

**FOR DECISION**

## SECOND ITEM ON THE AGENDA

**Date, place and agenda of the  
99th Session (2010) of the  
International Labour Conference***Contents*

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## Date

1. A definite proposal concerning the exact dates of the 99th Session (2010) of the International Labour Conference will be submitted to the Governing Body as soon as possible.

## Place

2. *It is proposed that the session be held in Geneva.*

## Agenda

3. The agenda of the 99th Session (2010) of the Conference will contain the following standing items:
  - Reports of the Chairperson of the Governing Body and the Director-General, including, in principle, the Global Report on child labour under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work
  - Programme and budget and other financial questions
  - Information and reports on the application of Conventions and Recommendations.
4. In addition, the agenda of this session of the Conference should include a second discussion on the item entitled “Strengthening national responses to HIV/AIDS in the world of work” (with a view to the adoption of an autonomous Recommendation). The first discussion on this item will take place at the 98th Session (2009) of the Conference.
5. Furthermore, at its 300th Session (November 2007), the Governing Body placed on the agenda of the 97th Session (2008) an item intended to continue the discussion on “Strengthening the ILO’s capacity to assist its Members’ efforts to reach its objectives in the context of globalization” with a view to the possible consideration of an authoritative document.<sup>1</sup> In this context, the possibility of conducting cyclical reviews in relation to the strategic objectives, which would be discussed in turn by the Conference and would therefore be a standing item on its agenda, should be considered. Should this occur, inclusion of the first cyclical review could undoubtedly be expected for 2010.
6. According to established practice, the Conference in principle deals with three technical items during the same session. In the light of the above, the Governing Body might consider it preferable to select only one item for the 99th Session of the Conference and to defer the inclusion of a third item to a later session, in the light of the outcome of the forthcoming discussion by the Conference on strengthening the ILO’s capacity. Another option would be for it to defer its definitive decision on two items to a later session. In such a case, and in the event of standard-setting action, as a result of the shortening of the period for preparatory work, arrangements should be made to adjust the timetable for the preparation of Conference reports.<sup>2</sup>

<sup>1</sup> Doc. GB.300/2/1.

<sup>2</sup> See arts 38(3) and 39(8) of the Standing Orders of the International Labour Conference.

7. In November 2007, the Governing Body requested that the following four items that had been submitted as proposals for the 2010 session of the Conference be resubmitted for further examination:<sup>3</sup>

- Decent work in global supply chains (general discussion)
- Social finance: Microfinance for decent work (general discussion)
- The right to information and consultation in the framework of economic restructuring (general discussion)
- Decent work for domestic workers (standard setting): the proposal has been formulated in the light of the comments made by members of the Governing Body.

8. Furthermore, following suggestions made by the Employers' group in particular, the Office was invited to submit new items, relating in particular to flexicurity and youth entrepreneurship. In response to this request, the following proposals were developed with a view to possible general discussion:<sup>4</sup>

- Flexicurity as a tool facilitating adaptation to changes in the globalized economy
- Youth entrepreneurship: Transforming jobseekers into job creators.

9. *In the light of the foregoing, the Governing Body is invited:*

*(1) to choose one of the six items set out below for inclusion in the agenda of the 99th Session (2010) of the International Labour Conference:*

- (i) Decent work in global supply chains (general discussion)*
- (ii) Social finance: Microfinance for decent work (general discussion)*
- (iii) Flexicurity as a tool facilitating adaptation to changes in the globalized economy (general discussion)*
- (iv) Youth entrepreneurship: Transforming jobseekers into job creators (general discussion)*
- (v) Decent work for domestic workers (standard setting)*
- (vi) The right to information and consultation in the framework of economic restructuring (general discussion)*

*and to defer the selection of the third item that would complete the agenda of that session of the Conference to a later session, in light of the outcome of the discussion on strengthening the ILO's capacity; or*

<sup>3</sup> Document GB.300/2/2.

<sup>4</sup> It is recalled that, in accordance with section 5.1.1 of the Standing Orders of the Governing Body, when a proposal to place an item on the agenda of the Conference is discussed for the first time by the Governing Body, the unanimous consent of the members present is required if a decision is to be taken on that proposal at the same session (see Compendium of rules applicable to the Governing Body of the International Labour Office).

- (2) *to defer to a later session the decision on the two items that would complete the agenda of the 99th Session (2010) of the Conference.*

## Proposals for the agenda of the 99th Session (2010) of the Conference

### Employment

#### 1. *Decent work in global supply chains* (general discussion)

##### Summary

Increasing globalization and growth of supply chains that cross borders and often stretch across the globe is generating much debate on the implications of these developments for the quantity, quality and distribution of employment throughout the world. Issues include opportunities and challenges for countries and individual companies to tap the economic development potential of global supply chains while maintaining or raising social standards. The proposed discussion item will contribute to this topical issue by addressing the economic, social and employment consequences of the structural changes taking place in key sectors of the global economy, specifically the identification of policies, programmes and tools to achieve decent work outcomes in global supply chains. To provide focus and grounding for the discussion, the report might select a few representative and important supply chains to guide the discussion (e.g. such as information and communication technology-related equipment, global food chains and services such as industrial design, software development or tourism).

10. Supply chains have a major impact on the structure of product, service and labour markets throughout the world. Participation in international supply chains has resulted in very significant establishment and growth of enterprises and employment in some developing countries and is a principal means by which many developing countries are linked to the global economy. This has resulted in the expansion of service, manufacturing and agricultural markets and production capability in these countries. The fact that to date only some developing countries have been able to take advantage of these opportunities is a clear indication that countries, particularly developing ones, face both opportunities and challenges in terms of how to support the development, diversification and upgrading of their enterprise base to be able to take advantage of the growth in global supply chains.
11. Increased market openness and foreign direct investment (FDI) together with changes in technology including transport and communication systems have had a major impact on the organization of production and on business relationships. In many sectors enterprises have decided to concentrate on core competencies while outsourcing a range of production and service-related activities. This has, in turn, resulted in increasingly long and often complex international supply chains that involve a variety of enterprises in the development and production and distribution of products and services.
12. Increasingly, outsourcing arrangements reflect a change in business relationships brought about by these changes. In important economic sectors there has been an increase in the power of enterprises that market goods or services relative to the power of those firms that produce them, a shift that has had a profound impact on the world of work. In the past, most lead companies in global supply chains were located in developed countries. However, a new trend is the growth of multinational enterprises (MNEs) based in developing countries.

