
5 steps to set up an Employers' Organization

by
J.M. Standaert,
Special Advisor DECP



**Dutch Employers
Cooperation Programme**

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Introduction

One day you became convinced that for a change of economic and social policies, employers of your sector or region have to be united so that the "voice of business" can be clearly heard. Not to embarrass, let alone obstruct government, but to make sure that rules and regulations are set that foster the business climate. In your interest and in the interest of society as a whole.

Setting up an employers' organization is an appeal to the solidarity among the colleagues of the sector or region. For a successful entrepreneur, at first sight, that should not be too difficult. The same principles of professional management on e.g. marketing, financial management, human resource management also apply to running an employers' organization. In many ways an employers' organization is quite like an enterprise. Yet, it has some specifics that make it quite different as well. These specifics have to be taken into account quite carefully when thinking about starting one.

Specifics of an employers' organization:

- At first, an employers' organization is not a shareholders' company. It is a members' organization and board and management have to take into account at all times the interests of all members, not only of the biggest or most outspoken.
- The goal of the employers' organization is not to make profit and distribute dividend, although members will most certainly not accept that the management of an employers' organization will spend more than the revenues of the organization,
- The goal of an employers' organization is to promote and fight for the common interests of the vast majority of the members and in principle all major decisions should be taken by consensus among the members.
- The goal of an employers' organization is also to provide services to its members. Board and the staff should always think in terms of "What can we do to help our members doing their business – directly as well as indirectly?"

1. Teamwork!

That is why setting up an employers' organization is not a "one-stop" shopping act. It has to be carefully prepared. Clear and sound ideas on goals, activities and financial resources are needed and have to be shared among members. Ample time has to be taken to reach consensus bearing in mind that time spent on duly preparation pays itself back in a better and stronger organization.

An employers' organization is a members' organization and the more members it has, the more representative it is and the more powerful it will be. Therefore it is important to take time to contact and attract new members and to prepare the arguments that will persuade potential members to join the new organization.

The following chapters describe in 5 important steps what needs to be done to successfully set up an employers' organization. It is based on observation and experience of new organizations especially during recent years in Central and Eastern Europe.

Since many employers' organizations at sector level will have to be set-up in the candidate and associate countries of the EU, this manual will hopefully become a useful tool for those who intend to take such an important initiative.

And please note that DECP is always interested to learn about your comments, your own and other experiences.

The Hague, September 2009

Ronald de Leij,
Director

As an employers' organization is based on voluntary membership and one of the priorities is to become a representative organization, setting-up an employers' organization is not a "one-man-show". It needs a team of believers.

This team whose task it is to prepare the start-up of the new organization, should consist of employers who share the same concerns and ideas about the new employers' organization and are ready to spend some of their time and money on the preparatory activities.

This group can ask for the assistance of outside experts to help them prepare certain documents while being instructed by team members. It is not unusual that (some of) those experts later on join the professional staff of the organization.

What should be the tasks of the start-up team? They are the following:

- define the "mission statement" of the organization;
- draft the statutes of the new organization;
- make the budget of prospected revenues and expenses and work out a proposal for the membership fees;
- draw up a workplan - a programme of activities and services - for the new organization;

Of course the budget will be influenced by the programme of activities and the membership fee will have to be mentioned in the draft statutes. That is why it is so important that the team maintains an overall coordinating view on all those tasks.

The team should also consider to have meetings at regular fixed dates, and thus prepare a "road book" with a realistic timetable for all those tasks that can be performed by sub-groups of the team, while the team itself will keep an overall view and a coordinating role.

The team should also check if there is or are (a) competing organization(s) with the same kind of objectives and with members of the same or similar sector(s). And if the answer is positive, to check whether "joining forces" is not a better option before entering into what may become a destructive competition for both. Offering great opportunities to their interlocutors to sell the one against the other and each of them having great difficulty to prove its representativeness.

1.1. Mission Statement

Before starting to draft the statutes and the budget, the start-up team should reflect and agree on the objectives and goals of the organization and put those down in a "mission statement".

The team should take into account the ILO-standards on "freedom of association" and on "collective bargaining". An employers' organization should be based on the following principles:

- voluntary membership (not compulsory or imposed by law or other regulation);
- independent from government or a political party. Its regulations cannot be prescribed by law - like for a Chamber of Commerce - and the organization cannot be part of a ministry, government agency or political party. Statutes, membership fee and budget – it has all to be decided upon by members. And Members only!;
- transparency: decisions have to be taken in a democratic way by the members and their representatives. Let there be no secret or hidden agenda!

If the new organization is a sectoral or regional organization, the mission statement (and the statutes) should clearly state the identity of that sector (or sectors) or region so that there can be no mistake as to who can or cannot become a member.

The mission statement should also enumerate the objectives, the common interests to promote and how this shall or will be done.

Special mention should be made regarding the organization's involvement in:

- dialogue with government and trade unions (social dialogue);
- lobbying the government, parliament and all kind of authorities on economic, fiscal, social, environmental, consumers' affairs, etc.;
- involvement in international affairs via membership of international organizations;
- the kind of services and activities it will provide and how it will communicate with the members: via website, newsletters, etc.

1.2. Statutes

The statutes are the "constitution" of the new organization. They have to be clear, without undue complexity and elaborated in such a way that they can serve the organization unchanged for many years in a row. Changing statutes is most often a burdensome and costly operation. A simple majority and the minutes of a meeting are not enough. It requires a special quorum, new registration, official publication, etc. And if no quorum is present, a new assembly may have to be called, which is costly, and so forth and so on.

