



International Institute for Labour Studies

Decent work in a global economy: a research strategy

Geneva, 5 July 2006

Decent work in a global economy: a research strategy

I. Principles for a decent work research agenda

The Report of the ILO's Director General to the 1999 International Labour Conference called for there to be opportunities for all women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.

Decent work is a way of summing up the different dimensions of work – employment and its quality, rights at work, representation and voice, gender equality and social protection. It includes the contribution of work both to production and income on the one hand, and to social integration and self-fulfilment on the other.

In one sense, this is merely a reformulation of long standing goals in the world of work. The elements of the decent work agenda are not new. What is different is the attempt to integrate these elements in a coherent whole. An integrated framework is needed to fully understand the role of work in society and in the economy, in the enterprise and in the community, and its contribution to individual and collective goals. People experience work in a unified way rather than as separate components of rights, conditions of work, social protection, etc. In addition, different aspects of work are interrelated, so that policies to promote one goal, say employment, may be undermined or reinforced by policies to promote another, say social protection; they need to be seen together.

Another important aspect of the notion of decent work lies in the nature of the goal that it implies. "Decent" is a relative term, which reflects both aspirations and possibilities. In some sense a decent work agenda is like a development agenda for the world of work, in that it describes a long term process of improvement and the expansion of opportunities, reflecting the priorities of each society, rather than a particular standard or target to be attained.

A basic question concerns the state of knowledge on these issues. The effectiveness and credibility of the ILO's action depends in large measure on its ability to assemble and interpret information on the world of work. This includes both facts, in the sense of observations of the features of the world of work, and analysis of the economic, social and political relationships that underlie the observed outcomes. Such knowledge is the foundation for public policy, and for the actions of the business and labour communities which, along with governments, make up the ILO's constituency.

Many aspects of decent work have long been on the ILO's agenda, so there is a substantial stock of knowledge on which to draw. There remain, of course, large gaps. In much of the world information sources are unreliable and incomplete, and there are major issues that remain unresolved. There is a continuing need for research into the determinants of

employment, the impact of labour standards, the conditions under which workers' rights or enterprise growth can best be achieved, the sources of vulnerability and exclusion, the ways to promote productive social dialogue...

But beyond this deepening of the existing knowledge base, we need to consider two sources of demand for new research.

The first lies in the decent work agenda itself. What is it about this agenda that poses new questions or demands new and different research?

And the second concerns the impacts on work of changes in the external environment.

With respect to research into decent work itself, an integrated approach calls for greater emphasis than in the past on the interaction between different dimensions of work. What is the relationship between the social protection of workers and the level of employment? How does the elimination of child labour or forced labour affect job creation in the economy as a whole? Are policy approaches which address several aspects of work simultaneously, or which bring several disciplines to bear (law, economics) more effective than narrower approaches?

At the more aggregate level, there has been relatively little attention paid to how decent work goals as a whole are conceived in different economic, social and policy settings, and how far they are achieved in different development paths. There is a research base on some questions, such as the relationship between employment and development, or the content of a rights-based approach to development. But such research is often partial in nature. Research on employment and development, for instance, often focuses on the aggregate employment level, and pays too little attention to the content and stability of work, its remuneration, the discriminations and inequalities to which it is subject, its connection with other social objectives. Informal employment does not have the same value as formal employment. Unsafe work does not have the same value as safe work. Similarly, rights-based approaches to development often fail to adequately consider the economic and social preconditions for realizing rights. An integrated perspective should help to overcome these problems.

The second source of need for research concerns the impact on work of the changing global economic and social environment.

Probably the most obvious challenge, or at least the one which is most apparent to an international organization, is the impact of globalization. The definition of globalization is not straightforward, but we can use the term to encompass a number of critical changes in the functioning of the global economy, including the internationalization of many (but not all) economic relations, and a growth of liberalized global markets for goods, services and capital, in turn built to a great extent on rapid advances in information and communications technologies.

Globalization has diverse and controversial impacts on production, work and employment, creating both opportunities and inequalities. The response of the ILO has been to set decent work as a global goal. But achieving that goal will require a better understanding of relationships between decent work and globalization, in terms of both the functioning of the global economy and the impact of globalization at national and local levels, within a broader understanding of the political economy of these relationships.