- 13.** The decision to outsource often is the decision to offshore. These decisions are typically based on the consideration of a range of factors, including labour costs, production and service capacity, product quality, time to market, reliability, access to infrastructure and other factors. The choice of suppliers can involve the choice of country. Criteria can include political and economic stability, the availability and capacity of human resources and the linguistic abilities of workers, quality of infrastructure (transport, telecommunications), the availability of effective financial services, the strength of the rule of law, including as it relates to the protection and enforcement of property rights and the availability of conflict resolution mechanisms, among others. So the opportunities for countries to integrate into global supply chains and promote productive employment and decent work depends to a large extent on national policy frameworks.
- 14.** A range of strategies can be employed by countries to better tap the potential of global supply chains to generate economic growth, productive employment and reduce poverty. Strategies to take advantage of global supply chain opportunities can include targeted programmes to upgrade skills, productivity and competitiveness of particular sectors and clusters of enterprises. Infrastructure development, product development, testing facilities, technology transfer and supplier development programmes can be effective ways to help enterprises, particularly in developing countries, to integrate in beneficial and sustainable ways into global supply chains. Furthermore, efforts to use value chains at the national and international levels to link the more than 1.3 billion working poor in the informal economy to more productive job opportunities can form part of a poverty reduction strategy.
- 15.** The growth of supply chains and outsourcing raises issues surrounding the application of labour standards. Often governments in poorer countries do not adequately monitor labour practices and enforce labour standards for a range of reasons including inadequate resources. Intense competitive pressures on enterprises, particularly at the lower end of the chain, have influenced the development and application of law. As a result, there have been growing concerns that international labour standards, including those recognized as being fundamental rights at work, are not being observed in many areas of international business activity.
- 16.** For a number of reasons, including growing concerns raised regarding labour and social practices in their respective supply chains and the desire to upgrade management practices and productivity, many sourcing companies have begun to assume a measure of responsibility for the labour practices of their suppliers. Often these efforts involve the adoption of codes of conduct that are intended to be applicable to suppliers and are accompanied by various implementation and monitoring schemes. Because they involve one enterprise assuming some responsibility for the labour practices of another enterprise that it does not own or control, these initiatives raise many questions and have been a source of controversy. In particular, there is a lack of clarity regarding the division of responsibilities between enterprises and governments, for instance, how the sourcing company can effectively monitor the labour practices of its suppliers and how it should deal with non-compliance; and if and how enterprises can effectively implement codes, which often reference international labour standards, in situations where the government does not assume or respect its responsibilities with respect to these standards.
- 17.** Workers' organizations, in particular, express concern that arm's length supply chain relationships can be a way for sourcing companies to avoid their obligations as employers in terms of respecting fundamental rights at work. They argue that the relative power of sourcing companies can negatively affect the potential of collective bargaining to protect workers by denying workers down the supply chain access to the real decision-makers who effectively determine their working conditions. Employers' organizations express concerns that the proliferation of codes and monitoring regimes result in added cost and uncertainty for enterprises, without necessarily resulting in improved labour conditions. There is

concern that enterprises are being expected to shoulder responsibilities which should be met by the concerned governments. Furthermore, some governments, particularly in developing countries, express concerns that such arrangements may constitute a non-tariff barrier to exports.

18. Supply chains can also have a significant effect on national policy-making in the field of, for example, national taxation policy, competition or investment policies and even in the realm of social policies covering, for example, social security and welfare provision.
19. Various aspects of supply chains are being dealt with by a range of units in the Office and the topic will therefore be addressed in a comprehensive manner tapping Office-wide expertise in ENTERPRISE, SKILLS, SECTOR, INTEGRATION, ILS, NORMES, DIALOGUE and other units.

#### Some issues for discussion

20. The discussion would focus on how employment and decent work can be promoted in the global supply chains. Issues to be covered may include:
  - What are some of the key structural changes taking place in global supply chains?
  - What are the key drivers of these changes?
  - What is the impact of these changes on the quantity, quality and distribution of employment?
  - What could be the role of international policies to address the structural changes in the global supply chains?
  - Which policies are most effective for upgrading competitiveness, productivity and decent work in global supply chains?
  - What could be the national, local and sectoral policies and strategies for promoting productive employment, and for linking the large number of working poor to national and global supply chains?
  - Which public regulations and other systems of monitoring could address the issues related to the global supply chains and decent work?
  - What is and could be the role of private voluntary initiatives and other efforts to manage social issues in global supply chains?
  - What are the effects of global supply chains on collective bargaining and on social dialogue?
  - What are the implications of the structural changes in the global supply chains and their impact on productive employment and decent work for the governments, workers' and employers' organizations?
  - What advisory services, tools and technical assistance might be developed by the ILO to support job creation and enterprise upgrading in global supply chains?
  - How can employers' and workers' organizations promote compliance with codes of conduct and international labour standards in global supply chains?

## Intended outcomes

21. The intended outcome of the International Labour Conference general discussion would be:
- a stocktaking of the international debate on the impact of structural changes in the global supply chains on the quantity, quality and distribution of employment, in the context of the ILO’s Decent Work Agenda;
  - recommendations for ILO work to enhance coherent policies, strategies and tools for technical support to constituents that promote productive employment and decent work in global supply chains.

2. **Social finance: Microfinance for decent work**<sup>5</sup>  
(general discussion)

**Summary**

Thousands of microfinance institutions (MFIs) around the world provide a range of financial services to millions of poor households, most of them living in the informal economy under precarious employment and income conditions. Microfinance helps them stabilize and raise their incomes, grow and graduate from the informal economy, protect themselves against income shocks and organize themselves. What can MFIs do to create more and better jobs? How can employers’ and workers’ organizations partner with MFIs and influence their strategies? What can governments and donors do to set the incentives right so that MFIs address decent work deficits?

The international community recognizes ILO expertise and know-how in social finance.<sup>1</sup> The debate at the 2010 ILC could position the ILO in the concert of international agencies, emphasizing the social outcomes of microfinance. The debate will also be the first ever opportunity to pull together the multiple references in ILO Conventions and Recommendations to the role that finance plays to advance productive employment and decent work. Lastly, the debate will draw on concrete examples of successful uses of microfinance to address decent work deficits.

<sup>1</sup> Illustrated by the US\$34 million funding from the Gates Foundation for innovations in micro-insurance.

## Rationale

22. In view of the emerging positive evidence of the impact of microfinance on poverty reduction, the Governing Body<sup>6</sup> mandated the Office to explore ways to gear microfinance to decent work (November 2005 policy statement “Microfinance for decent work”). For a better understanding of these effects and an identification of entry points for action and policy support, the Governing Body mandated the Office to start initiatives on the ground that benefit the working poor and other vulnerable groups in the framework of the 2008–09 biennium’s joint outcome “Microfinance for decent work”. The Office plans to involve some MFIs worldwide to tackle, in partnership with employers’ and workers’ organizations, a selected decent work deficit.
23. The 2010 ILC debate would review good practices in the use of microfinance for productive employment and decent work, and define the implications for policy-making. It

<sup>5</sup> “Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty ... and microcredit is one such means” (Nobel Peace Prize Committee, 2006).

