Preface

This short guide is to support companies – large and small, national and international – that are operating or envisaging to operate in areas ridden by tensions and conflict. It offers them practical tips to build up a more peaceful and productive environment within the company itself and in its surrounding context, based on the ILO’s Decent Work approach. It should thus enable companies to play an important peace-building role and benefit from it.

The guide explains why this approach is particularly profitable to companies in such areas, and provides a series of basic questions to help companies orient their policies and practices in this direction.

This is one of a series of tools the ILO InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS) has been producing, with other ILO technical units, to provide orientation and support to crisis scholars and practitioners on core aspects and technical areas of crisis response. Other manuals focus on “Generic crisis response modules”, “Rapid Needs Assessment”, “The role of cooperatives and other self-help organizations in crisis resolution and socio-economic recovery”, “Local economic development in post-crisis situations”, “Guidelines for establishing emergency public employment services”, “Guidelines for employment and skills training in conflict-affected countries”, “Gender guidelines for employment and skills training in conflict-affected countries” and “Training and employment options for ex-combatants”. An “ILO crisis response trainer’s guide” is also available.

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IFP/CRISIS would appreciate receiving feedback from users of these guidelines.

15.6. 2003 Eugenia Date-Bah
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# Table of contents

**Introduction**.........................................................................................................................1

**I WHY is Decent Work a profitable investment in conflict zones?** ........................................2

  I. 1 Decent Work matters in conflict zones.................................................................2

  I. 2 Business can make a difference in conflict zones.................6

  I. 3 Business-ILO partnership in conflict zones .................9

**II HOW can business policies and practices fit Decent Work in conflict zones?** .................11

  II. 1 Assessing the context’s labour-related risks to company operations........................13

  II. 2 Setting up company policies and practices for Decent Work and peace-building ..........16

  II. 3 Developing a Decent Work culture among stakeholders........................................20

**III Selected references and further readings** .................................................................21

**IV Main ILO contacts** .............................................................................................................23
Introduction

The ILO defines Decent Work as the opportunity for men and women to obtain decent and productive employment in conditions of freedom, equity, security and human dignity. It is devoted to help realize this goal worldwide and in all circumstances, including crises, via four strategic avenues: labour standards and fundamental rights, employment, social protection and social dialogue.

This short guide explains:

- **WHY** Decent Work is a profitable investment in conflict zones;
- **HOW** can business policies and practices fit Decent Work in conflict zones.

It responds to the increasing keenness of business to play a more active and pro-peace role in actual and potential conflict areas. This keenness has been expressed and addressed in a variety of organizations - International Alert, International Peace Academy, the Prince of Wales International Business Leaders Forum, the Conference Board, the Global Compact,¹ etc.

Work is a core area to create and maintain a peaceful, productive environment. It is also one in which companies hold, logically, a strong comparative advantage. It is thus on work-related matters that business can have a substantial peace-making and conflict-prevention impact, and also benefit from it.

A Decent Work business is good business, particularly in conflict-ridden contexts.

The objective of this practical guide is to empower companies - large and small, national and international - so they can contribute to peace making and conflict prevention, while pursuing their profit-making objective. To that end it provides a set of practical questions which managers can use to review their context, their internal (within the company) and their external (within the community/country of operation) work-related policies and practices; and to reorient these policies and practices accordingly.

This guide could also open avenues for partnership between businesses/business associations and other stakeholders - workers’ organizations, Government institutions, NGOs, and other relevant national and international actors in conflict contexts. The ILO is particularly keen to develop partnerships with business, in cooperation with employers’ and workers’ organizations, on the multiple aspects of decent and productive employment,² for information exchanges (among others on good practice), advisory services and joint ventures.

¹ An earlier, abridged version of this guide is available in: Global Compact: A business guide to conflict impact assessment and risk management - The role of the private sector in zones of conflict - (New York, UN, 2002).

² The relevant ILO Units and their electronic addresses are indicated in section IV.
I WHY is Decent Work a profitable investment in conflict zones?