Globalization is by no means the only such challenge. Technological change is not only an issue of globalization, but also one of managing productivity growth, skill development and the reorganization of production. The impacts and the research issues are very different from sector to sector, from enterprise to enterprise, from region to region. Demographic change also presents a constant challenge, including population aging, persistent rapid growth of young labour market entrants and the increasingly distinct demographic profiles of North and South. Social changes with potentially major impacts on the world of work include the growth of social movements based on religion or identity; changing gender roles and progress towards gender equality; and the weakening of key social institutions, including in many countries the welfare state and organized labour. In the medium term there is reason to believe that environmental and climate change will also present a major challenge for decent work, for the current growth path is not sustainable for much longer.

All of these issues have implications for the priorities and the capacity for action of the ILO's constituency of employers, workers and governments.

II. Priorities for research at the International Institute for Labour Studies

Much of the above agenda can and should be addressed within the ILO's regular programme, in particular through research into the nature of the policy challenges and the effectiveness of particular policy instruments. The contribution of the International Institute for Labour Studies lies in its ability to promote and undertake research on underlying concepts and relationships. The IILS has a mandate, as an autonomous centre for research, education and dialogue, to support the development of the knowledge base needed for the decent work agenda – both by developing its own programme of research, and by promoting and bringing together research on relevant issues undertaken elsewhere.

In the light of the principles above, and the mandate of the IILS, two themes have been selected as the main axes of its work.

First, there is a need for more research into the overall conditions and strategies of development that can deliver decent work for all. A fundamental concern is the existence and effectiveness of national and local institutions and policies for the promotion of social goals in general and decent work in particular in the context of the expanding global economy; notably, how well the ILO's instruments perform and the role played by the ILO's actors – government, business and labour, both individually and together.

Second, it is clear that if decent work is to be a truly global goal, there is a need to address the governance of the global economy. The World Commission on the Social Dimension of Globalization argued that the weakness of social policy at the global level to a large degree reflects weaknesses of governance, and in particular a lack of adequate global mechanisms for taking into account important social objectives. Governance should be understood to encompass not only public policy and institutions, but also the behaviour of private actors.

1. First research theme: Decent work and development

Even in a global economy, development patterns are extremely diverse. All countries and regions face a dominant global model, but the outcomes vary greatly. That diversity shows up particularly clearly in levels of employment, protection, rights and other aspects of decent work. While some countries have succeeded in taking advantage of globalization to increase growth, many have been unable to turn global market opportunities into sustained development. Even where growth has been high the impact on employment has often been much less, and insecurity, inequality and exclusion appear to have increased in many countries. Informality persists and in many parts of the world the informal economy accounts for a very large proportion of all work, and an even larger proportion of new jobs. In short, most existing development patterns do not adequately address decent work goals. There is a need for development paths that better incorporate issues of employment, representation, security and rights at work, central goals for people but too often underemphasized in the policy agenda. And there is a need to better understand how national options to promote decent work and full employment are affected by globalization, and the effectiveness and impact of the policy instruments and approaches that the ILO promotes.

a) *Decent work in overall development paths*

At the aggregate level there is a need for more systematic investigation of how different dimensions of work have been addressed in development strategy, and assessment of the results. This includes not only employment levels, on which relatively more is known, but also the incorporation of fundamental rights at work and other labour standards in development policies, the treatment of vulnerability or security, the extent of dualism and social exclusion, the treatment of gender disparities, working time and wages, and more broadly the patterns of inequality which have resulted. Such research needs to take into account the multiple roles played by work as a factor of both production and distribution, both social integration and income.

A particular concern will be to explore the role of labour standards in development paths. Recent research suggests that the impact of fundamental rights at work, notably democratic rights, including freedom of association, is likely to be favourable to growth, but there is a need for more systematic work which explores to what extent labour standards, and the accompanying improvements in conditions of work, are preconditions for egalitarian development, or alternatively a consequence of that development. This applies not only to wage employment, but also to small-scale production and self-employment. The concentration of “good” jobs among relatively small fractions of the population is a feature of many countries, and it is important to understand how this influences the pace and nature of development, and what institutions and policies might ensure that the benefits spread to the economy as a whole.