<sup>6</sup> GB.294/ESP/3.

would identify opportunities for cooperation with social partner organizations.<sup>7</sup> The debate is timely for several reasons: it would position the ILO in the concert of international agencies at a time when the United Nations General Assembly is expected to discuss microfinance and its contributions to different Millennium Development Goals. MFIs are perhaps the only institutions whose performance is systematically measured in two dimensions: financially and in terms of social impact. The social impact indicators developed in the microfinance field are obviously relevant for the ILO. The debate would be the first ever opportunity to draw together the multiple references in ILO Conventions and Recommendations to the role that finance plays to advance productive employment and decent work. Lastly, the debate would draw on concrete examples of successful uses of microfinance to address decent work deficits.

## Relevance for decent work

### 24. Social finance influences different key aspects of decent work:<sup>8</sup>

- employment creation;
- child labour;
- working conditions;
- debt status;
- formalization;
- gender equality.

25. Do loans and other services from MFIs help clients to create jobs?<sup>9</sup> So far, improved access to finance through MFIs stimulates the demand primarily for family labour, apprentices and day workers. Some MFIs have started, however, to gear their products towards somewhat larger enterprises which use more wage labour. ACEP, an MFI in Senegal, accompanies its more growth-oriented clients with a special scheme responsive to their specific needs, with a tangible impact on job creation. For the MFI, there is the prospect of a growing demand for ancillary financial services (insurance, housing loans, etc.) as a result of the newly created jobs.

26. Microfinance can be used as a tool to help parents of working children to gain additional revenue to forego the earnings of the child's labour. Microfinance can, however, also have the opposite effect and induce parents to withdraw their children from school. Several

<sup>7</sup> Nobel Peace Prize award to M. Yunus and the Grameen Bank, the outcomes of the International Year of Microcredit 2005 and the forthcoming United Nations General Assembly debate on microfinance and the Millennium Development Goals; the May 2005 Global Meeting on Building Inclusive Financial Sectors hosted by the ILO in Geneva. The proposed ILC debate builds on and develops further arguments developed at the Governing Body's Employment and Social Policy Committee (GB.285/ESP/3 and 13), the Working Party on the Social Dimension of Globalization and the ILC (2002 resolution on the informal economy and the 2004 resolution on migration).

<sup>8</sup> This list is not exhaustive; there are other aspects and dimensions of decent work relevant for microfinance.

<sup>9</sup> B. Bolnick and E. Nelson: *Evaluating the economic impact of a special credit programme: KIK/KMKP in Indonesia*, JDS, 26, 1990; E. Dunn and G. Arbuckle: *Microcredit and micro-enterprise development performance: Impact evidence from Peru*, SED, Vol. 12, No. 4, Dec. 2001.



MFIs seek to address this risk: the Arthacharya Foundation in Sri Lanka, for example, gives parents an interest rebate if they produce a school attendance certificate for their children.

27. Microfinance can also help bring about more safety and hygiene at work. Working conditions of artisanal brassware workers in Moradabad in northern India are extremely dangerous, causing lung diseases, eye injuries and burns on arms and feet. A combined package of incentives around micro loans and advice by a local financial institution led to the introduction of simple ventilation conduits and a reduction in work-related accidents.
28. Bonded labour, the most prevalent form of forced labour, is a fundamental violation of labour rights. Debt bondage undermines decent work. Several MFIs have made it their mission to attack debt bondage directly. The NRSP in Pakistan, for example, combines social mobilization, skills training and savings to make sure that *haaris*, a group of former bonded labourers, do not slip back into debt bondage.
29. Microfinance also triggers formalization. The Alexandria Business Association (ABA), an MFI in Egypt, links lending to the client's progressive documentation, thus encouraging borrowers to slowly "graduate" out of the informal economy. One of the documents required relates to the social security status of employees. Access to finance can thus help extend social protection.
30. Access to finance can change the distribution of working time between men and women.<sup>10</sup> Microfinance has been found to give more voice to women in household internal decision-making related to the credit-financed activity and in managing the entire household budget. Still, many women, especially in rural areas, have difficulties accessing financial services because of discrimination in access to literacy, property rights and social attitudes. RCPB, NYESIGISO, PAMECAS and other savings and credit cooperatives in West Africa therefore launched dedicated schemes for group transactions, not requiring collateral and involving loan amounts of less than US\$50.
31. Other decent work deficits can also be addressed by MFIs:
  - help HIV/AIDS affected workers to save for medical treatment;
  - design savings and investment products for families of migrant workers receiving remittances;
  - increase access to life and health insurance;
  - organize home or contract workers in savings and credit clubs;
  - give young jobseekers a chance to start up;
  - integrate people with disabilities into mainstream microfinance services;
  - make it possible for employers in the informal economy to provide benefits to their workers, such as health insurance, etc.

<sup>10</sup> L. Mayoux: "Microfinance and the empowerment of women – Review of key issues", Social Finance Programme Working Paper No. 23 (Geneva, ILO, 2000).

- 32.** This shows that there is now a multitude of initiatives in social finance, i.e. microfinance that concretely and effectively addresses decent work deficits.<sup>11</sup> In the 2008–09 biennium, the Office through the Social Finance Network will promote a greater uptake of decent work initiatives by MFIs. The experiences will be evaluated for presentation at the ILC in 2010.

#### Points to be discussed

- 33.** Points to be discussed could include the following:

- How could instruments used in social finance promote productive employment and decent work, advancing international labour standards?
- How could microfinance help move operators from the informal to the formal economy?
- What could social partner organizations do to better protect workers and independent producers against over-indebtedness?
- How best to assist ministries of labour in the management of microfinance components in social funds?
- What could be the role of employers' organizations in:
  - (a) helping lower investment costs and promote the emergence of risk-sharing arrangements for small and medium-sized enterprises;
  - (b) facilitating access to capital for member enterprises;
  - (c) encouraging savings by workers, facilitate remittances, etc.?

#### Intended outcomes

- 34.** The debate at the ILC in 2010 should have three outcomes:

- better knowledge and understanding of the impact that improved access to finance has on employment and decent work; information on alliances between MFIs and social partners and how these enhance their advocacy, service provision and representation;
- clarification of the roles that employers' and workers' organizations can play to gear microfinance towards decent work;
- information about what works, when and under which circumstances. Knowing what constitutes sound institutional practices and policies is the basis for the future provision of services by the Office to constituents in the area of social finance: advice, capacity building, policy analysis, tools. In particular, this will help guide constituents in rolling out large-scale initiatives that use microfinance for decent work.
- How could workers' organizations:

<sup>11</sup> "Microfinance for decent work", a report prepared for a technical meeting, March 2007, in the Netherlands, spells out the major issues in relation to employment creation, especially the young and other target groups, protection of the poor and catalysing group organization.

