



## Governing Body

309th Session, Geneva, November 2010

GB.309/3/1

# FOR DEBATE AND GUIDANCE

THIRD ITEM ON THE AGENDA

## Matters arising out of the work of the 99th Session (2010) of the International Labour Conference

### Follow-up to the adoption of the resolution concerning the recurrent discussion on employment

#### Overview

##### Issues covered

Part I of this paper deals with four cross-cutting issues that are guiding the immediate follow-up work of the Office and its plans to implement the conclusions of the resolution concerning the recurrent discussion on employment adopted at the 99th Session of the Conference. These are: strengthening existing areas of work; responding to new priorities; promoting better national and international policy coherence; and changing work methods. Part II takes up each of the six strategic employment themes covered in the conclusions and describes initial steps taken by the Office and future plans to act on the main priorities identified there to respond more effectively to the realities and needs of ILO Members.

##### Policy implications

Implications for the constituents and the Office as outlined in the conclusions concerning the recurrent discussion on employment.

##### Financial implications

Implications for further priority setting within the Programme and Budget for 2010–11 and for reflecting new priorities or ways of working within the Programme and Budget for 2012–13.

##### Action required

Debate and guidance on the information provided.

##### References to other Governing Body documents and ILO instruments

GB.309/PFA/2, GB.309/WP/SDG/1, GB.309/ESP/1/2, GB.309/LILS/4, GB.309/SG/DECL/1, GB.309/2/1.

Resolution and conclusions concerning the recurrent discussion on employment, 2010

1. At its 97th Session (2008) the International Labour Conference adopted the ILO Declaration on Social Justice for a Fair Globalization designed to strengthen the Organization's capacity to promote the Decent Work Agenda and to respond to the growing challenges of globalization. The annex of the Declaration set out an implementation strategy that included a scheme of recurrent discussions on the strategic objectives.
2. The first recurrent discussion took place at the 99th Session (2010) of the International Labour Conference on the strategic objective on employment. The Conference adopted the resolution concerning the recurrent discussion on employment which includes a comprehensive set of conclusions that proposes "actions that the Governing Body and the Office, governments, and employers' and workers' organizations, can take to support constituents' needs, whilst mindful of their diverse realities".<sup>1</sup>
3. This paper has benefited from the outcomes of the Retreat held on 20–21 July 2010 in Geneva, convened by the Employment Sector, where representatives of all the sectors in Geneva, the five Regional Offices, and senior staff in the Employment Sector considered ways to adjust the work of the Office on employment. The Retreat examined the implications of the recurrent discussion for: existing employment programmes; new priorities; collaboration and coherence between strategic objectives; employment policy promotion at the country level; improved monitoring and evaluation; and more effective international partnerships.
4. This paper has two parts. The first deals with four issues that are guiding the immediate follow-up work of the Office and its plans to implement the conclusions of the resolution. These are: strengthening existing areas of work; responding to new priorities; promoting better national and international policy coherence; and changing work methods. These issues cut across the different themes in the conclusions. Part II takes up each of the six strategic employment themes covered in the conclusions and describes initial steps taken by the Office and future plans to act on the main priorities identified there under each theme to respond more effectively to the realities and needs of ILO Members.

## Part I. General cross-cutting issues

### Strengthening the existing employment areas of work

5. The conclusions reconfirm the central role of employment policy, skills development and sustainable enterprise – the three employment-related outcomes in the Strategic Policy Framework for 2010–15. But they also underscore the need to step up work on pro-employment outcomes of macroeconomic, trade, investment and industrial policies, as well as national and international policy coherence. The overall thrust of the conclusions is a call for "business unusual" and this is a call to translate the conclusions into concrete actions across all these areas of work.
6. *Knowledge management.* Strengthening and institutionalizing the ILO's capacity to generate, analyse and disseminate knowledge is one of the main themes running through the conclusions. There is a strong emphasis on generating and sharing knowledge about what works, what does not work, and why, across different technical areas within the competence of the ILO. The demand is for the generation and dissemination of knowledge

<sup>1</sup> ILO: Resolution concerning the recurrent discussion on employment, International Labour Conference, 99th Session, Geneva, 2010, conclusions, para. 22 (see the appendix).

that is driven by the needs of constituents and based on a solid understanding of country-level realities.

7. In the Preview of the Programme and Budget proposals for 2012–13,<sup>2</sup> the establishment of a more effective and coherent knowledge-management system is centre stage with a view to addressing the following major issues:
  - formulation of effective Decent Work Country Programmes based on identification, assessment and prioritization of national development policies and plans in areas of ILO competence;
  - effective services to constituents reflecting high quality, up-to-date comparative knowledge of good policy practices across countries and regions;
  - high-quality research on topics of national, regional and global interest which can influence the global policy debate in ILO areas of competence and be translated into improved services to constituents.
8. *More evidence on impact evaluation, what works and employment policy reviews.* An important element of the conclusions is the need to improve impact evaluation, maintain databases, and keep up to date a policy portfolio based on evidence of what works under what conditions. Analysis is needed not only at the level of specific interventions but also at the level of national and thematic reviews of employment policy. In particular, the conclusions call for “carrying out employment policy reviews, and improving methods to draw lessons from them and sharing them with constituents”.<sup>3</sup> Being able to discern good practices and understand how they produce good results calls for strong impact measurement and assessment practices.
9. *Employment targeting.* Committee members went beyond the general notion of “putting employment at the centre of economic and social policies”. Now the conclusions set the concrete operational goal of “employment targeting through integration of quantitative and qualitative targets for employment growth in economic and sectoral policies, investment and expenditure plans, and evaluating their implementation”.<sup>4</sup> This elaborates on how the Organization is to deliver in support of constituents.
10. *Timely and customized policy advice on employment policies.* The conclusions request the Office to give priority to “strengthening its capacities and expanding its services to provide timely and customized advice on employment policies, to evaluate their impacts, and to draw lessons”.<sup>5</sup> In practice, the number of requests for support on employment policies is high; in this biennium the Office is being asked to provide timely and customized advice to 58 countries on employment policy. This poses a capacity challenge for the Office. Ideally, capacity needs to be expanded, but stronger collaboration between departments and units to achieve better integration and convergence of programme efforts into national employment policies is key.
11. “Business unusual” calls for *better integration and collective delivery* on pro-employment macroeconomic policy frameworks that promote growth, investment, enterprise

<sup>2</sup> GB.309/PFA/2.