These issues call for case study research on the development experiences of selected countries, complemented with comparative analysis which examines differences between regions, between middle-income countries with an industrial base and LDCs, between large and small countries, and between globalizers and non-globalizers.

Research on these issues can also contribute to the effort to construct development frameworks that adequately integrate economic and social goals. The Washington consensus, which

effectively made social objectives subordinate to economic ones, is widely pronounced to be dead. But its influence remains in the emphasis on liberalization of markets, conservative macroeconomic policy, and a limited role for the state. Although this model has failed to deliver equitable development paths, there is as yet no consensus on an alternative framework – one which could maintain the incentives for enterprise development and growth, and harness the power of market forces, but achieve a better balance between economic and social goals. The construction of such alternatives must be a longer term goal for the UN system as a whole, to which work at the ILS could contribute by establishing the central role of decent work in new policy frameworks. An important issue to explore in this context is whether an integrated approach is more effective than partial ones.

An important related issue concerns the design of “social models”, in the sense of a combination of related policies which together address employment and the governance of the labour markets, income protection, social solidarity and the provision of key social services, including health and education. The European Social Model (which in reality is several different models, albeit with some common elements) is challenged on several fronts: the internationalization of production undermines its economic viability and financial security; a changing labour force has new demands; and the political environment is unfavourable to a large state role, implying increased responsibilities for other actors. These issues should be explored further, not only in the European context but more widely. A life cycle perspective can be a helpful way to identify demands and needs, and explore how well they are addressed by existing and prospective models. The objective can be expressed as the formulation of feasible combinations of social policies that are adapted to differing economic environments and the changing needs of people. Decent work must be seen within a wider social model, of which it is an essential part.

b) The national and local impact of the global economy

A second, and related set of issues comes from the interaction between national and local development and globalization. Today the most powerful drivers of development come from the global economy, and they have major implications for employment and its quality. Expanding trade has led to a huge increase in the number of workers whose employment prospects and incomes depend on the global economy. Foreign direct investment has been responsible for the creation of millions of jobs around the world, even if its impact has been concentrated in certain regions while others have been excluded. At the same time, outsourcing and constant relocation of production destroys jobs and increases insecurity and instability. There has been a growth of high skilled migration, along with widening wage inequalities between skilled and unskilled workers.

These developments are typically depicted as a global zero-sum competition for jobs. While they undoubtedly raise problems of adjustment for workers in the North this is not the only, or indeed the most important, implication of the changes that are underway. They in fact constitute the main modes of employment creation in the global economy and, in aggregate, define the relationship between globalization and employment. From the perspective of developing countries these processes define the opportunity set for increasing employment through greater integration into the global economy and pose new questions for development strategies.

Three major aspects of this relationship need to be addressed:

- Trade and employment

-
- Global production networks and local development
 - The internationalization of labour markets

(i) *Trade and employment*

The impact of trade liberalization and growth on employment (both quantity and quality) is complex and ambiguous, because while trade liberalization carries the potential of creating new jobs in exporting industries, at the same time it threatens jobs in import competing industries. That the net outcome in terms of output and growth is positive is virtually an article of faith among mainstream economists; but there is much less certainty about the employment effects.

The employment impact of trade expansion depends on the production technology, the tightness of the labour market, the size of the informal economy, skill availabilities, the nature of the products being traded and many other factors. Alongside effects on employment levels there are widely observed effects on job quality, labour market structure, wages and inequality.

The other side of the trade liberalization coin is economic restructuring and adjustment. Given the adverse effects of liberalization in many countries, more needs to be known about the real importance of job losses and restructuring as a result of trade expansion, and the conditions under which they can be overcome.

There is a considerable volume of existing research on these issues, and the first step will be to review and synthesize it. Thereafter, further research is desirable to explore why some economies create more and better jobs than others in the wake of trade liberalization. Such research needs to go beyond labour market conditions to consider production capabilities and competitiveness. It should draw on both international comparative analysis and in depth country level work.

