Communication on engagement (COE)

Period covered by this Communication of Engagement:
From: September 2017 to: September 2019

To our stakeholders:

I am pleased to confirm that Business Confederation of Macedonia reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this: Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for and organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mile Boshkov,
Executive president.
Brief background:

The Business Confederation of Macedonia (BCM) was established in 2001. It started operating as an association of employers that articulated, represented and supported the interests of its members and the interests of the business community in the country. Today, BCM’s membership consists of 8,500 companies associated in 13 business associations, with two regional offices in Prilep and Tetovo and head office in Skopje. Apart from representing and advocating for the interests of its members, the BCM is a catalyst of the expression of the business community and a driver of the social dialog and the industrial relations in the country.

Promoting the concept of running businesses responsibly, we encourage the sustainability of the economy and long-term growth of the companies. The knowledge and the views of the Business Confederation of Macedonia are based upon the constant communication with the members – due diligence, in-depth analyses and measurement of the conditions in various social spheres at local, regional and national level.

BCM’s focus is continuous improvement of the business environment, support to entrepreneurship, support to micro, small and medium enterprises (MSME) which make the basis of the economic growth and unemployment reduction, as well as advancement of the human capital in the economy through training and education.

As a confederation of the businesses in Macedonia, we monitor the law and bylaws adoption processes, we shall continue to search for ways to facilitate the administrative barriers and to improve the business climate in the Republic of Macedonia, we shall continue to build cooperation with our member and our partners and to represent their interests through regular reporting. It is a true wish of the Business Confederation of Macedonia to encourage the Republic of Macedonia to be a country where it is safe and worthwhile to run a business, to be a place where life is good, satisfactory and noble.
Description of Actions and Outcomes

Results:

1,000 Stakeholders
45 Events
Over 15 Initiatives
Business Confederation of Macedonia considers the United Nations Global Compact as an initiative that brings the ecosystem closer to the responsible way of doing business at a global level. As a social partner to the Republic of North Macedonia and as a representative from the business sector, we have the duty to guide our membership towards this initiative as a responsible way towards sustainability.

Furthermore, we use any possible opportunity to promote this aligning strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

Companies - large and small - have taken responsibility for the society in which they operate. Small and medium-sized enterprises (SMEs) have always done things that could be called "corporate social responsibility", even though they do not know how to use the term themselves. This is the reason why Business Confederation of Macedonia, strives to address the need and raise the awareness for corporate social responsibility on a national level.

The developments and negotiations at international level urged employer organisations at national level to develop strategies for CSR in order to be able to contribute to the debate and have power to orient their governments in adopting the competitiveness and business friendly, non-obligatory measures and avoiding any initiatives where governmental responsibilities are tried to shift on companies. To this end, CSR has to be understood best by the national employer organisations, as they are the main bodies who take part in the negotiations with the government and other stakeholders and who has the main responsibility to orient their member companies in developing effective CSR policies.

Therefore, Business Confederation of Macedonia promoted the UNGPs on a national and local level through:

1) Policy dialogue on UNGPs

In the previously stated period, Business Confederation of Macedonia held more than 10 consultative meetings for policy dialogue on UNGPs on local level with more than 200 participants (members of local government and representatives from business sector). These consultative meetings were held with the local economic social councils as the main actors in policy dialogue on local level. All these consultative meetings were led by and expert from BCM. This expert was focusing the consultative meetings on corporate social responsibility practices and the guiding principles on business and human rights.

The beneficiaries that were present on these consultative meetings were members of the local economic social councils, as well as representatives from the business sector. These consultative meetings were held mostly in: Stip, Tetovo, Kavadarci, Prilep, Strumica, Kumanovo and Ohrid.
Furthermore, individual consultation sessions were held with the stakeholders from the various regions and our company members as representatives – key actors of the business community.

In line with EU good practices and recommendations, the process of developing the policy approach and the promotion of UNGPs is implemented with involvement and dialogue of multiple stakeholders. The establishment of a multi-stakeholder working group was with the primary objective: a) to initiate dialogue with several stakeholders in the field of human rights and their integration into private companies; and b) contribute in developing policy recommendations for encouraging the implementation of UNGPs. The working group contributed to a better understanding between stakeholders by sharing opinions and experiences, it was formed as an informal body / platform.

Another activity related to this was the Workshop that we organized for representatives of institutions and social partners for acquainting with the Guiding Principles of the United Nations (related to Op 10). For this reason, we mapped the institutions and organizations that should be part of the inter-sector working group and sent them invitations to nominate members and deputies for the working group. In the invitation for the working group, we invited the potential members and deputies to the Workshop for representatives from relevant institutions and social partners, where they will be introduced to the UNGPs and were introduced to the Terms of Reference of the work of the group.