- (a) through pension funds and socially responsible investment give awards to MFIs that tackle decent work deficits;
- (b) partner with MFIs to ensure the provision of affordable and secure savings and credit facilities for workers;
- (c) enhance the financial competence of workers to ensure a better appreciation of the risks and opportunities of financial contracts?

### 3. ***Flexicurity as a tool facilitating adaptation to changes in the globalized economy*** (general discussion)

#### **Summary**

Flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies and modern, adequate and sustainable social protection systems are the main elements of a coherent policy mix that is today coined “flexicurity”. Flexicurity policies are instruments to cope with change in globalizing economies and should be designed and implemented through social dialogue and collective bargaining between the social partners and be adapted to particular firm/sector and country circumstances. While there is general agreement on common elements, a thorough discussion on the feasibility of flexicurity policies in the framework of decent work and the Global Employment Agenda (GEA) is still warranted.

35. Flexicurity has developed from a buzzword to a serious policy issue. While it has been conceived in the European Union context, its potential reach is universal as it assumes a strong need for adaptation to change in today’s global economies, which in turn also requires labour market security. Flexibility and adjustment security are the two sides of a same coin that should help firms and their workers to cope with the demands of the globalized economy.
36. In a context that sees firms, despite efforts of internal adjustments, less able today than formerly to guarantee lifelong or even long-term employment security for their workers, new types of security outside companies have to complement in-firm security. This implies a shift from job and employment security towards labour market security.
37. Such a shift can be observed in the set of common principles on flexicurity for modernizing the European labour markets that the European Council agreed upon in late 2007. They are a deliberate combination of “flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies and modern, adequate and sustainable social protection systems”.<sup>12</sup> The Council’s conclusions note also that flexicurity policies should be designed and implemented through social dialogue and collective bargaining and that there is no single labour market model, but rather adaptation of the common principles to particular country circumstances. These principles have also been endorsed by the European social partners and are now driving the labour market reform agendas of the EU member countries.
38. In their essence, these flexicurity principles are compatible with decent work principles, are integrated in the GEA and, with the flexicurity agenda of the European Commission, propose policies for creating inclusive labour markets with low segmentation and high levels of employment. However, some important challenges remain, which could be subject to a general discussion:

<sup>12</sup> Council of the European Union, 15497/07.

- Flexicurity is about the life cycle of individuals and about the firm’s needs for adjustment. For individuals, work-life balance requires a mix between flexible and stable jobs over their working life.<sup>13</sup> Can the needs of individuals – and especially also those of mothers and parents in general – for flexibility, stability and security be matched to employers’ needs for flexibility, and what policies are required in order to allow such a balance?
- Quality work triggers higher work satisfaction and higher satisfaction leads to higher productivity. Work satisfaction is inter alia dependent on job/employment security.<sup>14</sup> When firms offer less job/employment security, can the new securities outside the workplace (e.g. through training and other active labour market policies) trigger a genuine feeling of employment/employability security that allows for work satisfaction and underpins productivity?
- In the context of developing countries, arguing in terms of flexicurity often reveals the absence of important elements of flexicurity policies: active and passive labour market policies and representative actors and strong institutions of social dialogue. What policies are required to create a sound and sustainable policy environment that allows some security outside the workplace, by the same token providing firms with enhanced adjustment flexibility?
- What are the costs and benefits of flexicurity policies for firms, individuals and public authorities and how can they be shared fairly?

#### **4. Youth entrepreneurship: Transforming jobseekers into job creators** (general discussion)

##### **Summary**

Reducing youth unemployment and engaging young women and men in the economy and society is both a major and essential challenge. Youth entrepreneurship is increasingly being recognized as a valuable strategy for unleashing the productive and innovative potential of young people. It empowers them in entrepreneurial potential, to create jobs and contribute positively to a sustainable society. The ILC deliberated on youth employment in 2005 and youth entrepreneurship was briefly touched upon. It is now opportune to further explore how youth entrepreneurship can advance the Decent Work and the Global Employment Agendas.

- 39.** Nearly 40 per cent of the world’s population is under 20 years of age and more than one billion young women and men are aged between 15 and 24. A major part of this young population (85 per cent lives in the developing countries and it is estimated that almost 100 million young people will be entering the global workforce every year for the next ten years. According to UN projections of 2007, the 50 poorest countries in the world will more than double population in size from 0.8 billion in 2007 to 1.7 billion in 2050. This would mean an extraordinary challenge of creating decent work opportunities for 3 billion young people under the age of 25.

<sup>13</sup> “We observe more flexibility for young people and more stability for older workers” (P. Auer, S. Cazes: *Employment stability in an age of flexibility: Evidence from the industrialized countries*, ILO, 2003).

<sup>14</sup> The Fourth European Working Conditions Survey (European Foundation for the Improvement of Living and Working Conditions, 2007) shows that job security ratings have the strongest impact on work satisfaction.

40. According to a recent ILO study, youth are generally three-and-a-half times more likely than adults to be unemployed since labour markets, particularly in developing countries, are unable to absorb the often massive and rapidly growing supply of young labour. Reducing youth unemployment and engaging young people productively in the economy and wider society is both a major and essential challenge. There is strong empirical evidence from both the developing and developed countries indicating that unemployed young people have a greater tendency to engage in anti-social behaviour, drug abuse, armed conflicts and even terrorism.<sup>15</sup>
41. Youth entrepreneurship is being increasingly understood, accepted and adopted as a valuable strategy for unleashing the productive and innovative potential of young people.<sup>16</sup> The empirical evidence suggests that a conducive entrepreneurship culture, enabling business environment and requisite entrepreneurship development tools can be very helpful in this regard.<sup>17</sup>
42. However, programmes to promote entrepreneurship as a career path for young people need to be carefully planned; entrepreneurship is both demanding and inherently risky, particularly for young people who are already passing through a tenuous and vulnerable transition in life, while generally also lacking business experience and material assets. Even those who succeed as entrepreneurs often end up in the informal sector of the economy.
43. The International Labour Conference in its 93rd Session (2005) deliberated on the issue of youth employment. The subject of youth entrepreneurship was also briefly discussed under the area of active labour market policies. However it is imperative to go deeper into this vital area to tap its full job creation, empowerment and enterprise potential as an integral part of the Global Employment Agenda. The discussion will likely centre on the following questions:
- the nature, size and dynamics of youth unemployment – the present and potential role of youth entrepreneurship;
  - policies and programmes to promote youth entrepreneurship – what are the lessons learnt?
  - role of employers' and workers' organizations;
  - what can be done to promote good/decent jobs through youth entrepreneurship?
  - what would be the most appropriate strategy for ILO's work in this area?