(ii) *Global production networks and local development*

Global production networks are a key feature of the global economy. They determine to a large extent the access of developing country producers to global markets, and structure those markets. They include networks of suppliers to global buyers and large scale retailers sourcing globally; they also include the integrated production systems of multinational enterprises, with an international division of labour operating within the value chain of a specific good or service. Many sectors are characterized by a complex global web of ownership and control, outsourcing and offshoring, investment and trade, production and distribution. These systems account for increasing shares of global trade and FDI, and while their share of output is much larger than their share of employment, they are a major direct and indirect determinant of employment levels and decent work goals at both national and local levels.

The key research question is to understand the conditions under which national and local actors and enterprises can enter and thrive in such networks, and the scale and quality of employment created. There are issues at macro, meso and micro levels, involving the functioning of these systems globally, national institutions to create the capabilities and incentives for effective participation, competition among countries and regions for inward investment, and the behaviour of enterprises, workers and local communities. These factors in turn affect the scale,

quality and sustainability of employment both in industrialized countries and in developing countries.

The existing literature on outsourcing and foreign direct investment tends to focus on the endangered low-skilled labour in industrialized countries, underrating the impact on employment in developing countries. A series of case studies is therefore planned that will illustrate the opportunities and challenges for developing country producers to participate in global production chains.

First of all, these studies will examine the impact of firm-level strategies on employment creation and decent work by looking at labour standards compliance, the situation in the informal economy, working conditions, and the level of wages. Gender issues will be addressed, for instance by looking at the wage gap between women workers and men and the specific challenges they face.

Second, issues related to participation and representation of the key actors need to be addressed. Trade unions and employers' associations play an important role at both local and national levels, influencing locational behaviour within global production networks. Other institutions and agencies can help increase the share of value added captured locally, and effective national and local governance is critical for social and economic sustainability.

At the macro level, the role of national-level policy-making agents will be examined, notably their attempts to increase economic capabilities. More research is needed into the effectiveness of initiatives such as industrial and technology policies, and national systems of innovation, in the present global environment. Planned work on national "policy space", described below, will explore these issues further.

(iii) Internationalization of labour markets

Another important issue that connects development, decent work and the global economy concerns the cross-border movement of workers. While labour is a great deal less mobile than capital, migration is an important aspect of the international organization of production in a number of sectors. Certain labour markets are increasingly cross-national in nature, and this has implications for work and employment in areas of both origin and destination. In relation to decent work goals, migrants often occupy polarized positions, including both highly skilled, desirable occupations and the bottom of the labour hierarchy.

Research in this area, which builds on a series of Institute research projects in recent years, aims at better understanding the links between mobility, employment and development. How are different development paths related to the internationalization of labour markets and production systems, and what is the link between the latter two phenomena? Why do some international labour flows produce positive externalities in the migrants' countries of origin (such as the creation of new industries and more jobs) and others lead to negative externalities (such as a lack of essential skills and lower productivity)?

These questions will be addressed in a comparison of in-depth case studies. Two extreme cases have already attracted considerable interest by the scholarly community in the recent past. A virtuous circle is associated with the migration of Indian IT specialists, which led to a new industry and more employment in parts of India, and this case stands in stark contrast with the exodus of South African health care professionals that is associated with deteriorating health care, lower worker productivity, and slower socio-economic development. A review of the

literature on these particular cases and on international migration in the IT and health sectors will permit to propose a first set of hypotheses as to the factors – e.g. macroeconomic, industry-specific, and migration-policy related – that lead to different outcomes of cross-border labour flows in terms of local employment and development.