That is why less principal or less basic regulations should be put down in by-laws that can be changed more easily, with simple majorities and without obligation to register. It goes without saying that by-laws have to be in accordance with the statutes.

Statutes have to clearly define the rights and obligations of the members. One of such obligations is the obligation to pay the membership fee to the set amount, correct and timely.

Members who 'forget' or even worse, refuse to pay their fee should lose their right to be served or assisted as well as their voting rights at the general assembly – if after persistent refusal or forgetfulness they would still be allowed access to that assembly.

Likewise, board-members who do not pay their membership fee should lose their seat in the board and in advisory committees.

The statutes can also stipulate that mandates, like that of the president, vice-president, treasurer and other board members, can only be conferred for two consecutive terms and for neither one a mandate can be renewed for life.

Statutes can also set an age-limit for some mandates as well as attribute mandates to specified positions within member companies and not to specific persons, so that these mandate holders automatically lose their mandate when they change position within or leave the respective company, without debate or discussion.

In the list of attachments, you will find a helpful draft of statutes. Of course, you cannot simply copy the draft to suit the new organization you and your team are about to set up. It has to be completed as well as adjusted to local and / or national regulations on employers' organizations - in case there is such regulation - or to the regulations on non-profit (NPO) or non-governmental organizations (NGO). To suit you best they have to be tailored to the size and type of your organization!

1.3. Budget of expenses and revenues over 3 years

A well prepared budget of revenues and expenses is as important as preparing draft statutes. Usually disputes start because there was no commitment among the initiators about how the costs would be covered. In addition, the main if not all income of the organization should come from the members themselves, not from donors or sponsors.

Therefore the start-up team must take time to prepare a realistic budget of revenues and expenses for the new organization. We strongly recommend not to limit the calculation to one year, but to make calculations that cover a period of at least three years because the first three years - after the launching and initial growing of the new organization - may well involve a lot of unavoidable expenditures.

In addition, the calculation will have to be done on the basis of several assumptions, like the number of staff professionals (after 1, 2 and 3 years), the size of the premises, the activities planned (website, newsletter, etc.).

In addition, the first year, there will be a lot of new investments, which may be written off in 3 to 5 or more years.

Future revenues will also have to be calculated and this is an task that cannot be taken lightly!

Main revenue should come from membership fees. That is why it is so important to have right from the start a trustworthy commitment from the members. When they sign the application form, it must be clear to them that with their signature they agree to pay their fee timely and correctly and that they respect the organization's principle: "No payment, no service".

Make sure that membership fees should be based on clearly and easily verifiable criteria like manpower, wage sum, turnover, etcetera to prevent distrust from settling in.

What about the cost for the start-up of the organization?

As always immediately after the founding of the general assembly, there are the costs for registration, and next for the secretariat (manpower and office), while there is not yet any revenue from membership fees.

That is why it is very helpful if the president and some initial board-members are willing to make an advance payment for the start-up of the organization and recuperate this advance payment in the following years from the membership fee they then will be due. It can also be envisaged that members can receive a discount on any membership fee that is paid in advance.

1.4. Programme of activities or work plan

The start-up team should also prepare a list of activities or a work plan to be carried out by the new organization in order to achieve its goals.

There are at first the statutory activities like:

- organizing the General Assembly: at least once in a year
- organizing board meetings: at least once a month
- the formation of specialized committees to address specific issues like e.g. social affairs, fiscal affairs, investment issues, European affairs, environment, etc. and who prepare the decisions by the board.

But there are also activities in the most important field of the advocacy and lobbying tasks of the new organization, like:

- organizing a big annual conference with involvement of members, media and representatives of the government, etc.;
- setting up a regular newsletter (monthly or even biweekly);
- making a website and organizing the update responsibility;
- organizing services for members such as:
 - training courses and seminars,
 - collective purchase of specific goods with discounts,
 - advisory services on OSH-issues, etc.

Activities such as these should be self-supporting, but to start them up will need initial investment provided by the new organization.

1.5. Data-base of potential members

For the foundation of a new confederation, you need to have a complete list of existing sector, regional and local employers' organizations. All with their exact names, addresses, contact details, and also the name and function of the president, vice-presidents, treasurers and main staff professionals.

For the founding of a sector or local association with direct membership of companies, it is important to have a complete list of companies to contact and to invite in order to achieve a representative organization.

The data-base of potential members is therefore the first, most needed tool to start the marketing of the new organization. The better the data collected in the data-base, the easier and more successful the marketing will be.

Setting-up such a data-base will require time in research, establishing contacts and in checking the information. Remember, it is time well spent!

There are a lot of software programmes on the market that can help you to set up an electronic database, like e.g. Excel or Access. Start making use of any of such programmes as soon as possible. It will save you a lot of time on the way.

In attachment III there is a draft scheme for the kind of data to collect.

2. Info-sessions: recruitment of members

Once the start-up team has reached agreement on the mission statement, draft statutes, draft budget of revenues and expenses and draft programme of activities for the new organization, it should organize round-tables - information sessions - to which all potential members should be invited.

The team should prepare convincing documentation of any kind so that the potential members can be persuaded to join the new organization in full confidence.

All these potential members should at the entrance, when receiving the documentation, either sign a register with their contact details or hand over their business card. Such information should be used for completing and updating the data base of potential members (prospects!).

During these sessions, potential members should have the opportunity to express their ideas, suggestions and opinions about the foundation of a new organization. It is important that the members of the start-up team are present, ready to listen to the concerns of potential members and that they are open minded towards every constructive suggestion.

