



# CONFLICT AFFLICTED ZONES

EMPLOYER AND BUSINESS MEMBERSHIP ORGANIZATIONS -  
PROTECTING JOBS, ENTERPRISES AND LIVELIHOODS

“In fragile and conflict-affected States [...] poverty rates are generally 21 percentage points higher than in other States. [...] The threat that their condition poses to the prosperity of others is one compelling reason why the ILO should give priority to them.”

**Guy Ryder, ILO Director General**

The private sector is widely referenced as a critical actor in conflict-affected zones. It continues to provide vital goods and services during a conflict and is a key contributor to rebuilding shattered economies and communities after a peace agreement has been concluded.

Yet with more and more of the world's vulnerable and poor living in States now deemed “fragile”, development actors and agencies are presented with a major challenge in delivering programmatic assistance in fragile zones in a manner that is impactful. How technical assistance can be absorbed effectively in areas of weak governance, rising tensions or actual conflict will require more innovative and better tailored approaches.

“We played a big role in getting the ceasefire agreement. We ensured that the trade embargo was lifted, and the A9 road (main linking highway) was opened. We were negotiating with both sides to reduce taxes and allow items to enter and leave the area. Then we were the first organization to bring a bus-load of southern business leaders to show our culture and business opportunities.”

**Sri Lankan business leader, ILO interview, 2015**



Employer and business membership organizations (EBMOs) are uniquely positioned to positively contribute to this fundamental development challenge because of their inclusivity, power, size, partnerships and provision of key skills.

The Bureau for Employers' Activities of the ILO (ACT/EMP) has conducted extensive research on the role of EBMOs in conflict situations across Asia and the Pacific region to inform its technical programmes. Key findings from these research efforts are listed below:

- EBMOs are embedded in their communities through business ties (e.g. with staff, business partners and suppliers) and through other links, such as political, cultural, ethnic or religious activities. Consequently, EBMOs can play a critical role in ensuring that workplaces remain independent of conflict and its causes and spaces of neutrality and inclusivity.
- The business community, as expressed through EBMOs, has an inherent interest in stability. Stability is required for the conduct of business, a factor that can influence government officials to adopt constructive policies. The ability to put pressure on governments – to use a collective pressure point – is an invaluable asset.
- The strength of EBMOs lies in their representative nature and their functioning as networks. Their wide representative footprint provides enormous potential for greater impacts.
- Long-running and close partnerships between EBMOs and other stakeholders, particularly workers' organizations, can add weight to influencing a particular course of action or political direction.
- EBMOs can play a direct and positive role in encouraging investment in and the swift recovery of the conflict-affected region and promoting peace-building and economic reconciliation.
- Business leaders commonly have different skills from policy-makers or development practitioners. They are often engaged in difficult negotiations with buyers and suppliers, requiring key skills in deal-making. Or they may be industrial relations practitioners who need to be able to manage multi-party negotiations that require careful management of expectations and personal relationships. These skills are acutely needed in the peace-making process.

“We [businesses] are not here to fight crime, we’re not here to fight the New People’s Army (NPA) or the Moro Islamic Liberation Front (MILF). We are actually here to provide employment and we believe that one of the root causes of all these is unemployment or poverty. So if we can help alleviate the [poverty] situation, then why not? That’s what we’re doing ... providing employment in the hinterlands.”

**Mindanao (Philippines) business leader, ILO interview, 2015**



## SRI LANKA

The 2001 Sri Lanka First initiative was a key element of business community advocacy towards a peaceful settlement of the country’s long-running conflict. EBMOs supported a number of influential business leaders to run a series of advertisements to rally one million people onto the streets to call for an end to the war. The central message of the campaign, called “Sri Lanka First – It’s Now or Never”, was that the cost of war was much higher than the cost of peace, and that the campaign would continue until peace talks resumed. At the national event in September 2001 an estimated one million people held hands in a chain for fifteen minutes, urging an end to hostilities. These efforts, along with strong internal pressure from the Joint Business Forum, led to elections and the new Government’s pledge to agree to a unilateral ceasefire with the Liberation Tigers of Tamil Eelam.

## NEPAL

The National Business Initiative for Peace (NBI), founded in 2005, aims to support sustainable peace through socio-economic growth. The NBI includes EBMOs such as the Federation of Nepalese Chambers of Commerce and Industry, the Nepal Chamber of Commerce and Industry and the Hotel Association of Nepal, which work jointly with civil society to push forward peacebuilding and conflict mitigation activities. The NBI awards enterprises a “peace certificate”, which indicates that the enterprise is part of the peacemaking initiative and has signed up to the NBI’s principles.