<sup>15</sup> UN (2002): "First Regional Forum on Youth: Security, opportunity and prosperity", ECOSOC document OPA/AC.33/1; ILO (2005): "Being real about youth entrepreneurship in eastern and southern Africa: Implications for adults, institutions and sector structures", SEED Working Paper No. 72, Geneva; World Bank (2007): World Development Report, "Development and the Next Generation", Washington, DC.

<sup>16</sup> Bronte-Tinkew and Z. Redd (2001): "Logic Models and Outcomes for Youth Entrepreneurship Programs", report to the DC Children and Youth Investment Trust Corporation, Washington, DC.

<sup>17</sup> J.C. Hayton, et al.: "National culture and entrepreneurship: A review of behavioural research", in *Entrepreneurship Theory and Practice*, 2002, Vol. 26, No. 4, pp. 33–52.

## Social protection

### 5. *Decent work for domestic workers* (standard setting)

#### Summary

It is proposed to place the item of promoting decent work for domestic workers on the agenda of the International Labour Conference in 2010 with a view to developing ILO instruments, possibly in the form of a Convention supplemented by a Recommendation, to provide badly-needed protection for this category of workers. Reports and research have evidenced growing decent work deficits for domestic workers worldwide. Most domestic workers are women and their work is enabling others to improve their living standards. The ILO has long expressed the need for specific attention to these workers and the International Labour Conference, back in 1965, called for normative action. Indeed, many of the problems faced by domestic workers can be attributed to the specificity and nature of their occupation and to inadequate attention on key aspects of their situation in international law and national legislation. Their particular vulnerability to abuses of basic human rights, including fundamental principles and rights at work, as well as the differences in employment arrangements, methods of remuneration, working time and other aspects of their working conditions warrant separate consideration and standards adapted to their circumstances. In recent years, a number of governments have initiated steps to improve legal protection for domestic workers and others are considering doing so. The development of international standards is meant to fill an important gap in the promotion of decent work for all and to provide appropriate and timely guidance to constituents on policy and practice in this area.

#### The issue

44. Millions of domestic workers, predominantly female, are denied the protection of decent work while they contribute to improving employment prospects and living standards of other categories of workers. This unfair treatment has repeatedly been drawn attention to by the International Labour Conference, citing abuses of basic labour and other human rights, ranging from excessive hours of work, low wages and inadequate social protection to sexual harassment, physical assaults and other forms of violence. Research, carried out by the ILO and various institutions, has led to the conclusions that one of the main causes of this situation is the fact that in too many countries domestic workers are not covered by labour legislation and, as a result, are out of reach of labour inspection, protection by workers' organizations and potential regulations by employers. Recent trends show an increase in abuses and point to the likelihood that the numbers of domestic workers will continue to increase worldwide. Conservative estimates put the number of domestic workers at above 100 million, making them one of the largest yet unprotected segments of the labour force. Reports of abuses, and advocacy work by trade unions and other organizations have led to a number of countries recently adopting legislation, while others are considering legislative steps. This would make ILO normative action in the field timely.

#### The proposed response

45. It is proposed<sup>18</sup> to place the item of promoting decent work for domestic workers on the agenda of the Conference in 2010 with a view to developing ILO instruments, possibly in the form of a Convention supplemented by a Recommendation, to provide appropriate guidance to constituents on policy and practice in the area of domestic workers.
46. Some aspects of fundamental rights at work for domestic workers, their human rights and conditions of work may not have been dealt with adequately in existing international standards by the ILO or other international organizations and would therefore lend

<sup>18</sup> See GB.300/2/2.

themselves to normative action. While instruments dealing with the fundamental principles and rights at work do apply to all workers, including domestic workers, decent work deficits are obvious: too often, domestic workers are denied the right to form trade unions;<sup>19</sup> in numerous countries, domestic workers are trapped in situations of forced labour, and in many cases they are restrained from leaving the employers' home through threats or violence;<sup>20</sup> many migrant domestic workers work under precarious and difficult conditions and are particularly vulnerable to abuses of their fundamental rights.<sup>21</sup> In addition, as indicated in the document submitted to the 300th Session of the Governing Body, quite a number of ILO Conventions permit the exclusion of certain categories of workers. For instance, as confirmed by the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR),<sup>22</sup> the objective of the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30) is "to extend the hours of work standards prescribed by the Hours of Work (Industry) Convention, 1919 (No. 1) to all those persons not covered by Convention No. 1, with the exception of those employed in agriculture, maritime or inland navigation, fisheries and *domestic service*". Similarly, Article 2 of the Protection of Wages Convention, 1949 (No. 95) allows ratifying States to exclude certain categories of workers, including explicitly those employed in domestic service, from its scope of application.<sup>23</sup> While the Maternity Protection Convention, 2000 (No. 183), is meant to apply to all employed women, including those in atypical forms of dependent work, ratifying States may, after consulting the representative organizations of employers and workers concerned, exclude wholly or partly from the scope of the Convention limited categories of workers.<sup>24</sup> In this respect, the CEACR noted in 2004 that the maternity protection of women engaged in agriculture or working at home or as domestic workers "continues to lag behind".<sup>25</sup> Similar concerns have been expressed by the CEACR concerning, among others, the application for the protection of domestic workers of health and safety Conventions,<sup>26</sup> the Termination of Employment Convention, 1982 (No. 158) and the Labour Inspection Convention, 1947 (No. 81). With regard to the latter, the CEACR noted in 2006 that "many national provisions authorizing workplace visits leave excluded from labour protection by inspectors the many people who are

<sup>19</sup> ILO: ILC, 82nd Session, Report III (Part 4A), 1995, para. 59.

<sup>20</sup> ILO: *Eradication of forced labour*, Introduction, Report III, Part 1B, ILC, 96th Session (Geneva, June 2007).

<sup>21</sup> ILO: ILC, 82nd Session, op. cit., 1995.

<sup>22</sup> ILO: *Hours of work: From fixed to flexible?* Introduction, Report III, Part 1B, ILC, 93rd Session (Geneva, June 2005).

<sup>23</sup> At Conference discussions that led to the adoption of the Convention, the Worker members proposed the deletion of the reference to domestic service in the provision containing possible exclusion. The proposed amendment, however, failed to be adopted. Those opposing the amendment expressed the view that a number of provisions of the proposed Convention had been drafted with particular reference to industrial workers and that difficulties would arise in the full application of these provisions in respect of domestic workers; see ILC, 32nd Session, 1949, *Record of Proceedings*, p. 501.