These hypotheses will then be tested and refined by gathering empirical evidence on one or two other sectors where Indians and South Africans have sought employment abroad. In other words, there will be between two and four in-depth case studies that can be compared among each other and with the existing knowledge concerning the state of the Indian IT and South African health care sectors following the migration by local specialists to foreign labour markets. This comparison will allow for theory building concerning the parameters that affect migration's development impacts and will shed light on links between the internationalization of labour markets and the geographical shift of production. The case study work will be combined with continuing analysis of the role and impact of migration in global production networks.

c) *The ILO's actors and instruments in national development strategy*

The ILO's actors and policy instruments play an important role in building decent work goals into the development process. But the knowledge base is often fragile. The impact of labour law, and the value of tripartism and social dialogue, are often questioned in situations where there is a large informal economy, and formal regulation and representation only reaches a small part of the population. The conditions for their effectiveness needs to be better understood, for the impact of labour regulation on decent work is a core issue for the ILO. Two areas in particular are being explored in Institute research: the impact of labour law in low income settings; and the policy impact of tripartism and institutions for social dialogue.

(i) *Labour law and decent work in low income settings*

Many workers throughout the world, in developing, industrialized and transition countries, do not enjoy, either de jure or de facto, the protection that labour law aims to offer in terms of rights, working conditions, income security and social protection. This phenomenon is particularly apparent in the developing world, where the majority of workers are found in informal employment and are severely affected by the lack of these rights and protections. The uneven scope and application of labour legislation not only leads to such exclusions, but also creates an unfair playing field for firms that respect the rules, and undermines efforts to realize rights and standards throughout the economy.

The objective of work in this area is to better understand the effectiveness of labour law in low-income countries as well as in middle-income countries with significant problems of income inequality. The issue of the effectiveness of labour law will be dealt with not only in terms of the extent to which labour law is implemented in reality, but also and more broadly in terms of its ability to fulfill its function of guarantee of workers' equality, freedom, individual security and collective rights. The research will focus on one of these areas, and will examine two main questions:

-
- what are the challenges facing labour law and the factors responsible for the difficulties that labour law encounters in performing its protective function and, thus, contributing to decent work goals in low income settings?
 - how effective are the regulatory and policy responses which have emerged to overcome these difficulties?

In order to identify the challenges facing labour law and evaluate the adequacy of existing or emerging responses, the ILS research project will analyze the economic, social, legal, cultural and ideological context in which labour law develops and operates, and it will examine how this context impacts upon the scope and application of labour law.

The project will involve compilation and critical review of existing research in this area, and in-depth case studies in a small number of countries, which will examine both secondary and primary sources, including legal texts, case law, government reports, labour market statistics and surveys.

(ii) *Social dialogue, tripartism and decent work*

A key element of the decent work agenda is social dialogue, in the sense of opportunity for voice and negotiation among freely chosen representatives of workers and employers, as well as governments. But social dialogue regimes are extremely diverse, and the effectiveness and impact of dialogue on real outcomes highly variable. It is important to understand the conditions under which social dialogue regimes emerge and reproduce themselves over time, and to examine how they can influence policy processes, in both industrialized and developing countries. They face a particular challenge of diverse and precarious work statuses, and a growing informal economy in many parts of the world.

Research in this area involves developing measures of social dialogue and its elements in terms of rights, industrial relations processes and negotiated policy-making. These measures will then be used to examine a number of country experiences.

A second research theme within this area addresses the impact of tripartism on socio-economic outcomes in the context of economic liberalization, and more specifically, whether it influences the nature and outcome of economic reform.

It takes as the independent variable peak-level tripartism, defined as the negotiation of national policies between representatives of government, unions and employer associations. By negotiation is meant a process which goes beyond the mere exchange of information and consultation, and involves a genuine search for consensus and compromise.

The research covers a number of mainly middle income countries from different parts of the world. Case studies explore the relationship between peak-level tripartism and the process of economic reform (i.e., the pace, sequence and content of economic reforms). Basic research hypotheses include the notion that stronger tripartism makes reforms more sustainable and credible through buy-in from key social actors, produces reforms that reconcile efficiency and equity, and increases manoeuvring room for national policy makers vis-à-vis international financial institutions.

2. Second research theme: The social governance of the global economy

Globalization seems to have set in motion two opposite trends. On the one hand, the uncertainties of the current international economy, and in particular the growth of volatility and the acceleration of crises, have generated renewed demands for fair rules of the game from many quarters. On the other hand, the existing mechanisms for economic and social governance, predominantly national in scope, seem less and less able to meet desires for protection and security.