2) National review and monitoring

Baseline research analysis of the current status of implementation of the human rights in the companies was conducted by Development Solutions – DESO, as a subcontractor, with objectives to:

- define levels of awareness, recognition and understanding of businesses regarding the UNGPs;
- identify the current policies and practices for implementation of human rights in the companies;
- identify challenges, needs and incentives for companies to integrate the UNGPs in their operations;
- map the current context and state of play on policy level.

The methodology for this research was developed to be done using primary and secondary sources, from existing data and surveying. The analysis was done using the existing documents on the subject of UNGPs, state legislature, monitoring the websites of 56 companies (from the 200 most successful in the country), surveying 105 companies and interviewing 8 experts on the subject.

The results of the monitoring and the survey impose the conclusion that there is a relatively low level of awareness of and compliance with the UNGP among the companies. This does not imply an absence of mechanisms for respecting human rights – numerous legal acts and policies regulating the operations of the companies ensure a wide framework for respecting human rights. Nevertheless,
several challenges have been identified in relation to the implementation of the laws, as well as the provision of effective judicial and non-judicial mechanisms for protection and indemnification in the event of violation of human rights, and such challenges impose the need for a systematic approach in terms of encouraging business operations that incorporate respect for human rights.

A noteworthy flaw is the fact that the state does not have a defined strategy for promoting the respect for human rights in business through action plans. The research results point to the need of greater sensitization regarding the problem also with the civic sector and education of the companies in terms of the implementation of human rights due diligence procedures. Furthermore, the authorities could also show some support for these principles, by fostering cooperation with companies that evidently and continuously work on respecting the human rights pursuant to the UNGP.

3) Activities for raising awareness for the UNGPs

Over the last years, we have used all the potentials and benefits that the media offers in order to promote responsibility of the business community and the sustainability in having a responsible business.

We have used social media, our website, conferences, seminars, workshops, meetings, printed out banners, posters, brochures etc. Below, you will find some pictures that would capture our efforts in promoting responsible way of doing business and the promotion of the UNGPs.

In order to properly disseminate the message that the UNGPs are trying to deliver we take every opportunity in sharing information and handing out brochures to our company members and other stakeholders in our scope of communication. We produce guidelines and good practices promotional material that would help our company-members understand the benefit and sustainability the respecting of human rights.
The visitors of our website have an opportunity to discover our connection with the United Nations guiding principles for human rights. We deliver the information in a transparent manner with a library and direct link to our network as a member of the global compact.

4) Social inclusion

Over the last years, we have participated in initiatives for social inclusion of vulnerable categories. Our most recent initiative consists of the development of a comprehensive support model to assist self-supporting mothers (with priority to domestic violence victims) to pursue and acquire sustainable employment and self-employment opportunities. The issue of unemployment is among the most critical problems to hinder the economic development of the country in the past years. It represents a complex problem that is a result of both external (the lingering economic crisis, the status of the country in relation to EU and NATO integration etc.) and internal issues (country’s educational system, lack of entrepreneurial culture, human resource capacity etc...). In recent past we have been witnessing a series of measures undertaken by the state, the international community and national civil society that are set to overcome this problem. However, is a complex issue that can only be approached on long-term basis and including a cross-sectorial collaboration between multiple stakeholders. Nevertheless, as unemployment in general has been a great problem, the unemployment of specific vulnerable groups is becoming an even more alarming threat as even in situations of lower unemployment rates, these groups have a less competitive position at the labour market.

Based on the Principle 2 (regarding not complicating human rights abuse), the Principle 4 (regarding elimination of all forms of forced and compulsory labour) and the Principle 6 (regarding elimination of discrimination in respect of employment and occupation) our focus was to facilitate the integration
of most vulnerable groups into the labour market, this initiative has identified the support for self-supporting mothers (especially domestic violence victims) to be among the most alarming issues, especially considering the fact that their circumstances directly affect their minor children, including them as a separate risk category, and subsequently an indirect beneficiary of this project.

Based on the presented problem analysis this initiative proposed two core interventions:

1. A multi-component tailor made approach to assist single mothers in gaining competence, confidence and information, thus supporting their access to self-employment or acquiring and sustaining jobs

2. Development and institutionalization of competencies and tools within relevant state institutions (Social Work Centres and Employment Centres) for multiplication and replication of the proposed approach, that will be able to support and facilitate the (self) employment of the same risk category in the future.