<sup>24</sup> Art. 2, paras 1 and 2.

<sup>25</sup> ILO: ILC, 92nd Session, Report III (Part IA), 2004, para. 32.

<sup>26</sup> ILO: ILC, 83rd Session, Report III (Part 4A), 1996, para. 63.

carrying out domestic work, or who are homeworkers, the majority of whom are women”.<sup>27</sup>

47. However, a number of existing instruments, as well as legislation and practice developed in a number of countries, may serve as elements to build on in the elaboration of specific standards.
48. Many of the problems faced by domestic workers can be attributed to the specificity and nature of their occupation and to inadequate attention on key aspects of their situation in international law and national legislation. Their particular vulnerability to abuses of basic human rights, including fundamental rights at work, as well as the differences in employment arrangements, methods of remuneration, working time and other aspects of their working conditions warrant separate consideration and standards adapted to their circumstances.
49. Consideration may be given to a Convention that would set a number of general principles, including the general application to domestic workers of decent work and international labour standards, the respect of their basic human rights and their inclusion in protection provided to workers under national labour legislation as well as provisions for a system of inspection to ensure compliance with the laws and regulations applicable to them. The Convention may call on ratifying States to adopt, implement and periodically review a national policy on domestic work aimed at improving the situation of this category of workers, encourage consultations with representative organizations of employers and workers in this field (including with organizations directly concerned with domestic workers) and address issues related to special characteristics and conditions of this category of workers (work – and often accommodation – in private houses, unregulated working hours and periods of rest, multiple employers, etc.). Details and guidance on the possible contents of national policy could be addressed in an accompanying Recommendation which would recommend policy on equality of treatment between domestic workers and other wage earners and make general provisions concerning freedom of association, minimum wage, protection of remuneration, maternity protection, working time and periods of rest and leave, protection in the field of safety and health and access to social security for domestic workers as well as their inclusion in labour statistics, etc.

#### The present state of the debate

50. During the discussion that took place at the Governing Body in November 2007, considerable support was expressed for a standard-setting item on domestic work. The Workers’ group expressed full support for this proposal and said that this would be the group’s priority for the agenda of the 2010 International Labour Conference. A number of governments were also of the view that the situation of domestic workers warranted a standard-setting approach in order to ensure that all workers, including domestic workers, are appropriately protected and that there is effective enforcement of employment and other rights for these categories of workers. The Employers’ group has not so far addressed the question of standard setting for domestic workers but has been on the record expressing concern for this category of workers, namely in the context of discussions on employment policies and forced labour.
51. At its last session, the Governing Body also recalled that there is a long-standing commitment by the ILO, including in the form of resolutions of the International Labour Conference, to address this issue and that the situation of these workers made a strong case for adopting international standards that can be used to improve their legal environment

<sup>27</sup> ILO: *Labour inspection*, Report III, (Part 1B), ILC, 95th Session (Geneva, June 2006), para. 264.



through labour legislation that will enable them to benefit from the full range of protection and rights related to decent work.

The ILO and domestic workers:

A long-standing call for normative action

52. The issue of domestic work is not new to the ILO and has been debated over the years at the Conference and in the Governing Body of the ILO. The need for normative action has repeatedly been reasserted.
53. In 1936, the International Labour Conference, considering that the International Draft Convention on annual holidays with pay (later Convention No. 52) did not apply to domestic workers, requested the Governing Body to inscribe the question on the agenda of one of its future sessions. It was also decided that the Conference would consider at the same time whether other conditions of employment of domestic workers could form the subject of international regulation.<sup>28</sup>
54. In 1945, the Conference adopted a resolution concerning the protection of children and young workers, considering that “attention should be given to regulating the admission of a child to domestic service outside his family in the same way as to other non-industrial occupations”. It also called for “special efforts ... to eliminate forms of employment involving the placing of children in, or their transfer on a basis of quasi-adoption, to the family of an employer where they work for maintenance”.<sup>29</sup>
55. In 1948, the Conference adopted a resolution concerning the conditions of employment of domestic workers. The Conference expressed the view that “the time has now arrived for a full discussion on this important subject”. Consequently, it requested “the Governing Body to consider the advisability of placing on the agenda of an early session of the Conference ... the whole question of the status and employment of domestic workers”.<sup>30</sup>
56. In 1965, the Conference adopted a new resolution concerning the conditions of employment of domestic workers.<sup>31</sup> This resolution drew attention to the urgent need to provide domestic workers with the basic elements of protection which would assure them a minimum standard of living, compatible with the self-respect and dignity essential to social justice. Among other things, the Conference invited the Governing Body to consider placing on the agenda of an early session of the Conference, the question of conditions of employment of domestic workers with a view to the adoption of an international instrument.

<sup>28</sup> ILO: *Record of Proceedings*, ILC, 20th Session, 1936, Appendix XVI: Resolutions adopted by the Conference, p. 740.

<sup>29</sup> ILO: *Record of Proceedings*, ILC, 27th Session, 1945, Appendix XIII: Resolutions adopted by the Conference, p. 456, para. 19(4).

<sup>30</sup> ILO: *Record of Proceedings*, ILC, 301st Session, 1948, Appendix XVIII: Resolutions adopted by the Conference, pp. 545–546.

<sup>31</sup> ILO, *Record of Proceedings*, ILC, 49th Session, 1965, Appendix XII: Resolutions adopted by the Conference, pp. 693–694.

57. In 2003, ILO research confirmed that domestic work is mainly performed by women, that the use of child labour is widespread and that a large part of domestic labour is made up of migrant workers.<sup>32</sup> Some of the main issues the ILO has identified are: hours of work; wages; workload and rest periods; social security coverage; physical and sexual abuse; abuses by recruitment agencies and contractual conditions. In addition to poor and exploitative working conditions, domestic workers are often denied the right to organize in trade unions.
58. More recently, the need for protection of migrant domestic workers has again been endorsed by the Conference in adopting the conclusions of the general discussion on migrant workers held during the Conference in 2004. Two of the principles enumerated in the non-binding Multilateral Framework on Migration adopted by the Governing Body at its March 2006 session (as a follow-up to the Conference 2004) make specific reference to domestic workers.
59. The need for a special international instrument on domestic work has long been voiced by workers' and non-governmental organizations. The International Trade Union Confederation (ITUC) reiterated this call last year.