Be aware that some potential members may hesitate to stand up and speak their mind in public, although their message is important and they are eager to support the initiative. That is why it is recommended to make sure that after any formal or official session there is also an informal gathering in which members of the start-up team and potential members can informally exchange views. Be ready to really listen to the (candidate) members and always take their concerns seriously.

3. Founding Assembly and election of board and president

The founding assembly is a major "turning"-point in the project of setting up a new employers' organization.

At first the formalities are very important as they will be needed for the official registration, and once approved, signed and registered they cannot be changed unless after a new extraordinary assembly, etc.

That is why it is important to carefully prepare all documents for the registration and to have them signed by due and authorized persons.

Be aware that according to the ILO-standards on Freedom of Association, only members can decide about the content of the statutes. It is not public authorities or officers from a public registration office that can dictate how the statutes of the organization should be written.

The meeting can be chaired either by the president of the start-up team that prepared all the documents or by a senior member of that team.

The founding assembly should also approve the draft budget and elect the first board-members.

At the same time or in the following days, a letter can be sent to the main "stakeholders" of the organization, like the prime-minister, leaders of political parties, main ministries, trade unions, etc.

First board meeting

Immediately after the founding assembly, the elected board members should gather and elect among them the president, the vice president(s) and the treasurer, if this has not been done by the General Assembly.

The board should also decide as soon as possible who within the board and staff will be authorized and to what extent to legally commit the organization and decide to start the procedure for registration.

4. Official registration and opening of bank-account

They should also decide about the dates of the regular monthly meetings of the board, and about the payment of the first costs/expenses of the organization (e.g. via an advance payment of membership fees by some board members). This should be discussed in an open and transparent way as problems and conflicts in organizations usually start with problems of reimbursement of costs and payment of membership dues!

The board should also start the procedure for recruitment of professional staff.

It is not unusual for the founding assembly to be followed by a press conference during which the president and the board present the new organization, its objectives and programme of activities to the outside world. But this first press conference can only take place once all registration formalities are completed.

Registration is another necessary, but sometimes painful and stressful step.

Registration should be an easy formality to be achieved in just a few days or weeks. But in some countries this is not the case. It can sometimes take weeks or even months!

Indeed, sometimes the authorities who have to do or prepare the registering, may take a whole lot of time to look very carefully at each and every document over and over again, scrutinize whether the application is complete, no autograph missing, etc. This can seriously delay the registration of the new organization.

That is why it is recommended that the documents to register should not be signed by all members attending the founding assembly, but only by some of them (4 to 5 max.). If the documents have to be redone or in case those who have signed the documents have to physically show up at the registration office with their passport or ID-card, it better be just a small group instead of a crowd. .

Usually an employers' organization has to be registered in a special register of professional or employers' organizations. In addition, a copy has to be sent to the Ministry of Labour or else this ministry has to give its opinion.

Nevertheless, registration is important as it gives a legal identity to the organizations by which it can open a bank-account, sign contracts for the recruitment of staff-professionals, rent offices and contract services like IT.

Opening a bank-account is needed for the collection of membership fee by bank transfer. It is also recommended to ask the members to agree with the system of "direct debiting" of their bank-account. If so, they accept that the invoice for the payment of the membership fee is directly sent to the bank with a copy to them.

Following the ILO's Committee on Freedom of Association, it is absolutely not the task of the employees of the registry to check the opportunity and the content of the statutes, except their conformity with the law on registration.

In addition, a long procedure constitutes a serious obstacle to the establishment of organizations. The objective of the ILO-standards is to promote easy registration formalities. Long and complex formalities are without discussion contrary to the ILO-standards on freedom of association.

5. Appointment of professional staff

The fifth step is the formation of the secretariat of the organization and appointment of the staff. It is the board who decides on both.

Professional staff should be recruited based on a selection using the following criteria:

- education: university degree or equivalent studies (law, economic sciences, social sciences, etc.);
- proficiency in an international language, preferably English;
- ability to prepare clear reports of meetings;
- attitude towards work: flexible, service minded, willing to work on irregular hours as well;
- ability and willingness to think and act pro-actively (self starting);
- and of course the strict willingness to support the goals and objectives of the organization and to accept decisions of the board.

The secretariat should be situated in an office or building which can be easily accessed by the members, with parking facilities nearby, preferably on the ground floor or first floor, and not in a building which belongs to a board-member or the president.

Also the address of the organization should not be the same as the president's business or private address. The president is not the owner of the organization. So, make sure that it even does not appear that way!

The board should also consider to open a "P.O. box", since at the beginning the secretariat can move regularly.

What comes next?

Once the new organization has been registered and the secretariat with competent staff set up, the organization has to start the activities foreseen in the work-plan. It is important to continuously try to expand the paying membership: this is a permanent task for the board and the secretariat together.

Next is building networks, nationally - with all important stakeholders - as well as internationally.

In order to develop relations with members and stakeholders, a periodic newsletter and a website have to be created.

FAQ

And never should an employers' organization forget or postpone its main tasks:

TASKS	TOWARDS	HOW?
Public relations	Public opinion, decision makers	Conferences, media, publications, etc.
Lobbying	Decision makers: government, parliament, local authorities	Position papers, draft proposals, dossiers, etc.
Collective bargaining	Trade Unions	Collective agreements, conflict settlements, etc.
Interest representation	Civil society organizations	Position papers, etc.
Services	Members	Specific, tailor-made, based on enquiry among members.
Communication	Members	Website, newsletter, magazine

Of course these activities have to be prepared by the staff following instructions from the board.