1. Decent Work matters in conflict zones

“Freely chosen, productive employment, in conditions of human dignity and decency, is the very foundation on which social stability rests.”

(Kofi Annan, UN Secretary-General, Global Employment Forum, Geneva, Nov. 2001)

“Decent Work (…) is the most widespread need, shared by people, families and communities in every society …”

(Juan Somavia, ILO Director-General, Report to the International Labour Conference, Geneva, June 1999)
Decent Work creates an enabling environment for enterprises in conflict-prone contexts. Securing decent and productive employment for men and women, in conditions of freedom, equity, security and human dignity, is a potent antidote to tensions, social divisions and unrest, instability and conflicts. It is the cement that builds peace. It integrates essential enabling rights that allow people to develop and enhance their capabilities to be productive, climb out of poverty, and help their families and communities to do likewise. Decent employment and working conditions provide income, but also dignity, self-worth, trust, hope, a sense of belonging to a community and willingness to invest in its stability and development. It is thus key to avoid or limit tensions, the risk of conflicts, reduce their severity once they occur, and help in conflict resolution and post-conflict reconciliation and reconstruction.

Within enterprises themselves, good employment and working conditions, concern for basic social justice and security are particularly needed and appreciated by employees in tension- and conflict-ridden contexts. They thus attract the best human resources and boost workforce morale, motivation and trust; entailing stronger performance, and collaborative, peaceful labour relations.

But good jobs do not just happen; there needs to be a conscious effort to invest in this objective. Companies have a major role to play.

At the core of Decent Work is the ILO Declaration on Fundamental Principles and Rights at Work, adopted without opposition in 1998 by Governments, employers’ and workers’ organizations. It is a universal consensus on the vital importance that economic and social progress
go hand in hand. The two are closely interdependent. The Declaration is also a commitment by all stakeholders to implement and advocate its principles, in their individual activities and their organizations.

The Declaration’s four fundamental principles and rights are embodied in international labour conventions and recommendations, that provide guidance for their implementation. Those fundamental principles and rights, and the related core conventions are:

- **Freedom of association and the effective recognition of the right to collective bargaining** – Guaranteeing workers’ and employers’ rights to join together freely and take action to protect their interests in the labour market and the work place.

- **Elimination of all forms of forced or compulsory labour** – Embodying the idea that no one shall be forced to perform work on a non-voluntary basis and under threat of being penalized.

- **Effective abolition of child labour** – Stating that every child should have the opportunity to develop physically, mentally and morally to his or her full potential before entering working life at a minimum age, fixed by Government; the abolition of the worst forms of child labour being a top priority.

- **Elimination of discrimination in respect of employment and occupation** – Reflecting the notion of equity, through equal opportunity and treatment in all aspects of work, from training, to recruitment, pay and other working conditions; but also paving the way for individuals, enterprises and societies to maximize their human potential.

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4 C87: Freedom of Association and Protection of the Right to Organize, 1948  
C98: Right to organize and Collective Bargaining Convention, 1949

5 C29: Forced Labour, 1930  
C105: Abolition of Forced Labour, 1957

6 C138: Minimum Age Convention, 1973  
C182: Worst Forms of Child Labour, 1999

7 C100: Equal Remuneration Convention, 1951  
C111: Discrimination (Employment and Occupation), 1958
The Declaration is a broad consensus and commitment on a minimum base for promoting decent employment and working conditions.

The Declaration’s principles and rights are gaining wide recognition among organizations, communities and enterprises, as benchmarks for responsible business conduct. In particular, they are:

- Incorporated into the ILO’s own Tripartite Declaration of Principles concerning Multinational Enterprises (MNE) and Social Policy (2000), that offers MNE (along with Governments, employers’ and workers’ organizations) guidance in such areas as employment, training, working conditions and industrial relations.


- Embedded as foundation values into the Global Compact, that aims to uphold and put them into practice.