There is therefore a need to explore the trends in and possibilities for governance at the international level. In reality, global and national governance issues are interrelated. Global institutions are to a large extent driven by national agendas, while many of the issues treated under the development heading above concern governance at local and national levels, and their scope and impact are influenced by global factors. In the end, we need to look at these levels together. But it is convenient, in establishing a research agenda, to distinguish governance issues which are in the first instance global or cross-border in nature.

Research on such issues should seek to understand what kind of institutional frameworks may be appropriate to the challenges of the global economy, and how this may create new spaces and demands for ILO action, within its existing mandate. This will involve analysis of existing cross-border or global institutions, how they might be strengthened, and their likely impact on enterprises and workers; and examination of emerging institutional innovations at both global and regional levels. Research is needed to assess the significance and potential of such developments, and discriminate among them based on proximity to ILO values and goals.

Two clusters of issues are proposed for research. The first is concerned with how social goals are or might be effectively incorporated in the policies and institutions of the multilateral system, and the rules of the global economy. The second addresses more specifically the ILO's instruments and actors, and the challenges and opportunities that they face.

a) *Social goals in the multilateral system*

If decent work is to become a global goal, the rules of the global economy need to be reassessed. As the World Commission argued, at present the rules are unbalanced, and there is a lack of coherence between economic and social goals and instruments. This is an issue which is being pursued among international organizations, but there remains a considerable need for independent reflection on the functioning of the existing global rules, the ways in which they constrain national policies, and their capacity to deliver on social objectives.

(i) International governance and the space for national socioeconomic policy

The integration of decent work goals in development, described above, does not only depend on national policies. The global economy and its current governance institutions impose a variety of constraints on national policy makers.

If decent work is to be a global goal, we need to examine how much room is actually left for socially progressive policies at national level. One hypothesis is that such room is now very limited in developing countries for one of two reasons. The first one is conditionality, i.e.,

continued pressure by the international lending institutions whose priorities do not yet adequately reflect social concerns. The second one is the need to maintain the confidence of global financial markets. This latent, and perhaps more insidious, form of pressure is particularly felt by countries with greater short-term liabilities. A third source of constraints could possibly be added, namely, the limits WTO rules and negotiations may place on national industrial policy.

It is proposed to explore this question in depth in Brazil and South Africa, two countries with democratic governments which, given their party trajectories and ties to powerful social movements, could be expected to pursue decent work goals vigorously. These countries possess, moreover, large emerging markets and prominent positions in the international political arena. If such governments were found to be essentially thwarted in their efforts, that would support the view that there is indeed little room left for socially progressive policies. In any event, mapping out this policy space will have important implications for tripartism and advance our understanding of how to integrate decent work goals into the international development agenda more effectively. It is also another domain within which to examine the question of the effectiveness of an integrated approach to economic and social goals, as opposed to partial approaches. The research might subsequently be expanded to cover additional countries.

(ii) Embedding social goals in multilateral frameworks

The analysis of social models, described above under the national development heading, is also an international issue. Not only do existing models face challenges because of the internationalization of markets and production systems; but in addition, many of the problems and goals which they are designed to address are replicated, often in a more extreme form, in the international system.

Reflection on the shape of an international social model is embryonic in the extreme. Existing instruments dealing with poverty, vulnerability and insecurity at the global level are weak. There is of course multilateral action to deal with poverty and humanitarian crisis, but the resources which are mobilized are a small fraction of the resources devoted to similar aims at national level. The World Commission also expressed concern over the lack of means to protect those adversely affected by global economic developments, and evoked the possibility of a “socio-economic floor”. These issues can be explored further by considering what kind of international instruments might be conceived to promote security in the face of global economic fluctuations. A first step would be to examine existing regional and global institutions aimed at promoting solidarity and equity.