After one year it is recommended to organize a thorough and impartial evaluation of the organization, the services provided, the quality of those initiatives, and to ask the members for their opinion and experience in order to know whether the organization, its staff and its services still enjoy the support of the members. And keep on doing such evaluations, after three years, after five years, and so on.

Good Luck!

What are the consequences of the ILO-standards on Freedom of Association ?

Major consequence of the Freedom of Association is that no employers' organization can be based on compulsory membership.

A second consequence is that more than one employers' organization can be set-up for a same sector or region, or at confederate level. The existence of more organizations at the same time can be based on a difference in vision, perspective and/or strategy. Otherwise it should or can be based (also) on better quality of services to the members. However, in the case of more than one organization it is hard to claim that either one represents the largest part of all employers of the same sector or territory.

What to do in case of a lengthy and complex registration process?

As the Committee of Freedom of Association of the ILO has stated that a period of one month to register an organization is reasonable, those organizations who face a much longer period should not hesitate to lodge a complaint with that Committee by addressing their complaint to the Director General of the ILO and asking the ILO to intervene to the government to use more reasonable registration procedures.

The same should be the case if the registration is conditioned by costly procedures as the intervention of a notary, officers, etc.

What does it mean that employers' and workers' organization enjoy the same rights?

In the Declaration concerning the aims and purposes of the ILO, known as the Declaration of Philadelphia, adopted by the General Conference on May 10th 1944, article 1 holds the principle of equal status between the representatives of workers and employers with those of governments.

The principle of "equal status" among employers' and workers' organizations has been confirmed by Convention 144 on Tripartite Consultation (1976) in art. 3, al. 2: "Employers and workers shall be represented on an equal footing on any bodies through which consultations are undertaken."

This means that employers' organizations should benefit from the same facilities as the workers' organizations, as for example on registration procedures and taxation of revenues.

Annex 1: Draft statutes

New Employers' Organization

Following the Law on ... (employers' organizations, non-profit organizations, non-governmental organizations, associations, etc.) (title, date, country), the new Employers' Organization was founded on ... (date) and registered in the central register of legal entities on ... (date) with reference number

Article 1 – Identification: name, seat and logo:

- a. The organization has been established under the name "..." (name of the organization: usually referring to the sector, region and/or country), abbreviated as "...".
- b. The organization has its seat at (city or canton). The seat can be transferred to any other address by the Board of Management of the organization, which has to be published within 30 days in the ... (name of the national official journal) and filed in the central register of legal entities.
- c. The logo of the organization is shown by the following picture (or drawing). (this can be required in some countries)

Article 2 – Objectives:

The organization is a voluntary, non-profit and non-governmental organization.

Its objectives are:

- a. The representation of the common interests of its members, towards the public authorities, trade unions and any other association, as well at national as at international level

(It is recommended to specify the "common interests", like economic, social, fiscal, industrial, commercial, etc.);

- b. To undertake, alone or in collaboration with third parties, directly or indirectly, all kind of initiatives, as studies, projects, activities, specific

services, etc. related to its objectives for the benefit of the members.
c. In this respect, the organization can join national and international confederations with similar objectives.

Article 3 – Membership:

1) The organization has ordinary members, associated and honorary members.

a) "Ordinary members"

Note: A distinction has to be made between membership of confederations and of sector and territorial associations.

Confederations: will they be competent for the whole country or for a specific region or county?

Confederations at country or state-level should be open to all sector-organizations and territorial organizations in the country or state, as far as they subscribe to the statutes of the confederation. In some countries it is also possible for individual companies to join the confederation.

Confederations at regional or county level: only sector organizations set-up at the level of the region or the county with direct membership of employers from the region or county, in case no sector organizations at regional or county level, exist.

Sector organizations should be open to all employers of the same sector: it is important to define the sector concerned, if possible by specifying the NACE-code of Eurostat in the bylaws.

Territorial organizations should be open to all employers from a well defined territory, i.e. a region, a county, a province or a town.

Ordinary members are legal entities: they are either sector and/or territorial employers' organizations (for confederations) or they are companies belonging to the same sector or territory for sector, resp. territorial organizations. The statutes should also stipulate the conditions for direct membership of companies, especially about their voting rights at the general assembly and the

calculation of their contribution to the revenues of the organizations.

b) "Associate members" : organizations and institutions unable to comply with the criteria for ordinary membership, but want to support the organization and its members.

c) "Honorary members" is reserved for members who had a special merit for the Employers' Organisation by unique dedication or efforts .

2) Associate and honorary members have no voting rights and cannot apply for a position on the board of the organization.

3) The organization will be required to have at least three (3) ordinary members.

4) Application:

a) Applications for membership have to be addressed to the "Board of Management" of the organization. The board decides about the membership with a simple (50% +1 vote) or qualified majority (e.g. 2/3 or 3/4 of voters).

Note: The bylaws should stipulate the formalities to fulfill for the application: in particular the written commitment to accept the statutes of the organization and the payment of the membership fee.

Note: in addition, bylaws may require, together with the application, that a report be submitted prepared by the director, about

- the financial capacities of the applicant;
- voluntary membership;
- representativity;
- democratic and transparent decision-making process;
- independence of the organization;
- capacities of the applicant to comply with the decision of the organization, for example about implementation of collective agreements, etc.