I. 2  Business can make a difference in conflict zones

Thriving markets and human security go hand in hand

(Kofi Annan, UN Secretary-General, The World Economic Forum, Davos, 31 January 1998)

“... If we don’t solve the employment-generation problem, we are going to have very unstable societies. You (businesses) are the first to know that there are no stable investments in unstable societies”

(Juan Somavía, ILO Director-General, Global Compact High-Level Meeting, New York, 26 July 2000)

The business case for operating in tension-ridden areas may be quite strong, and varies across firms and contexts. It may rest on the accessibility of raw materials, the existence of markets, the availability of workers with specific skills, or the strategic location or growth prospects of specific areas. Business presence can make those growth prospects become a reality, profitable to companies, as well as to all stakeholders in those areas.
However, investing and operating successfully in actual or potential conflict zones require of managers careful work on conflict impact assessment and risk management, so as to minimize the negative effects and maximize the positive effects on their enterprise and its environment of their involvement.8

Companies also have a logical interest in conflict prevention and conflict resolution. Their interest includes avoiding business disruptions linked to violence, damage to socio-economic infrastructures, harm to property and employees, uncertainty, etc. Security and business agendas are intertwined in conflict areas themselves and, in our era of globalization, internationally too. Even companies that stand to profit from some aspect of a given conflict, such as a better niche due to the disappearance of competitors, stand to lose, as violence is hard to control. It does not stop at the gates of a firm, or at the borders of a country, or even at those of a continent ...

Admittedly, some contexts may be particularly complex and violent; and the main responsibility and power to provide macro-level measures that will avoid or relieve societal tensions rest on political, governmental action. In many cases, though, businesses and business associations - whether large or small, national or international - have much to contribute to defusing tensions in practical ways related to the decent treatment of their employees; and much to gain from it.

Business can be a protagonist in conflict-prone zones.

Companies can play a variety of peace-making and conflict-prevention roles: from facilitating communication among the parties, to promoting dialogue among them, to lending economic and other assistance to attract parties towards peaceful relations, to envisaging sanctions such as the interruption of their activities if parties fail to cooperate, to organizing peacekeeping and humanitarian/philanthropic activities.¹⁹

But companies are best placed and can really make a difference in work-related matters. Work lies at the core of their expertise; and at the core of the preoccupations of individuals, their families and communities. Companies can thus be a powerful force, to check tensions, defuse them, and appease violence once it has erupted; a force usually underestimated and under-tapped.

Employment-sensitive, socially-responsible business behaviour yields important benefits to companies. This is true in general circumstances,¹⁰ but even more so in conflict contexts. It defuses tensions and unleashes goodwill and human potential, within enterprises, societies, and internationally; creating an enabling environment for companies, and opening up opportunities for employment-sensitive and socially responsible companies themselves. It is thus much more than socially-correct or ethically-correct behaviour; and it is much more than P.R. ...

Business can be a peace-maker, and profit from it.


¹⁰ See, for instance, Rogovsky, N. and Sims, E.: Corporate success through people; Making international labour standards work for you (Geneva, ILO, 2002).
I. 3 Business-ILo partnership in conflict zones

“The United Nations agencies (...) all stand ready to assist you (businesses), if you need help, in incorporating (...) agreed values and principles into your mission statements and corporate practices.”

(Kofi Annan, UN Secretary-General, The World Economic Forum, Davos, 31 January 1999)

“The ILO is at your service (...) to provide all the information in the world and a lot of experience on how you can make these things happen in practical terms...”

(Juan Somavia, ILO Director-General, Global Compact High-Level Meeting, New York, 26 July 2000)
ILO:

- Has as mission, since its foundation in 1919, to prevent war and reduce social conflict, focusing on their root causes. It promotes a culture of peace, tolerance, social justice and equitable development.

- Works with governments, employers’ and workers’ organizations, to create enabling environments that offer socio-economic fulfilment opportunities to individuals, groups, companies and societies.

- Received in 1969 the Nobel Prize for Peace.

- Set up in 1999 a special InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS), dedicated to tackling the employment-related challenges of crises – armed conflicts, natural disasters, financial and economic downturns, difficult political and social transitions – through knowledge and tools development, advocacy, capacity building, advisory services and direct intervention in emergencies.

- Has intervened directly in some 20 conflict-torn countries worldwide.