#### Present status of research and preparatory work

60. There was also a request to the Office as to the degree of research and level of preparatory work for the proposal. In that respect, and bearing in mind that a decision to have a standard-setting item on domestic work on the agenda of the 2010 International Labour Conference will require careful preparation, there is already a considerable wealth of existing research<sup>33</sup> and ILO material and information received since November 2007 confirm that a number of governments have developed some legislative initiatives or plan to do so in the near future, which would make an ILO instrument timely.
61. New research, published since the 300th Session, confirms that “the non-recognition and lack of social protection that is characteristic of domestic work is a major obstacle to achieving the ILO goal of decent work for all men and women”.<sup>34</sup>
62. The document recognizes that while domestic workers should obviously be the first to benefit from greater protection there is a direct interest in promoting the issue for all ILO constituents.
63. Indeed, state institutions have to deal with thousands of complaints from domestic workers or their employers, and regulation and monitoring of domestic work would help prevent such situations. In addition, there is anecdotal evidence that regulating domestic work can help address issues related to informal and unprotected work and potentially increase the tax base for funds earmarked for social protection.<sup>35</sup>

<sup>32</sup> ILO: *Domestic work, conditions of work and employment: A legal perspective*, by J.M. Ramirez-Machado: ILO Conditions of Work and Employment series No. 7, 2003.

<sup>33</sup> See GB.300/2/2.

<sup>34</sup> ILO: *Domestic work: Better jobs, better care. A review of ILO policies and programmes* (forthcoming).

<sup>35</sup> For instance, in Argentina, according to the Ministry of Employment, Work and Social Security, 96.4 per cent of women domestic workers were apparently not registered in 2004. Changes to the law during that year, in the form of tax deductions offered to employers, brought the proportion

64. The potential for employers' organizations to engage with their members on this issue is also great. Informal recruitment processes and the absence of written contracts may have adverse effects on employers. Informal groups of employers organized on a neighbourhood basis have already been active on the issue. In the context of the ILO programme in South-East Asia on protecting domestic workers from forced labour and trafficking, the Employers' Federation of the Philippines drafted a code of conduct for employers of domestic workers that could also help inspire global normative action. In the context of a discussion on the application of the Employment Policy Convention, 1964 (No. 122), by the Conference Committee on the Application of Conventions and Recommendations (June 1998), the Employers' group noted that "In view of the shortage of jobs and the lack of skills among the unemployed, it was no longer possible to exclude low-quality jobs. Such jobs were available in the fields of personal and domestic services, manual work, trade and agriculture." For the Employers' group, "the employment potential of these sectors needed to be harnessed. Although pay was low in these sectors because of the low level of productivity, the resulting social hardship could be avoided through supplementary transfer systems."<sup>36</sup>
65. Obviously, workers' organizations have a keen interest to reach out to domestic workers and offer them the protection of their rights. A legal framework, based on internationally recognized standards, would facilitate trade union access to domestic workers and would also help overcome the fears which often prevent domestic workers from demanding respect for their basic rights. This is all the more true as limitation to freedom of association for domestic workers is still prevalent in a number of countries.

#### The way forward

66. There is wide recognition that the situation of domestic workers which is currently a source of great concern everywhere will greatly benefit from the development and implementation of international standards that address human rights, fundamental workers' rights and general conditions of work. There is also recognition that a move towards that aim is long overdue and would help respond to, and even anticipate, the needs of ILO constituents. Early decision on an item to be placed on the agenda of the 2010 International Labour Conference for standard setting on decent work for domestic work will enable the Office to start preparatory work, based on the wealth of existing research material. It would also give the Office sufficient time to undertake a comprehensive review of current laws and practices concerning domestic work and background material for the debate. The Governing Body may also authorize the Office to organize a preparatory tripartite experts meeting in 2009 to examine the potential contents of international instruments. Preparatory work will also entail a series of tripartite consultations at regional and global levels.

down to 75 per cent. In Brazil, tax incentives for employers who register their employees with the National Institute of Social Security have led to a proportionate increase in workers with formal contracts. See M. Diaz: *The situation of domestic workers in Latin America*, ILO-MIGRANT (forthcoming).

<sup>36</sup> Report of the Committee on the Application of Standards, ILC, 86th Session, 1998, *Provisional Record* No. 18, Part One.

## Social dialogue

### 6. *The right to information and consultation in the context of economic restructuring* (general discussion)

#### Summary

Globalization and rapidly changing markets have led businesses to adopt numerous strategies in an effort to maintain and increase their competitive advantage. One possible approach is to restructure the enterprise, which can take a wide variety of forms. Given the considerable impact that the outcomes of economic restructuring may have on the workforce, the enterprise and society at large, it is important that such restructuring be accompanied by appropriate forms of social dialogue – embedded in the enterprise – providing for effective responses to the challenges arising from these external pressures. This discussion would not represent an infringement on the right of managers to manage, or of enterprises to consider restructuring among a number of options for maintaining their position in a given market. Rather, the inclusion of this item on the agenda of the 2010 ILC would provide a timely opportunity for constituents to reflect on the importance of social dialogue as a tool for effectively managing change. It would enable a clearer understanding of:

- the issues to be addressed during enterprise restructuring;
- how good labour–management relations can facilitate outcomes from restructuring which balance flexibility and security concerns;
- recent changes in national and transnational law and practice providing for information and consultation around such issues; and
- an assessment of the implications for the ILO’s work in various areas.

#### Background

67. Pressures on enterprises to restructure in response to national and international developments are increasing, owing to such factors as: changes in the situation of sectors – including the public sector – in national economies, the increase in new forms of productive organization, including the rapid expansion of global supply chains, following the decline of “mass production” and the impact of globalization. In the latter case, many enterprises are facing much more fierce competition. This leads to pressures to adapt workplaces to match the efficiency, output and quality of market leaders – or, in many cases, to close down.<sup>37</sup> Whatever the cause, enterprise restructuring may result in social costs of various types, including job losses, higher unemployment, inequality of treatment among workers, greater insecurity in the workplace and industrial and social conflicts.
68. There are many examples where the social partners have collaborated successfully in responding to structural and other changes by mobilizing the full potential of their enterprises. Mention should be made of those efforts to improve the adaptability of enterprises relying on a consultative approach and directed towards achieving a balance between “flexibility” and “security”. While not challenging the employer’s need to restructure in an efficient and effective manner, such an approach can increase the competitiveness of their enterprises by seeking the understanding and support of the workforce in implementing proposed changes. Through this approach, workers and their representatives can continue to benefit from decent wages and working conditions and, by providing inputs into the proposed changes, they have the opportunity to affect the best possible outcomes for the workforce. In this context, changes are emerging in the traditional labour–management relationship. The patterns of negotiation are changing, as is the content of bargaining and the approaches adopted by the actors involved. In this respect, many solutions are being negotiated by the social partners at all levels, often

<sup>37</sup> ILO: *Changing patterns in the world of work*, Report of the Director-General, ILC, 2006.

leading to agreements on packages of “offsetting” issues such as job security, working time, wages, lifelong learning possibilities and/or new methods of work organization.