5) Dismissal, resignation, exclusion:

- a) All members can resign by notifying the "Board of Management" in writing.
- b) A member can be expelled by a decision of the Board of Management with a two-third majority in case the member's behavior has seriously damaged the interests of the organization and/or its members. However, before deciding, the member concerned will have the occasion to explain and justify his behavior within appropriate time either by word or in writing. The member concerned will also have the possibility to lodge an appeal with the general assembly against the decision of the board.
- c) The Board of Management may expel with a simple majority a member who has not replied to a second letter of warning about the non-payment of his membership fee in due time and/or to the correct amount.
- d) Exclusion is automatic in case of bankruptcy.

6) Membership fee:

- a) The board decides the amount of the annual membership fee.
- b) The maximum fee cannot be higher than ... EUR.
- c) The membership fee has to be paid within 30 days after receiving the invoice signed by the treasurer of the organization. The board can decide about payment by installments.

Article 4 – General Assembly

- a) The General Assembly has the broadest powers concerning the implementation of the objectives of the organization.

- b) The General assembly consists of all "ordinary members" of the organization. Only "ordinary members" who have paid all their amounts due to the organization, including membership dues, are allowed to vote.

- c) Each "ordinary member" has one single vote and is represented at the Assembly by one duly mandated person. That person can represent not more than two (2) other members with a specific written proxy.

- d) The General Assembly is chaired by the president. In case the president is unable to chair the Assembly, the chairmanship is transferred to the vice-president or another member of the board.

- e) The General Assembly is in particular competent concerning (the):

- definition of the goals and strategy of the organization, based on proposals from the Board of Management;
- election and dismissal of members of the "Board of Management";
- amendments to the statutes with a qualified majority (or unanimity);
- approval of the accounts for the past financial year;
- approval of the budget of revenues and expenses for the current year, as proposed by the Board of Management;
- discharge the members of the Board of Management over the past activities.

- f) The General Assembly must be called at least once a year at the seat of the organization or at the place appointed on the notice of the meeting at a date fixed by the statutes (for example second Thursday of the month of May).

Notice is given by the President, in writing and sent fourteen days at the latest before the meeting. The letter contains the agenda as decided by the Board of Management. A special majority of the members can request the board to put specific issues on the agenda.

An extraordinary meeting must be called by the president upon request of one third of the "ordinary members".

In case of emergency, the president may call an extraordinary meeting.

The president can invite the "associated members" and the "honorary members" to the General Assembly as observers without the right of voting.

- g) The General Assembly is invalid to take a vote unless a simple majority of the "ordinary members" is present either in person or by proxy. Regular decisions of the General Assembly are taken by simple majority of the ordinary members present. In case of a tied vote, the vote of the chairperson of the meeting will be decisive.

In case of changes of the statutes and dissolution of the association the presence of a qualified majority of ... (e.g. 2/3) of the ordinary members is demanded and decisions have to be taken by a qualified majority of (again e.g. 2/3) of the present ordinary members, except in case of dissolution of the organization, in which case a qualified majority of ... (e.g., 4/5) is required.

Note: bylaws must specify nomination of tellers of the votes, minutes of the meetings, etc.

Article 5 – Board of Management

- a) The organization is governed by a "Board of Management" composed of ... (number: 9, 11, 15 or more: preferably an odd number) representatives of the "ordinary members".

Board members are elected by the General Assembly by simple majority. Each ordinary member can have only one representative in the board.

The term of their mandate is ... (3 or 4) years and they can be re-elected once. After a break of 4 years, former board members are again eligible for a mandate on the board.

During the term of their mandate, members of the Board of Management may be dismissed by unanimous decision of the General Assembly in case of serious fault or failure.

Note: bylaws may stipulate what has to be understood by "serious fault" or "failure". For example, absence for more than 3 times from the regular board meetings may be considered as "serious fault".

Board members lose automatically the membership of the board when they leave the legal entity which they represent at the moment of their election, except in case of take-over or merger, unless the new entity is already represented by another board-member.

In case a seat of a member of the board becomes vacant before the expiration of its term, the remaining members of the board may temporarily fill such vacancy until a member of the board is appointed by the next general assembly.

- b) The Board of Management elects among its members a chairman, who becomes the president of organization, one or two (2) vice-presidents and a treasurer. The term of those mandates is (3 or 4) years and these mandates can be renewed once.

If the president cannot attend a meeting of the Board of Management, his tasks are taken over by the eldest vice-president.

- c) The treasurer reports on a regular basis to the board and the general assembly on the organization's revenues and expenses. He supervises the financial management and checks the accounts.

He signs the invoices with the calls for payment of the membership fees.

The treasurer submits to the Board of Management, and afterwards to the General assembly, for its approval, the report on the past accounting year and the budget of incomes and expenses for the following year.

- d) The Board of Management gathers at least once per trimester.
- e) The Board of Management has full management and executive powers, subject to the powers vested in the General Assembly. It may delegate the day-to-day management to the President, or to someone outside the Board of Management (e.g. a director-general or secretary-general).

- f) The Board of Management decides on the agenda of the General Assembly, among which the activity report to present for approval, the accounts and budget prepared by the treasurer and the elections for the board.
- g) The Board of Management is in particular competent for the appointment and dismissal of the director of the professional staff.
- h) The Board of Management decides also about the statute and competences of the staff professionals who are in charge to represent the organization. Within the board a special committee can be set-up which will assist the director in the selection and recruitment of his direct assistants.
- i) The Board of Management can adopt "internal regulations" or bylaws for the functioning of the organization.
- j) The meeting of the Board of Management is invalid unless a simple majority of the boardmembers is present in person or by proxy.

Each member of the Board of Management has one single vote. Members of the Board of Management who cannot attend the meeting are entitled to be represented in that meeting. A board member can however represent not more than two (2) other members at the same time.

In case of a tied vote, the chairperson shall have the deciding vote.