Much of ACT/EMP’s standard technical work with EBMOs is in core areas pertinent to conflict situations such as negotiation strategies, managing conflicts in the workplace, promoting inclusive labour markets, and helping with advocacy efforts and wider policy development. A wide range of tools, products and practices has been successfully developed and deployed in these areas.

In 2014, ACT/EMP developed a technical programme for EBMOs in conflict-affected zones. It commissioned fieldwork in Thailand, the Philippines and Sri Lanka to explore how EBMOs have interacted in conflict situations and what kinds of roles they played or could play. Additional field level inputs were gathered from ILO colleagues working in Myanmar, Pakistan and Nepal. This work resulted in:

- A working paper on EBMOs in conflict-affected zones: “Enterprise creation, employment and decent work for peace and resilience: The role of Employer and Business Membership Organizations in conflict zones in Asia”
- A case study on Sri Lanka: “Business and peace in Sri Lanka: The roles of Employer and Business Membership Organizations”

In 2016, ACT/EMP commissioned UCLA Anderson School of Management to explore the potential role that EBMOs can play in supporting economic development and investment decisions in areas prone or potentially prone to conflict situations. Fieldwork took place during the last quarter of 2016 and early 2017 (in the Philippines, Thailand, Myanmar and Indonesia) with a total of 67 interviews. A further 19 interviews were conducted with US and Japanese multinational enterprises. A research report was launched in April 2017.

At a technical level ACT/EMP is developing a range of tools and approaches to support EBMOs and their members in Conflict Afflicted Zones. These are being developed around the following five pillars:

- **Building capacity of EBMOs and relevant stakeholders**
- **Developing services and supporting enterprises**
- **Promoting inclusive and safe workplaces**
- **Strengthening social partner roles in peace-making and peace dialogue**
- **Developing strategies to attract investment and jobs and to promote ethical investment.**

Developing the private sector in a high risk context of weak/absent institutions requires approaches that are immediately relevant and applicable. By strengthening local networks of enterprises, using adapted and basic capacity building models, crucial knowledge can be disseminated by trusted actors in a context that can be both absorbed and applied by local businesses. Our approach can be summarized in the following way: **Context-driven, adaptable and scalable.**

## THE ENABLING ENVIRONMENT FOR SUSTAINABLE ENTERPRISES IN CONFLICT-AFFECTED ZONES

ACT/EMP’s flagship policy development product is the Enabling Environment for Sustainable Enterprise (ESEE) Toolkit. The toolkit is a resource for EBMOs wishing to assess the environment for the establishment and growth of business. Its core objective is to identify obstacles to the development of sustainable enterprises and formulate evidence-based proposals for reform.

The toolkit is being adapted as a specific resource package to help EBMOs in supporting economic development and investment decisions in areas prone or potentially prone to conflict situations.

<http://eese-toolkit.itcilo.org/>

## PUBLICATIONS



- **A working paper on EBMOs in conflict-affected zones:** *Enterprise creation, employment and decent work for peace and resilience: The role of Employer and Business Membership Organizations in conflict zones in Asia*
- **A case study on Sri Lanka:** *Business and peace in Sri Lanka: The roles of Employer and Business Membership organizations*
- **Research Note:** *Role of EBMOs Promoting multinational enterprise investment and job creation in Southeast Asian conflict-affected zones*

## BUREAU FOR EMPLOYER'S ACTIVITIES OF THE ILO

The Bureau for Employers' Activities (ACT/EMP) is a specialized unit within the ILO Secretariat. Its task is to maintain close and direct relations with Employer and Business Membership Organizations (EBMOs) in member States.

Across the region, ACT/EMP assists EBMOs in building strong, independent and representative organizations that respond to their members' needs and challenges through Technical Cooperation Programmes. The key components of ACT/EMP's role are:

- Maintaining and developing a global network of EBMOs
- Being a trusted internal partner of the ILO to EBMOs and keeping the ILO informed of their views, challenges and priorities.
- Running capacity-building programmes for EBMOs that respond to their needs (targeting three areas: policy, services and strategy)
- Facilitating the wider work of the ILO with EBMOs

In the Asia-Pacific region, ACT/EMP has four dedicated specialists: one based in New Delhi, India, covering South Asia, one based in Yangon working exclusively in Myanmar, and two in Bangkok covering South-Eastern Asia and the Pacific and Eastern Asia: <http://www.ilo.org/employers>