is shown below.

The targets for the next three to four years can be pinpointed in the diagram and after three years the results can be measured again with the DECP list. Then it will be clear whether the target has been achieved.



⁵ See on website www.decp.nl/publications, complete list of characteristics.

4. Selection of Publications for Employers' Organisations:

Erik Van Vooren, Director of the Direct Marketing Institute (Gent, Belgium)
Making and Keeping Members: Direct Communication for Employers' Organisations
ILO/ACT/EMP 33 - Budapest, 2001

Bojidar Danev, Bisser Tzonev and a BIA Working Team:
Internet Guide for Employers' Organisations: The Case of BIA NET
ILO/SRO - Budapest, 2001

Developing an External OSH Service – Opportunities for Employers' Organisations concerning Occupational Safety and Health
ILO/SRO Budapest, 2005

A Solution for Members of Employers' Organisations: Payroll Administration Services – How to Move from Informality to Formality
ILO/ACT/EMP 46 - Budapest, 2005

Services of Employers' Organisations in the Transition Countries of Central and Eastern Europe – The Reference Book
ILO/ACT/EMP 48 - Budapest, 2005

J.M. Standaert, Senior Specialist for Employers' Activities:
Collective Bargaining by Employers' Organisations – Some Key Success Factors
ILO/SRO Budapest, 2005

J.M. Standaert, Senior Specialist for Employers' Activities:
Lobbying by Employers' Organisations – Tools for Success in Europe
ILO/ACT/EMP 50 - Budapest, 2006

M.P.H. Kortten, Deputy Director DECP:
Increasing your revenues⁶- DECP, 2007

M.P.H. Kortten, Deputy Director DECP:
Lobbying by Employers' Organisations⁷- DECP, 2007

H. Klooster, Former Director Communications VNO-NCW
Effective Media Publicity by Business Organisations⁸- DECP, 2007

⁶ See on website www.decp.nl/publications

⁷ See on website www.decp.nl/publications

⁸ See on website www.decp.nl/publications

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