- k) The decisions of the Board of Management are taken by a simple majority.
- l) The minutes of the board meetings with the resolutions will be recorded in a register signed by the chairman of the meeting and kept by the secretary at the disposal of the members of the organization.

Article 6: Permanent staff of the organization

- a) The board appoints a director who will be the secretary of the board. He/she may be dismissed by the board in accordance with the terms of his/her employment contract with the organization. His/her employment contract is signed by the president or in his absence by the vice-president or the treasurer.

- b) On proposal by the director, the board decides about the functions, like competences and title of the staff-members who are in charge to represent the organization.
- c) The employment contracts of staff members are signed by the director.
- d) The director is responsible for the administrative functions of the organization and shall conduct the daily management of the organization.
- e) The director, or in case of absence his deputy, attends and participates in any meeting of the general assembly, the Board of Management, but without voting rights.
- f) The director acts on the authority and following instructions of the Board of Management and consults with the president, vice-president(s) or the treasurer between meetings, as necessary.
- g) The director, or in his absence, his deputy, is also the secretary of the meetings of the general assembly: he/she is in charge of the minutes of the meetings and will keep the register of the minutes and resolutions.

Article 7 – Right of representation

Any transaction binding the organization will be signed by the president and another member of the Board of Management acting jointly, by one member of the board and the director acting jointly or by the director acting alone, if this occurs within the scope of his/her authority. Those persons do not need to prove their authority to third parties.

All acts related to the nomination, dismissal or stepping down of a person who represents the organization are to be filed with the central register of the legal entities and will be published in the "Official Journal".

Article 8 – Legal Proceedings

Legal proceedings involving the organization, both as plaintiff and as defendant, are taken by the Board of Management, represented by the President or by a member of the Board of Management, appointed for such purpose.

Annex 2: Draft outline for financial plan (budget)

Article 9 – Budget, accounts and finance:

- a) The financial year begins in general on January 1st and ends on 31st of December of each year. The Board of Management will yearly submit the accounts of the current year, after having been audited by an external registered auditor, and the budget for the coming financial year to the general assembly for its approval.
- b) All out-going bank transfers will bear 2 signatures: either the treasurer and the director, or in case of absence of one of them, by a board member, duly appointed.

Article 10 – Amendments to the Statutes

Amendments to the statutes must be adopted by an Extraordinary General Assembly attended by at least ... (e.g. 2/3) of ordinary members, either in person or properly represented and require a qualified majority of ... (e.g. 2/3) of all voters present. In case a quorum is not attained, a second meeting can be called within 15 days after the first meeting to which no quorum needs to be present. In that second session, decisions can be taken by (2/3) of the voters present.

Article 11 – Term and Dissolution

- a). The term of the organization is not limited.
- b). The organization can be dissolved by a qualified majority of 4/5 voters during an Extraordinary General Assembly with a presence of min. 2/3 of ordinary members.
- c) In the event of dissolution of the organization, any remaining assets of the organization, after payment of all debts, will be transferred to one or more employers' organizations with same purposes to be chosen by the General Assembly.

Article 12 – General

All matters for which no provision is made in these statutes shall be regulated in accordance with the provisions of the law.

Items	Year 1	Year 2	Year 3	Comments:
EXPENSES				
Manpower:				
Salaries				
Social contributions				
Office:				
Rent				
Energy:				
Heating				
Electricity				
Water:				
Maintenance				
Tel-fax				
Internet				
Website				
Documentation				
Office costs				
Paper, etc.				
Toner				
Envelopes				
Mailing:				
Stamps				
Business cards				
Logo				
Bank costs				
Insurances				
Travel				
Local				
International				
Accommodation				
Memberships				
National				
International				

Items	Year 1	Year 2	Year 3	Comments:
Catering				
Publications				
Folder				
Newsletter				
Handbooks				
Activities:				
Conferences				
Seminars				
Press-media				
Amortisation:				
Subtotal Expenses:				
Investment:				
Office furniture				
Office equipment				
Computer				
Projector				
Printer				
Copy-machine				
White board				
Miscellaneous				
Total investments:				
TOTAL EXPENSES:				

Items	Year 1	Year 2	Year 3	Comments:
REVENUES				
Membership fee				
Service activities				
Sponsoring				
Donors - projects				
Other:				
TOTAL REVENUES:				
Difference Expenses - Revenues:				

Annex 3: Draft outline of data-base of members

An electronic data-base with data about potential members should be created using a proper software programme (e.g. Excel, Access or a similar programme).

In setting-up the data-base it is important to take strictly into account the privacy-regulations (law or other) in your country.

Most of the information should be easy to collect, as many data can be found on web-sites, in financial newspapers, published annual reports, publications from the companies themselves, etc.

The following information can be collected:

1. About the member- company:

Identification:	_____
Name:	_____
Legal form:	_____
Abbreviation:	_____
Address (P.O. Box):	_____
Street:	_____
Number	_____
Post-code (ZIP-code)	_____
City:	_____
Tel:	_____
Fax:	_____
e-mail:	_____
web:	_____
Sector (NACE code)	_____
VAT-number:	_____
Registration-number	_____

Economic data:

Number of employees:
Total payroll
Annual turnover (without VAT)

Other:
Main export markets

2. About its management and senior staff:

CEO:
Name
First-name
Mr/Ms/Mrs.
Title:
Email-address:
Direct phone line:
Cell phone:

HRM
Financial director
Lawyer/legal advisor
Health & Safety
Training
Trade & export
Economics
Environment
Public affairs, communication
Relations with parliament:
Etc.