ILO is ready and available to provide advisory and other support that businesses organizations may need to play a pro-active, pro-peace role in a wide range of Decent Work technical areas (see sections III and IV of this guide for references).
II HOW can business policies and practices fit Decent Work in conflict zones?

\[\text{You can uphold human rights and decent labour (\ldots) directly, by your own conduct of your own business.}\]

Indeed, you can use these universal values as the cement binding together your global corporations, since they are values that people all over the world will recognize as their own. You can make sure that in your own corporate practices you uphold and respect human rights; and that you are not yourselves complicit in human rights abuses.

Don’t wait for every country to introduce laws protecting freedom of association and the right to collective bargaining. You can at least make sure your own employees, and those of your subcontractors, enjoy those rights. You can at least make sure that you yourselves are not employing under-age children or forced labour, either directly or indirectly. And you can make sure that, in your own hiring and firing policies, you do not discriminate on grounds of race, creed, gender or ethnic origin...“

(Kofi Annan, UN Secretary-General, The World Economic Forum, Davos, 31 January 1999)
... resources are not just money. It is also the conviction to act (...) The biggest resource all of us have is within ourselves.

(Juan Somavia, ILO Director-General, Statement delivered to the Rotary International, New York, 11 May 1995)

I would suggest (...) that you reward the risk-taking of your managers who do new things with social management in your enterprise (... ). Get the message across that socially sensitive action is important for the bottom line of your managers and for the careers of your managers.

(Juan Somavia, ILO Director-General, Global Compact High-Level Meeting, New York, 26 July 2000)

The questions that follow are meant to assist companies identify and manage key labour concerns when operating in conflict zones; so they may minimize risks and maximize returns to their operations, prevent building up tensions, avoid exacerbating them, and help defusing them.

These questions cover:

1. Assessing context’s labour-related risks to company operations
2. Setting up company policies and practices for Decent Work and peace building
3. Developing a Decent Work culture among stakeholders

Answers to these questions may highlight a need to revise some of the company’s policies and practices. Annex IV provides references to ILO Units which could offer more specific technical guidance; for example, on implementing collective bargaining or non-discrimination where national law or policy does not provide an appropriate framework or discourages it altogether.
II. 1 Assessing context’s labour-related risks to company operations

These questions are to inform the company on the context in which it is operating or about to operate, concerning key labour dimensions that can potentially create/worsen tensions and accelerate/aggravate conflict. Typically, the company has little control over these dimensions. It would use this formation to sharpen its evaluation of the conflict-propensity of the context, and to develop the decent labour policies and practices most effective in that specific context. In some cases it may also be in a position and have the opportunity (by itself or as member of a business association) to bring the situation to the attention of authorities and other relevant actors.

The quantitative and qualitative information needed can be gathered from a variety of sources: international (such as the ILO, the World Bank and regional development agencies), as well as national (national statistical services, but also employers’ and workers’ organizations, etc.), and local (local authorities, employers’ and workers’ representatives, NGOs, and other key informants). Exact figures are not required. What matters in particular are general magnitudes, as well as recent and expected trends.

What is the record of the country, the area and the industry where the company is operating, as regards the four labour principles of the ILO Declaration:
(a) Freedom to associate and bargain collectively?
(b) Freedom from forced or compulsory labour?
(c) Freedom from child labour? (particularly its most dangerous forms)
(d) Freedom from discrimination in employment and occupation? (including in pay)
Are there policies on those principles and mechanisms to implement them? What have been their results?
What are the levels of unemployment and underemployment\(^\text{11}\) in the country and area where the company is operating? How have these levels been evolving in the past few years and months? How are they expected to evolve in the next few months and years? Is the company’s monitoring based on reliable data?

What is the structure of unemployment and underemployment in the country and the area where the company is operating; In particular by age,\(^\text{12}\) but also by sex, education, skill type and level,\(^\text{13}\) and professional work experience?

Are any important inflows into the labour market expected in the coming months and years; namely of groups linked to the conflict such as ex-combatants, returning refugees or displaced persons and the war-disabled, and of others such as ethnic groups and youth? What challenges each of these flows poses to society and to the company?