69. Existing procedures for informing and consulting employees and their representatives are essentially twofold in nature. First, informal rules may be agreed between the social partners themselves at various levels through bargaining. Legal frameworks may also be developed, providing for information sharing and consultation where major “events” concerning workers take place, such as threatened or actual redundancies, transfers of undertakings, delocalization and other forms of restructuring affecting an enterprise. In many countries, legal provisions are often based on a posterior approach (i.e. dealing with the economic and social consequences of developments, many of which were not anticipated). They often fail to provide sufficient recognition of the need for ongoing social dialogue at enterprise level, and do not offer sufficient consideration of the economic and employment impact of decisions taken.
70. Increasing globalization of capital, product and labour markets means that decisions affecting enterprises and their workers are often being taken by transnational bodies. Information and consultations at this level are still not well developed. This is in spite of the attempts of some MNEs and regional integration groupings, especially in Europe, where adoption of the Works Council Directive<sup>38</sup> in 1994 has led to the development of a wide variety of consultation and information exchange practices in European-wide enterprises. Even in this situation the main objective of providing workers with a real voice in corporate decision-making processes has only been achieved in a minority of cases. In addition, many of the relevant European Works Councils’ procedures have remained predominantly directed to provision of information and the minimum information requirement is often oriented towards the past rather than the future situation of an enterprise.<sup>39</sup> Against that background and with a view to reinforcing the role of European Work Councils, in particular in anticipating and accompanying restructuring, the European Commission plans to propose in 2008 a revised draft Directive.
71. However, the issues faced, and the approaches to consultation and information adopted in such cases, are not uniquely European phenomena. Of the 71 countries included in the ILO’s *Termination of employment digest*,<sup>40</sup> 45 report some level of consultation with employee representatives in the event of collective redundancies. For example, the Labour Relations Act of South Africa sets out requirements for engagement in a “meaningful joint consensus-seeking process” with employees and their representatives whenever the employer proposes dismissals based on operational requirements or changes in terms and conditions of employment. This process allows for workers’ representatives and management to seek agreement on measures to avoid, minimize the number of, change the timing of or otherwise mitigate the adverse impacts of dismissals. It also provides for access to information on the reasons and need for such measures. In Botswana, a code of good practice on termination of employment (Trade Disputes Act) providing for similar consultations surrounding any proposed business reorganization that is expected to lead to retrenchments has been agreed by the social partners, though it does not yet have the force of law.

<sup>38</sup> Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community.

<sup>39</sup> “European Works Councils in practice”, European Foundation for the Improvement of Living and Working Conditions, 2004.

<sup>40</sup> Including countries from Africa, the Americas, Asia and the Pacific, and Europe.

72. Finally, in recent years, global markets have grown rapidly, without the parallel development of economic and social institutions necessary for their smooth and equitable functioning,<sup>41</sup> a situation which exists both at the level of nations and individual enterprises. The lack or weakness of such institutions and procedures of dialogue between governments and/or between employers and workers and their representative organizations makes it difficult to achieve consensus on important issues which affect enterprises operating within and across borders and can threaten social peace.

## The ILO's response

### *ILO normative action*

73. The ILO's concern that workers in the enterprise be informed and consulted on issues which affect them and, more generally, in fostering ongoing cooperation between management and labour around enterprise development, were clearly articulated in the Declaration of Philadelphia in 1944. The Declaration called on the Organization to develop programmes with a view to promoting "effective recognition of the right to collective bargaining and cooperation between management and labour in the continuous improvement of productive efficiency ..." (paragraph 3(e)).
74. This constitutional obligation is reflected in various later instruments, such as the Co-operation at the Level of the Undertaking Recommendation, 1952 (No. 94), the Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113), and the Communications within the Undertaking Recommendation, 1967 (No. 129). Recommendation No. 129 provides detailed guidance on how to build mutual understanding and confidence within enterprises, stating that information should be provided to workers and their representatives and consultations should take place with them before decisions on matters of major interest are taken by management (Paragraph 2). The Recommendation provides that management should give workers information on a whole range of subjects, including, inter alia, with respect to "the general situation of the (enterprise) and prospects or plans for its future development" and to explain decisions which are likely to affect workers, directly or indirectly (Paragraph 15(2)). The Workers' Representatives Recommendation, 1971 (No. 143) (Paragraph 6(2)(f)), refers specifically to consideration of priority to workers' representatives in case of workforce reduction. These Recommendations emphasize that information and consultation processes should coexist with and complement the institution of collective bargaining. Similar provisions, some addressing more specific situations, are developed in a number of other ILO instruments.<sup>42</sup>

### *ILO technical cooperation*

75. The ILO provides technical advice and assistance on issues with respect to the provision of information to and consultation with workers and their representatives within the framework of activities and projects in the field of social dialogue and related areas, such as labour legislation, employment and working conditions. In the area of labour law reform, the ILO assists the constituents to draft labour laws, including those that address the impacts of economic reorganization.

<sup>41</sup> *A fair globalization: Creating opportunities for all*, report of the World Commission on the Social Dimension of Globalization (Geneva, ILO, 2004).

<sup>42</sup> For example, the Termination of Employment Convention, 1982 (No. 158), and the Seafarers' Welfare Convention, 1987 (No. 163). See also the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (e.g. art. 57).

76. For example, in the Caribbean Community (CARICOM), the Office provided technical support to the drafting of model harmonization legislation regarding termination of employment. This model legislation sets out procedures for information and consultation during economic restructuring which involves possible redundancies, in line with the relevant international labour standards. The ILO continues to provide support to CARICOM and its member States to promote harmonization with the model legislation.

#### International Labour Conference discussion and outcomes

77. A Conference discussion on this item could address, inter alia, such areas as:

- recent economic and social developments having major impacts on the competitiveness, job security, employment conditions, skill requirements, work organization and location of enterprises;<sup>43</sup>
- recent developments in labour–management relations at enterprise level, including new forms of consensus building through information and consultation;
- related developments in social dialogue at national and transnational levels;
- changes in national and transnational legislative frameworks and other institutional provisions and arrangements for information and consultation; and
- consequences for ILO work, with a special focus on technical advice and cooperation.

78. Consideration could also be given in the context of a general discussion to the possible need to revise and update the existing ILO standards dealing with information, consultation and cooperation at enterprise level.

Geneva, 7 February 2008.

*Points for decision:* Paragraph 2;  
Paragraph 9.

<sup>43</sup> For example, changes resulting from the impact of takeovers, mergers and acquisitions, joint ventures, subcontracting and transnationalization of undertakings.