3. Main contact person with Organization:

Annex 4: Draft "power of attorney"

Power of Attorney

I, undersigned,

Name :

First-name :

Function :

Company :

Address :

City/town :

Tel :

Email :

give herewith to Mr/Mrs

the power to represent myself and my company at (event, place, date).... and to decide on (agenda)....

As a member of the new Association of Employers ... I commit myself to fulfill all obligations of the membership, including the regular, timely and correct payment of the membership fee and the participation in the activities of the Association.

Done in, on 2009
(signature)

To be sent by fax to or email:

Annex 5: Draft "application form"

Application form

Company Name: _____

Abbreviation _____

Address: _____

Tel: _____

Fax: _____

e-mail _____

Web: _____

VAT-number: _____

Number in central register: _____

Business sector or NACE-code(s) _____

Statistical information: _____

Number of employees: _____

Total salaries and wages bill: _____

Total turnover (ex-VAT): _____

Contact information: _____

Name: _____

First-name _____

Function: _____

Email-address: _____

submits herewith his/her application for (ordinary or associate) membership of

He declares to have received a copy of the statutes and to accept these statutes.
He agrees to pay the mandatory membership fee to the proper amount and within the time limit after having received the invoice(s) from the secretariat.

Place and Date,
Signature

Annex 6: Draft "invoice for membership"

Logo of Organization

Name of organization (issuing the invoice)	
Address	
Tel. – email	
VAT-number	
Registration number	
	Company
	Address
	Name of addressee:
	General manager, or
	Financial director, or
	Person who signed application form
	VAT-number
	Date
Invoice number:	
Concern: membership fee for period (year, month, or trimester)	
Criteria:	
Number of employees:	XXX
Amount/employee	XXX
Total amount:	XXX
Eventually: VAT:	XX
To be paid:	XXXX
Bank account:	
Name of account:	
IBAN:	
BIC:	
Deadline for payment: within 30 days	
Remark:	
Your membership fee to our organization is an allowable expense for tax purpose!	
Signature of the treasurer:	

Annex 7: ILO Convention on "Freedom of Association"

Extracts from "Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO"¹, Fifth (revised) edition 2006 :

Requirements for the establishment of organizations (minimum number of members, etc.)

281. Employers' occupational associations should not be restricted by excessively detailed provisions which discourage their establishment, contrary to article 2 of Convention No. 87, which provides that employers, as well as workers, shall have the right to establish organizations of their own choosing without previous authorization.

(See the 1996 Digest, para. 252; and 333rd Report, Case No. 2133, para. 59.)

293. A provision which requires ten or more employers engaged in the same industry or activity, or similar or related industries or activities, to establish an employers' association imposes an excessively high minimum number and violates the right of employers to establish organizations of their own choosing.

(See the 1996 Digest, para. 258.)

Registration of organizations

296. Although the registration procedure very often consists in a mere formality, there are a number of countries in which the law confers on the relevant authorities more or less discretionary powers in deciding whether or not an organization meets all the conditions required for registration, thus creating a situation which is similar to that in which previous authorization is required. Similar situations can arise where a complicated and lengthy registration procedure exists, or where the competent administrative authorities may exercise their powers with great latitude; these factors are such as to create a serious obstacle for the establishment of a trade union and lead to a denial of the right to organize without previous authorization.

(See the 1996 Digest, para. 260; 327th Report, Case No. 1581, para. 110; and 328th Report, Case No. 2158, para. 321.)

¹ Geneva, International Labour Office, Fifth (revised) edition, 2006. ISBN 92-2-119031-5; ISBN 978-92-2-119031-8

304. Judges should be able to deal with the substance of a case concerning a refusal to register so that they can determine whether the provisions on which the administrative measures in question are based constitute a violation of the rights accorded to occupational organizations by Convention No. 87.

(See the 1996 Digest, para. 267; 307th Report, Case No. 1918, para. 251; and 333rd Report, Case No. 2301, para. 594.)

307. A long registration procedure constitutes a serious obstacle to the establishment of organizations and amounts to a denial of the right of workers to establish organizations without previous authorization.

(See 338th Report, case No. 2273, para. 294.)

308. A period of one month envisaged by the legislation to register an organization is reasonable.

(See 337th Report, Case No. 2244, para. 1261.)

Legislation on the right of organizations to draw up their constitutions and interference by the authorities

369. Legislative provisions which regulate in detail the internal functioning of workers' and employers' organizations pose a serious risk of interference by the public authorities. Where such provisions are deemed necessary by the public authorities, they should simply establish an overall framework in which the greatest possible autonomy is left to the organizations in their functioning and administration. Restrictions on this principle should have the sole objective of protecting the interests of members and guaranteeing the democratic functioning of organizations. Furthermore, there should be a procedure for appeal to an impartial and independent judicial body so as to avoid any risk of excessive or arbitrary interference in the free functioning of organizations.

(See the 1996 Digest, para. 331; and 321st Report, Case No. 2011, para. 215.)

Right of organizations to elect their representatives in full freedom

388. Freedom of association implies the right of workers and employers to elect their representatives in full freedom.

(See the 1996 Digest, para. 350; 305th Report, Case No. 1874, para. 268; 329th Report, Case No. 2177/2183, para. 639; and 333rd Report, Case No. 2301, para. 591.)

390. It is the prerogative of workers' and employers' organizations to determine the conditions for electing their leaders and the authorities should refrain from any undue interference in the exercise of the right of workers' and employers' organizations freely to elect their representatives, which is guaranteed by Convention No. 87.

