Business Development For Peace

“Whereas universal and lasting peace can be established only if it is based upon social justice; And whereas conditions of labour exist involving such injustice hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled.”

Preamble ILO Constitution 1919

### Our mandate and approach

- ILO’s constitution (1919) states its mandate to contribute to peace and social stability by promoting social justice.

- ILO’s unique tripartite constituency (governments, workers and employers), ensures private sector participation into the establishment and supervision of International Labour Standards and Conventions, a crucial part of the International Legal Framework and a powerful tool to address critical root causes to several conflicts.

### ILO in the UN

- The Declaration of Philadelphia (1944) requested the organization to contribute to conditions for full employment and to improve social protection for the most vulnerable.

- In 1945 1st UN Specialized Agency.

- In recognition of its contribution to peace and social stability ILO was awarded the Nobel Peace Prize in 1969.

- A programme on crisis response and reconstruction was launched in 1999 to amalgamate and orchestrate ILO's involvement in armed conflict, natural disasters and major crisis.
ILO has intervened directly in several conflict-torn countries worldwide: some recent examples

Bosnia & Herzegovina
Croatia
Kosovo
Palestine
Lebanon
Iraq
Cambodia
Solomon Islands
Timor Leste
Indonesia
Central America
Haiti
Sierra Leone
Liberia
Sudan
DRC
Angola
Mozambique
Somalia
Sri Lanka
Angola
Timor Leste
Enabling peace through the domestic private sector
- some relevant ILO tools and mechanisms

- ILO Fundamental Rights of Work and other relevant conventions are encompassed in the concept of Decent Work and provides important legal and programmatic frameworks to be included in peace negotiation processes.

- Domestic tripartite mechanisms can support peace dialogue as well as monitor implementation of relevant peace agreements.

- International and/or national workers’ and employers’ organizations can encourage private sector stakeholders to play an active role in brokering peace.

- Mechanisms for supervision of compliance of ratified international labour conventions can contribute to additional international pressure to move towards peace negotiations.
Creating a local economic environment for peace consolidation, reintegration and reconciliation

- Business for Peace vs. Business for War: Peace dividends should reach the local business community and provide an enhanced environment for all social partners.

- Reintegration of conflict affected groups is only possible if we ALL contribute to a local economic recovery process. The challenges to the local labour market and local economies are of a magnitude that requires an important national and international political consensus in order to generate opportunities for recovery and employment creation in all the investments from relief to recovery and reconstruction.

- Local Economic Recovery can play a key role in building consensus, heal damaged social fabric and contribute to reconciliation processes. A more inclusive economic approach and a particular attention to the most vulnerable are compulsory.
Two tested steps from emergency to development

Local Economic RECOVERY (LER)
- Mobilizes local public and private stakeholders to seize economic opportunities arising from post-conflict investments.
- Provides communities with mechanisms to quickly re-start local economic life. Priorities, process and interventions are short term. Seeks to maximize local employment opportunities.
- LER applies LED participatory principles in post emergency scenarios and paves the way for reconstruction and development.

Local Economic DEVELOPMENT (LED)
- Based on an approach that encourages partnership arrangements between the main private and public stakeholders in a defined territory.
- Enables a joint design and implementation of a common development strategy, by making use of local resources and competitive advantages in creating decent jobs and stimulating economic activity.
Recapitalizing the economy and developing infrastructure can kick start growth and development

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<tr>
<th>Principles</th>
<th>How-to guidelines</th>
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<td>- Capitalize on investments for equal distributive economic growth by choosing appropriate type and means of delivery of infrastructure (local businesses and labour)</td>
<td>- Develop a transparent contracting system with obligations, rights and benefits</td>
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<td>- Link infrastructure to other development approaches and use it as a business development tool</td>
<td>- (Re)build the capacity of business and community associations</td>
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<tr>
<td>- Important to ensure that workers’ skills and business practices developed are applicable in a longer perspective (avoid short cuts in contracting procedures)</td>
<td>- Foster dialogue among the local community associations in the choosing infrastructure projects with short and long term economic benefits and promoting peace and harmony</td>
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An enabling business environment needs to be constructed in post conflict situations

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<th>Enabling policies and regulations</th>
<th>Inclusive enterprise culture</th>
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<tr>
<td>❑ Personal and property security are fundamental to economic recovery</td>
<td>❑ Promote an inclusive “working together“ enterprise culture. A starting point can be equal access for local businesses to government procurement and reconstruction</td>
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<td>❑ Ensure a policy and regulatory framework that is predictable, transparent and enforces ethical and commercial transactions</td>
<td>❑ Find joint values and economic benefits to collaboration</td>
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<td>❑ Recapitalize the financial system, establish private property rights and Micro Finance Institutions</td>
<td>❑ Highlight best practices for how the private sector is benefiting and creating jobs from working together over ethnic and religious differences</td>
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<td>❑ Support the establishment of inclusive/balanced representative associations that can advocate for policy reform and engage in stakeholder dialogue</td>
<td>❑ Work together with the business community to promote the “new” investment environment</td>
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Small enterprise development tools work well if used in an integrated and conflict sensitive framework

- Integrating the labour supply and demand components of a development program maximizes job creation impact:
  - On the supply side of the labour market: Connect skills training curricula with identified local market needs and with the recovery and reconstruction strategies adopted by local and outside actors
  - On the demand side of the labour market: Combine training in skills, entrepreneurship, and business management with financing to allow local firms to develop and compete for contracts, thereby driving job creation
  - Matching supply and demand in the labour market: Employment services and efforts in labour market information can facilitate the matching of those seeking work and enterprises offering jobs
Challenges to our work

- Outreach in a situation without functioning institutions
- Supporting economic development and peaceful settlement in areas with high degree of ex. combatants
- Revitalizing the formal economy in an environment of
  - Political and bureaucratic ineptitude and interference
  - A high risk level and lack of SME collateral minimizes access to commercial finance while capital is needed to restart
Want to know more?

- Jobs after war – A critical challenge in the peace and reconstruction puzzle (InFocus Programme on Crisis Response and Reconstruction)
- Business and Decent Work in Conflict Zones – A “why?” and “how?” guide by Loretta de Luca (InFocus Programme on Crisis Response and Reconstruction)
- For more information about ILO’s programmes on Small Enterprise Development and Crisis Response and Reconstruction visit:
  - www.ilo.org/seed
  - www.ilo.org/crisis
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