5) Promoting anti-corruption preventive and reactive measures

The main finding/perception among the relevant business and socio-economic stakeholders is that the Corruption in Macedonia exist a basic challenge for a modern and democratic society in phase of accession EU. As the relevance sections of the concept note have laid down, the issue of Corruption in Macedonia is among the most critical problems to hinder the economic development of the country in the past years. It represents a complex problem that is a result of both external (the lingering economic crisis, the status of the country in relation to EU and NATO integration etc.) and internal issues (country’s political and economic system, lack of business ethical culture, human resource capacity etc...). In recent past we have been witnessing of inefficient measures undertaken by the state, but the international community and national civil society that are set to overcome this problem. However, is a complex issue that can only be approached on long-term basis and including a cross-sartorial collaboration between multiple stakeholders. Nevertheless, as corruption in general has been a great problem, the corruption among business society becoming an even more alarming threat affecting business community to have a less competitive policy dialogue and advocacy position. In addition and unfortunately the anti-corruption support programmers are poorly funded and have been declining over the years. Furthermore, the relevant public actors have made no significant, or systematic effort, to develop anticorruption action. Recommendations presented in the State Programme 2016-2019 strongly
affirm the understanding that national integrity should be embedded in and expanded among all social actors, in addition to the recently adopted Law on protection of whistle-blowers (systematic and important law on prevention corruption in public and private sector) pending its implementation. As an organization that promotes transparent and responsible way of doing business, for tackling this issue for the past two years Business Confederation of Macedonia has been a part of the Members of the Advisory Body to Strengthen Integrity and Reduce Corruption in the Business Sector. Also, we’ve updated and concluded our previously composed booklet on business ethical codex for anti-corruption. The Booklet for Business Ethics is an assistance manual for developing and applying a business code of ethics in North Macedonia. It is aimed at creating a fair, transparent and competitive business environment in North Macedonia, which is particularly intolerant of corruption practices. The main idea of the Code is to develop stronger ethics working relations for increasing competitiveness and innovation of the companies in our country, which is important and active support for Macedonian membership in the EU. In order to provide companies with a professional and reliable service, they must share common vision, aims and values that will enhance commitment, enthusiasm and effectiveness of whole business sector, allowing them to learn from each other and share good practice. The Booklet for Business Ethics was developed through a series of working sessions that involved Macedonian and Slovak experts from the business sector, professors of the Faculty of Economy and Government officials.

6) Initiatives on human rights and promoting freedom of association through inclusion of stakeholders in decision-making process

The right to freedom of association is core to any society. It is an indispensable right in enabling citizens to monitor the human rights situation in a country and to support the implementation of human rights policies. It is key for the work of human rights defenders. Over the last years, Business Confederation of Macedonia promoted freedom of association and involvement in fighting for human rights. As promoters for social dialogue and one of the social partners to our government, we strive to enhance the capability not only to our member companies, but also to enhance the capacities of the workers in the fight for their rights.

Therefore, one of the initiatives that we are working on is directly linked to the UNGPs. The overall objective of this initiative is fostering economic and social rights in the private sector in the country through
advancing of the Business and Human Rights. The specific goals for the project are active participation of relevant stakeholders in policy dialogue and raising awareness in regards to the UN Guiding Principles on Business and Human Rights (UNGPs) and enhanced understanding, capacities and knowledge about the Business and Human Rights guidelines among the business community. The intervention is organized in six activities involving these objectives. A good level of achievement and output delivery was provided within the reporting period in each of the six activities components connected to the specific objectives. The intervention logic is still valid and its implementation context is favourable due to: a) acceleration of the EU integration processes in the country; openness and needs of the institutions to engage in policy dialogue and address the issue of business and human rights; and b) increased interest of the key stakeholders including business representatives to engage in dialogue and support efforts in implementing the UNGPs, as seen in the workshops dedicated to these stakeholders.

Furthermore, we collaborated with organisations of employers and trade unions from around Europe on initiatives that will enhance the capacities of the employees in knowing their rights on the workplace and everyday life. One of the initiatives that we have been working on is the actual involvement of the workers in the management decisions. After identifying the current situation and existing legislation on employee involvement in undertakings in North Macedonia, we initiated actions to familiarize the social partners and actors at company level with the content of EU law on employee involvement. The social partners expressed their interest to participate more in this kind of initiatives that opened some interesting issues in the companies and directed them to address employees’ involvement as an integral part of their corporate policies. In these initiatives, we involve various stakeholders from various sectors. We have been working on an inclusive management models in the chemical industry through which we developed employee involvement in the decisions taken within companies through strengthened mechanisms of information, consultation and participation in chemical companies operating in 11 countries. We have also been working on a greater employees’ access to training through consultations within undertakings and encouraged the efforts made and enabled direct employee’s participation in decision-making processes based on number of instruments used.

Trying to promote responsible way of respecting human rights in the enterprises, we collaborate with many European organizations in the business sector and working on an initiative for mutual cooperation of social partners in Europe on ensuring better legal provisions, transparency and access to information for employees.