Another important such issue concerns the proposed development of a multilateral regime for the cross-border movement of people. A first framework of voluntary principles for labour migration is currently being developed on a tripartite basis within the ILO, but it is arguably only a first step. On this, and other areas for multilateral action, the Institute’s contribution will be to promote reflection and dialogue on the lacunae and problems of the existing regimes, and the needs, options and possibilities for new instruments of governance.

b) The ILO and its actors in the global economy

A central issue for the ILO concerns the way the pattern of globalization affects the role and impact of international labour standards, as one of the major existing global instruments for

advancing social goals in the global economy. There is a need for both conceptual and empirical analysis of the obstacles to the implementation of the international labour standards, taking into account cultural, economic, legal and political aspects.

Particular attention will be paid in the Institute's work to the needs and options for renewal of labour law, as a major instrument for ILO action. Reflection on labour law, its development and application, and its role in responding to the new challenges of globalization, will provide an important foundation for applied research. In particular it will include the implications for social and labour rights of the growing reliance on "soft law". This needs to be complemented with reflection on how labour standards and related possible soft law instruments might be better connected with the international trade and investment agendas, in ways which escape the deadlocked debate on the social clause.

In addition, globalization presents new challenges for the ILO's actors, since it redefines the fields of influence and action. The balance between the state and private actors changes as economic activity shifts to the global level, and new institutions for dialogue and coordination emerge. Research and reflection on these issues can offer important inputs to the development of policy frameworks and institutional agendas.

(i) *Corporate social responsibility and international labour law*

Corporate social responsibility is becoming a key issue in the analysis of social and economic governance, and an increasingly important policy instrument for both multinational and national enterprises. It is also an ILO issue par excellence, for CSR is basically concerned with the promotion of social policy goals through voluntary mechanisms, and the ILO's constituents are all very much engaged with its development and application. It is also an important route through which the decent work agenda as a whole is reflected in the global economy. Globalization is changing the conditions for CSR, because of the need for global strategy and increasing pressure to apply consistent global policies, but which are implemented within very diverse national social, legal and economic settings.

A particular focus of work at the Institute will lie in exploring further the links between CSR and international labour law. It is necessary to analyse the widely different situations in which representatives of companies, workers and NGOs refer to the various ILO texts and documents, and especially the 1998 Declaration on Fundamental Principles and Rights at Work, and the 1977 Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, revised in 2000. Factors to take into account include the origins and dynamics of these declarations in a tripartite context, and the changing perspectives that are likely to emerge from new uses of international principles and standards.

International labour standards are addressed to the ILO Member States, so the issue for companies and others who wish to refer to them in their statements and incorporate them into their practices is how to do so appropriately and rigorously, since they are not those for whom the standards were originally intended. An analysis of practices in different economic sectors and in different legal and industrial relations systems could help understand the factors leading to more or less appropriate use of international labour principles and standards. Such practices need to be analyzed not just from the point of view of positive law, but also prospectively. A comparative study of practices with respect to international principles and standards in various fields (human rights, employment, environment, health) and institutions could also prove very informative.

Research in this area should also explore the conditions under which employers and workers can use international labour standards most effectively. This ‘appropriation’ of legal principles and standards requires that those concerned should know them in depth, be convinced of their relevance, and be directly involved in their application. Under what technical conditions can this occur, and how might it be promoted, for instance by international institutions, governments, employers’ organizations and trade unions, lawyers (national and/or international) and NGOs?

In order to identify the main legal problems and to steer exchanges and discussions, it is planned to start by drawing on the experience and views of leading figures in this field, and on that basis promote interaction with the academic community. The issues above will be explored further through a series of case studies, which should shed light not only on existing practices but also on the means to improve them. It is hoped that this will lead to a sustainable network of academic expertise in these areas.

(ii) *Cross-border social dialogue*

A significant recent development in the global economy concerns the emergence of new instruments of dialogue and agreement at the global level. These include “global framework agreements” between multinational companies and global union federations, which cover respect for certain labour standards, dialogue and consultation, as well as various initiatives for cross-border social dialogue and collective bargaining at the regional level. Although they still cover only a very small fraction of the global labour market, they illustrate the tendency for the actors concerned to search out new mechanisms and institutional frameworks, which might have considerable implications for ILO action in the medium term.