(See the 1996 Digest, para. 351; 306th Report, Case No. 1884, para. 692; 333rd Report, Case No. 2301, para. 591; and 335th Report, Case No. 2276, para. 404.)

404. Since the creation of works councils and councils of employers can constitute a preliminary step towards the setting up of independent and freely established workers' and employers' organizations, all official positions in such councils should, without exception, be occupied by persons who are freely elected by the workers or employers concerned.

(See the 1996 Digest, para. 367; and 332nd Report, Case No. 2255, para. 947.)

Right of organizations to organize their administration

454. Freedom of association implies the right of workers and employers to elect their representatives in full freedom and to organize their administration and activities without any interference by the public authorities.

(See the 1996 Digest, para. 416; and 331st Report, Case No. 2132, para. 589.)

455. The fundamental idea of Article 3 of Convention No. 87 is that workers and employers may decide for themselves the rules which should govern the administration of their organizations and the elections which are held therein.

(See the 1996 Digest, para. 417.)

460. Freedom of association implies the right of workers' and employers' organizations to resolve any disputes by themselves and without interference by the authorities; it is for the government to create an atmosphere conducive to the resolution of such disputes.

(See the 1996 Digest, para. 422.)

484. Particularly in transition countries, special measures, including tax deductions for trade union dues and membership dues of employers' organizations, should be considered in order to ease the development of employers' and workers' organizations.

(See 338th Report, Case No. 2350, para. 1084.)

Right of organizations freely to organize their activities and to formulate their programmes

495. Freedom of association implies not only the right of workers and employers to form freely organizations of their own choosing, but also the right for the organizations themselves to pursue lawful activities for the defence of their occupational interests.

(See the 1996 Digest, para. 447; 308th Report, Case No. 1934, para. 127; 323rd Report, Case No. 2075, para. 523; 329th Report, Case No. 2140, para. 295; 330th Report, Case No. 1888, para. 658; 334th Report, Case No. 2313, para. 1119; and 335th Report, Case No. 2236, para. 970.)

496. Any provision which gives the authorities, for example, the right to restrict the activities and objects pursued by trade unions for the furtherance and defence of the interests of their members would be incompatible with the principles of freedom of association.

(See the 1996 Digest, para. 448.)

Right of employers' and workers' organizations to establish federations and confederations and to affiliate with international organizations of employers and workers

710. The principle laid down in Article 2 of Convention No. 87 that workers and employers shall have the right to establish and join organizations of their own choosing implies for the organizations themselves the right to establish and join federations and confederations of their own choosing.

(See the 1996 Digest, para. 606; 327th Report, Case No. 2153, para. 155; 329th Report, Case No. 2140, para. 295; 330th Report, Case No. 2229, para. 942; 332nd Report, Case No. 2225, para. 378; 333rd Report, Case No. 2301, para. 592; and 336th Report, Case No. 2153, para. 170.)

711. The acquisition of legal personality by workers' organizations, federations and confederations shall not be made subject to conditions of such a nature as to restrict the exercise of the right referred to in the preceding paragraph.

(See the 1996 Digest, para. 607; 329th Report, Case No. 2140, para. 295; 332nd Report, Case No. 2225, para. 378; and 336th Report, Case No. 2153, para. 171.)

730. In order to defend the interests of their members more effectively, workers' and employers' organizations should have the right to form federations and confederations of their own choosing, which should themselves enjoy the various rights accorded to first-level organizations, in particular as regards their freedom of operation, activities and programmes.

(See the 1996 Digest, para. 621; 306th Report, Case No. 1884, para. 686; and 337th Report, Case No. 2327, para. 209.)

Affiliation with international organizations of workers and employers

732. International trade union solidarity constitutes one of the fundamental objectives of any trade union movement and underlies the principle laid down in article 5 of Convention No. 87 that any organization, federation or confederation shall have the right to affiliate with international organizations of workers and employers.

(See the 1996 Digest, para. 622.)

733. Unions and confederations should be free to affiliate with international federations or confederations of their own choosing without intervention by the political authorities.

(See the 1996 Digest, para. 623.)

Annex 8: Recommended publications for Employers' Organizations

Roel Smit
Effective Communication by Employers' Organisations ²
DECP, The Hague, 2009

Bob Koning (VNO-NCW), Théo-Jan Heesen (TrajectPlus), J.M. Standaert (DECP)
Occupational Safety and Health ²
DECP, The Hague, 2008

J.M. Standaert, Special Advisor DECP,
Governance of Employers' Organizations – Practical Guidelines ²
DECP, The Hague, 2008

H. Klooster, Former Director Communications VNO-NCW
Effective Media Publicity by Business Organizations ²
DECP, 2007

M.P.H. Korten, Deputy Director DECP:
Lobbying by Employers' Organizations ²
DECP, 2007

M.P.H. Korten, Deputy Director DECP:
Increasing your revenues ²
DECP, 2007

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

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

Services of Employers' Organizations in the Transition Countries of Central and Eastern Europe – The Reference Book
ILO/ACT/EMP 48
Budapest, 2005
A Solution for Members of Employers' Organizations: Payroll Administration Services – How to Move from Informality to Formality
ILO/ACT/EMP 46
Budapest, 2005

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

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

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

² See on website www.decp.nl/publications

Visitors

Bezuidenhoutseweg 12, The Hague,
The Netherlands

Postal address

P.O. Box 93002,
2509 AA The Hague,
The Netherlands

Phone

(+31) (0)70 3490 186

Fax

(+31) (0)70 3490 247

E-mail

info@decip.nl

Internet:

www.decip.nl