\(^{11}\) Qualitative underemployment (that is, work at a lower level than a worker’s skills) as well as quantitative underemployment (that is, work for shorter than normal time, despite worker’s willingness to work full time). Both are tightly linked to tensions between individuals and groups, and confrontations with authorities and institutions.

\(^{12}\) Idle, frustrated youth is an easy prey to extremism and anti-social behaviour in general.

\(^{13}\) Skill mismatches occur frequently, causing unemployment, underemployment, and thus dangerous frustration.
Do basic labour market mechanisms exist (in particular employment services and training institutions) in the area where the company is operating, that help people acquire marketable skills, find jobs, move between jobs, etc.? How effective and relevant are they, in general and with respect to critical groups (i.e. those who could be initiating or aggravating violence)?

What is the incidence of poverty, inequality and social exclusion in the country and the area where the company is operating? Do socio-economic disadvantages cumulate for some groups or communities?  

What mechanisms are in place (unemployment benefits, pensions, health facilities, education and other basic social services) to provide safety nets to workers and their families; and thus combat their poverty, despair and negative outlook? Are they distributed equitably, so as to avoid tensions between groups?

14 The link between despair and anti-social, destabilizing behaviour is widely acknowledged.
II. 2 Setting up company policies and practices for Decent Work and peace building

These questions are to help a company identify the core work-related issues it needs to bear in mind in its policies and practices, so as to avoid causing or exacerbating tensions and help alleviating them.

“No” answers to questions call for appropriate remedial action.

☑ Is the company taking steps to implement the fundamental labour principles of the ILO Declaration in its operations:
(a) Does it recognize and respect the right to organize and bargain collectively for its workers?
(b) Does it ensure it does not resort to any form of forced or compulsory labour?
(c) Is it reducing its use of child labour, if it had any, and proscribing it for dangerous tasks and in dangerous sites?
(d) Are company’s practices non-discriminatory – on ethnic, religious, political affiliation, sex, disability and other grounds; in recruitment, occupation assignment, remuneration, training, promotion, retrenchment, etc.? Among others, does the company limit (as much as feasible) resorting to expatriates and migrant workers, and granting them different employment and working conditions, including remuneration, from those granted to local workers? Also, does the company restrain internal and external bribery in recruitment, advancement and related issues?
Does the company adhere to its own Code of Conduct, if it has one; and to those relevant to the industry in which it operates?

How well integrated is the company into the local economy, so it can be an engine of growth (and thus create jobs), rather than stifling local entrepreneurship (and thus cause job losses)? Is it hiring and buying locally to the maximum feasible extent?

Is the company using appropriate technology that is employment-intensive, so as to maximise both profit and job-creation?

Does the company have mechanisms to assist its dismissed or retrenched workers in finding new jobs, and to provide them basic income support in the transition period?

How does the company support its workers particularly affected by the conflict; both as individuals and groups such as ex-combatants, women who have become heads of households, refugees and internally displaced, war-disabled, etc.?
Is the company implementing basic occupational health and safety rules, so it can limit accidents and illnesses; including HIV/AIDS prevention and support?  

Does the company provide wages, social security and other benefits that enable workers and their families to lead a decent life?  

Does the company provide some support to its workers’ families; in terms of training, employment opportunities outside the company, including micro-enterprise development?  

Does the company cater to the conflict-related needs of workers – through psychological, social and professional counselling, basic work skills and technical skills upgrading, literacy classes, mentoring, social services such as nurseries, basic health care, safe housing, safe transportation to/from work, etc.?  

Does the company have security devices/procedures to protect its staff at work from external violence?  

Has the company developed mechanisms for an ongoing workers-management dialogue (on employment practices, working conditions, including discrimination and harassment, etc.)? Does it have mechanisms to detect and to allow workers to express grievances in those areas, and to tackle those grievances?  

Has the company developed mechanisms to detect tensions among its employees?