Research into these issues will aim to establish a more systematic base of knowledge on such developments. It will start with an inventory of the different social dialogue and collective agreement initiatives at global and regional levels, and their outcomes. This may address questions such as scope and sectoral coverage, socio-economic impact, monitoring mechanisms and practical application, the role, if any, of the public authorities and spillover effects beyond the agreement itself.

It will be important to explore the possible incentives which may motivate employer or employers’ organizations and workers’ organizations to join such initiatives, the characteristics of the enterprises or employers and workers organizations concerned, the perceptions of the parties regarding the advantages and disadvantages, and the conditions under which agreement can be reached. This will require the collection of new information from primary data sources. Attention will be paid to the capabilities of the social partners to engage in such initiatives, and potential alliances and engagement with other social actors. Outcomes will be compared with those obtained by other voluntary mechanisms, such as corporate social responsibility.

The experience at the regional level, notably in the European Union, will also be examined with a view to drawing lessons which could be of use elsewhere. Among other things, the research should highlight promising areas for future institutional development and might indicate areas for future ILO action in order to cater to the needs of its constituents in this field.

III. Modus operandi

The ILS alone could not cover the whole of the broad research agenda laid out above, and that is not the intention. Some of these issues will be addressed by specific conceptual or empirical research projects carried out by ILS staff. Others will require partnerships and collaborations, or the promotion of external research networks. In some cases, the main role of the Institute will be to promote debate and reflection, or to synthesize existing research, rather than to undertake new work.

Several types of partnerships are foreseen.

First, many of these issues are being addressed in other parts of the ILO, both at headquarters and in the regions. It will often be efficient to undertake research on a particular topic in partnership with the ILO departments and regions concerned, with the comparative advantage of the Institute lying in a focus on underlying concepts and relationships. The Institute will also aim to promote and support the development of research at the ILO more generally.

Second, partnership with external academic groups and networks will be sought, both as a source of expertise, and as an efficient means of undertaking empirical research. There exist international associations and research groups active in many of the fields described above. By promoting and participating in their work, the Institute can multiply its impact.

Third, the Institute plans to establish longer term relationships with a limited number of academic and research institutions in developing countries, with which a common research and educational agenda can be developed. This network would also help to focus the empirical research undertaken from the Institute on a relatively small number of countries, so helping to build a more coherent overall research programme.

Fourth, partnerships will be developed with research networks and institutes linked to the ILO's worker and employer constituents, such as the Global Union Research Network and business research networks. This will be designed both to contribute to the research programme, and to support the development of research capacity among workers' and employers' organizations.

The comparative advantage of an international institute clearly lies in international comparative research, and in research into issues which cut across borders, and this will determine priorities. It is intended to promote a multidisciplinary approach, bringing together as far as possible the main disciplines relevant to the ILO's work, notably law, economics, political science, sociology and social anthropology. Interdisciplinarity will be strengthened by engaging in a methodological reflection on the basic premises, conceptual reference points and methods of analysis of the different disciplines concerned, especially law and economics. A gender analysis or gender perspective will be built into each of the areas of research.

Part of the mission of the Institute must be to promote and publicize research into key labour issues, and bring researchers into interaction with practitioner communities, and in particular with the ILO and its constituency. Two major ways in which this will be done include

- The award of an ILO decent work research prize, starting in 2007, awarded for major contributions to understanding of the factors and policies promoting decent work;

-
- The organization of a regular research conference at the ILO, starting in November 2006. The first conference will address social models and global production networks, among other issues.

In addition, there will be public lectures, workshops and policy dialogues.

Research will be carried out in close interaction with education programmes and their development. In particular, it is expected that most research should in due course be reflected in educational materials for use in courses at the Institute and elsewhere. Research scholars and interns from partner institutes in developing countries will be invited to spend periods working at the Institute on issues within the programme, and in addition to the annual internship course of the Institute, workshops on particular topics derived from the research programme will be organized in the regions.

The results of the research programme will be reflected in publications at different levels: books and monographs; a new series of the Institute's journal, *Labour and Society*; discussion papers; and publication in other international journals. They will also be accessible through the Institute's website.