



# DISASTER RISK REDUCTION

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

In disaster situations, the private sector has provided humanitarian assistance for decades. Large firms have delivered key services in the immediate aftermath of disaster, such as restoring power and communication lines (electricity companies, for example, can provide technical experts and mobilize heavy equipment) or providing an area for warehousing relief goods. Yet the role that business, through representative employer and business membership organizations (EBMOs), can play in preparing, planning and responding to a disaster is often underutilized. While the role of business is recognized as critical, private sector coordination has been weak with mixed experiences.

- The private sector is often unable to effectively engage with the government and implementing agencies to accelerate relief efforts.
- Weak trust in the government is prevalent and private sector actors have shown a reluctance to coordinate efforts with the authorities, preferring to work independently.
- Mechanisms to coordinate the private sector role (nationally, sectorally and regionally), either within the sector itself or with the government, tend to be top down and/or inadequate in practice.

“Countries like Thailand that are heavily impacted by the changing climate are experiencing increased frequency of natural disasters that have devastating effects on business and communities. It is critical that representative employers’ and business organizations, working with government and other stakeholders, scale up their efforts to effectively plan, coordinate and execute disaster planning and relief efforts.”

**Pran Siamwalla, Member of Board, Employers’ Confederation of Thailand (ECOT)**

These factors clearly point to a more institutional role for representative business, with much that can be done through agreed policy and operating frameworks such as:

- facilitating agreements/memorandums of understanding/public-private partnerships between key service providers (e.g. logistics, pharmaceuticals) to enable a “ready to go” response;
- developing agreed modalities to enable effective cooperation at local levels between EBMOs and local government;
- promoting wider awareness of business contingency planning for small and medium-sized enterprises (SMEs) and tools that support them;
- advocating for clean loans with low interest rates, deferred loan repayment schemes and tax exemption and reduction measures, which can help the private sector get back on its feet after a disaster; and
- providing subsidies to affected enterprises to enable them to secure and maintain employment and keep paying staff in the immediate post-disaster period.

“Small and micro businesses in Mongolia face the greatest threat from environmental change and climatic hazards. The economic consequences can destroy business, jobs and livelihoods. For MONEF the ability to support these businesses and their workers with practical tools and approaches developed in partnership with the ILO (ACT/EMP) enables us to offer real practical value to the SME community.”

**Mr Gaanbaatar, Executive Director of the Mongolian Employers Federation (MONEF)**

An analysis of disaster planning and relief efforts across the region highlights the neglect of one crucial group – SMEs. These enterprises mostly do not receive adequate support from the government or other stakeholders and remain vulnerable during and after disaster situations. SMEs are much more dependent on the local economy than large companies that have a nationwide network of operations. It is therefore harder for them to rebound if consumers or customers stop spending. The longer it takes for a business to resume operations, the more losses it incurs. SMEs are sometimes left with no other choice but to downsize or close.

These two components – expanding the coordination function of representative business, and supporting SMEs and their workers – underpin ACT/EMP’s technical programme in Asia and the Pacific.

## TECHNICAL WORK

ACT/EMP worked closely with the Employers Confederation of the Philippines (ECOP) to develop a strategic approach for national business for disaster risk reduction and disaster management interventions. A needs assessment for the private sector in terms of disaster preparedness, response and recovery was carried out through national survey work, focus groups and other consultative mechanisms. The result was a report, “Needs assessment for the private sector in the Philippines: Disaster preparedness, response and recovery”, launched at a major national conference in Manila in 2015.



ACT/EMP, partnering with the American University Kogod Business School, conducted assessments of policy frameworks and good practices to inform its technical programme through fieldwork in the Philippines (Manila and Legaspi Province) and New Zealand (Wellington and Christchurch). Further assessment (fieldwork) was carried out in Myanmar in 2016 (see the case study on “Disaster risk reduction and disaster management in Myanmar: The roles of Employer and Business Membership Organizations”). Additionally, an ILO regional seminar with ten (ASEAN) countries on social protection and disaster management took place in Manila in 2016 to explore innovative ways to link social protection measures to wider response strategies and policies.

These combined efforts resulted in the development of policy frameworks that EBMOs can use to advocate for a greater and more coordinated role by the private sector before, during and after disaster situations (such as tax exemption measures, clean loans with low interest rates and credit extensions for SMEs and employment assistance schemes).

## PARTNERSHIPS

ACT/EMP has developed a strong working partnership with the UN Office for Disaster Risk Reduction (UNISDR). The ILO and UNISDR are well placed to catalyse partnerships between the public and private sectors with an impact at the local level in terms of disaster resilient communities, livelihoods and economic assets. Both organizations have a track record of effective partnership with local authorities and EBMOs and both prioritize capacity building of SMEs in their work with the private sector. As a next step and with a view to scaling up technical work, ACT/EMP and UNISDR are jointly developing a toolkit for EBMOs to help enterprises with resilience and mitigation strategies and practices. This tool has been piloted in Mongolia.

### OUR STRATEGIC APPROACH

- Building the capacity of implementing institutions;
- Engraining local ownership and plans for continuity into activities to ensure sustainability as a basic principle;
- Deploying pragmatic and sustainable interventions that EBMOs can utilize in real time with immediate effect;
- Promoting partnership approaches, in particular with workers organizations;
- Aligning any technical efforts with global, regional and national priorities, including the Sustainable Development Goals and national development plans;
- Promoting leadership from business.

## PUBLICATIONS



- **A survey report:** *Needs assessment for the private sector in the Philippines: Disaster preparedness, response and recovery*
- **A case study:** *Disaster risk reduction and disaster management in Myanmar: The roles of Employers' and Business Membership organizations*

## A NEW APPROACH TO TRAINING SMES IN FRAGILE ZONES



*In Business* is an innovative, low-cost, peer learning programme aimed at strengthening business resilience and the development of small growing enterprises, thereby improving the quality of employment. *In Business* has been tested in Thailand and Cambodia. However, the main pilot was conducted in the Philippines with the Employers' Confederation of the Philippines (ECOP) in 2016. This intervention was divided into three phases:

### Phase 1: Groundwork

- The "Business Contingency Planning" module was successfully tested with business membership associations and enterprises from regions affected by Typhoon Haiyan.
- Research was commissioned to analyse marketing strategies for business membership associations.

### Phase 2: *In Business* promotion

- Road shows in three major cities were undertaken to provide information to potential association clients.

### Phase 3: Achievement

- ECOP established an *In Business* Steering Committee.
- 20 business membership associations across the Philippines were signed up as licence holders in advance of the formal launch of the product line.
- *In Business* has been launched as a formal service offered by ECOP to its association members.

<http://sme-inbusiness.org/>

## 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>