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15 Work-related accidents and illnesses are, among others, potential sources of poverty and frustration.  
17 A company’s hiring of security forces is a delicate issue, that needs to be treated so as to avoid worsening tensions and violence.
Is the company using team-building, conciliation and other techniques to avoid or defuse tensions at the workplace and, by way of example, stimulate reconciliation processes in society?

Is the company providing similar decent working conditions to all its workers, including temporary and casual labour?

Is the company prompting its suppliers and subcontractors to abide by the four core labour principles, basic working conditions and labour-sensitive management, as described above?

Does the company have mechanisms to reward its managers who undertake pro-Decent Work initiatives?
II.3 Developing a Decent Work culture among stakeholders

Networking with key stakeholders is essential to gather information on the labour-related situation in the country and area of operation, including good practices; and to establish partnerships promoting labour- and socially-sensitive business. It allows peace-enhancing Decent Work practices to spread, so as to achieve greatest impact.

“No” answers to questions call for appropriate remedial action.

Has the company established contacts, and is it consulting with:

- Relevant international, national, local and sectoral employers’ organizations; about operating in a context of conflict, its labour-related implications, and the appropriate labour-sensitive management?

- International, national and sectoral workers’ organizations; about operating in a context of conflict, its labour-related implications, and how to tackle them?

- Relevant authorities, at the national and local levels; about the conflict context, its labour-related implications, the company’s role, and collaboration with employment services, training institutions and other labour-market mechanisms?

- Labour-related UN, and other international and regional organizations, in particular the ILO; especially their country representatives?

- NGOs that work in the social field and with conflict-affected groups?

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18 A list of ILO relevant Units and their electronic addresses is provided in section IV.
III SELECTED REFERENCES AND FURTHER READINGS

- Common Country Assessments (CCA). Regular assessments of a country's social, economic and political situation and its challenges; prepared by the UN Resident Coordinators system, with contributions from the various agencies, including the ILO for labour-related issues.


ILO: Business and Social Initiative Database – An ILO database that includes comprehensive information on private sector initiatives addressing labour and social conditions in the workplace and the community where enterprises operate. It features corporate policies and reports, codes of conduct, accreditation and certification criteria, and various programmes. (oracle02.ilo.org:6060/dyn/basi/vpisearch.first)

ILO: ILOLEX – An ILO database containing ILO Conventions, Recommendations, ratification information, comments of the Committee of Experts on the Application of Standards and the Committee on Freedom of Association, representations, complaints, interpretations, general surveys and related documents. (ilolex.ilo.ch:1567/english)

ILO: NATLEX – An ILO database featuring national laws on labour, social security, and related human rights. (natlex.ilo.org/natlexnewface)

ILO: Key Indicators of the Labour Market (KILM) – An ILO database providing country data on 20 key labour indicators. (ilo.org/public/english/employment/strat/kilm/index.htm)

IV MAIN ILO CONTACTS

Relevant ILO units to contact are the:

- InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS; ifpcrisis@ilo.org; www.ilo.org/crisis)

- Multinational Enterprise Activities Programme (MULTI; multi@ilo.org; www.ilo.org/multi)

- Management and Corporate Citizenship Programme (MCC; mcc@ilo.org; www.ilo.org/mcc)

- InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED; ifp-seed@ilo.org; www.ilo.org/seed)

- Bureau for Employers Activities (ACT/EMP; actemp@ilo.org; www.ilo.org/employers)

- Bureau for Workers Activities (ACTRAV; actrav@ilo.org; www.ilo.org/workers)

- InFocus Programme on the Promotion of the Declaration (DECLARATION; declaration@ilo.org; www.ilo.org/declaration)

- Department on Sectoral Activities (SECTOR; sector@ilo.org; www.ilo.org/sector)

- the ILO International Training Centre, in Turin (Italy) (communications@itcilo.it; www.itcilo.it)

Useful contacts can also be established, through the general ILO Web site: www.ilo.org with:

- various other ILO technical Units – dealing with skills for employability, International labour standards, social dialogue, social protection, child labour, gender, etc. –

- some 65 ILO field Offices worldwide
www.ilo.org