<sup>3</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 30(iv).

<sup>4</sup> *ibid.*, para. 28(ii).

<sup>5</sup> *ibid.*, para. 30(ii).

development and a fair distribution of income, as well as improving employability, skills and productivity, inclusive finance, and so on. This kind of an integrated approach, as is provided by the Global Employment Agenda and the Global Jobs Pact, responds to the strong demand for national employment policies. This work needs increased investment in high-quality labour market information systems.<sup>6</sup>

12. The Organization's mandates and the expectations of constituents are growing in many specific areas of promoting decent and productive work. The Office is analysing how to improve efficiency and remove coordination gaps, how to sustain a more focused and integrated delivery, and how to improve priority setting in terms of the number of target countries identified for each biennium's plan of work and budget.

## Responding to new priorities

13. *Macroeconomics, trade and industrial policies and employment.* These are strictly speaking not new areas of work – they are core components of the Global Employment Agenda and are analysed as part of employment policy work at the country level – but the scope of work was expanded and clarified in the conclusions concerning the recurrent discussion on employment. Given the redefined mandates, such as increased engagement in supporting countries to create a pro-employment macroeconomic policy framework, the Office is working towards: (i) more clearly defining the message, i.e. explaining the elements of a pro-employment macroeconomic framework; (ii) improving the treatment of macroeconomic and trade and investment issues in national employment policy documents; and (iii) more clearly defining the profile of work on productive transformation policies and industrial policy.

## Promoting better national and international policy coherence

14. The need to promote better national and international policy coherence, a major thrust of the Declaration on Social Justice for a Fair Globalization, was also strongly emphasized by the conclusions concerning the recurrent discussion on employment.
15. Paragraph 50 of the conclusions requests the Director-General to submit to the November 2010 session of the Governing Body “a document outlining the elements and possible forms of a framework with the objective of promoting coherence between ... economic, financial, employment and social ... policies”. The Office has submitted a paper to the Working Party on the Social Dimension of Globalization to address this request.<sup>7</sup>
16. Policy coherence at the country level requires clear policy frameworks and adequate institutional arrangements involving strong inter-ministerial coordination and effective social dialogue. In terms of policy frameworks the Office has the Declaration on Social Justice for a Fair Globalization, the Global Employment Agenda and the Global Jobs Pact, all of which are expressions of the Decent Work Agenda. These instruments can be seen as complementary and as providing integrated frameworks that governments and the social partners can adapt to their specific circumstances and use to rebalance policies.

<sup>6</sup> *ibid.*, para. 25(iv).

<sup>7</sup> GB.309/WP/SDG/1.

17. An additional important challenge is how to translate these frameworks into operational policy review tools for informing social dialogue at the national level. Here as well, it will be important to review the use of the existing set of policy tools, which while appropriate for specific needs may lead to policy gaps or overlaps. The Global Jobs Pact Country Scans, a comprehensive policy assessment tool, shows potential as a practical and coherent methodology that covers the full Decent Work Agenda. The Office is planning to adapt this methodology into Decent Work Country Scans as a necessary first step in the elaboration or revision of Decent Work Country Programmes. The elaboration of country scans would be facilitated by coherent and systematic databases as part of the knowledge strategy, involving an integrated approach to statistical, legal and policy information collection and analysis.

### **Change in work methods**

18. All areas of work in employment reflect important mandates. However, the Office is analysing how to improve efficiency of delivery across areas of work, given growing levels of demand, on the one hand, and limited resources, on the other.
19. Most programmes operate a full cycle of their own (research, tools, technical assistance, policy advice). Now, however, a more integrated delivery that matches the broader employment policy cycle at the national level is being coordinated. Programme management is converging around the formulation, implementation and impact assessment of national employment policies at the country level, which in turn are part of Decent Work Country Programmes.

## **Part II. Follow-up by theme in the conclusions**

20. The conclusions set priorities for governments, the social partners and the Office in six thematic areas. This section points out initial steps taken by the Office and future plans to act on the main priorities identified in the conclusions under each theme, and links the relevant actions with the four cross-cutting objectives explained in Part I.

### **Macroeconomic policy frameworks to promote full, decent, productive and freely chosen employment**

21. The conclusions advise governments of member States to assess as appropriate “the design and implementation of a pro-employment macroeconomic policy framework that promotes growth, investment, sustainable enterprise, decent work, employability and skills development and a fair distribution of income”, taking action conforming to international labour standards and based on a sound empirical evidence base for policy-making (paragraph 25).<sup>8</sup> Policies to maintain wage levels and to balance domestic and export-led growth are also mentioned.<sup>9</sup> The social partners’ role includes effective dialogue and advocating for employment policy.<sup>10</sup>

<sup>8</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 25(iii).

<sup>9</sup> *ibid.*, para. 25(ii) and (v).

<sup>10</sup> *ibid.*, para. 26.

22. The Office is taking steps to improve and coordinate its capacity to examine macroeconomic policies from the perspective of growth, investment, employment, income distribution and poverty reduction outcomes. Specific steps include cataloguing previous work, increasing dissemination of what is known already on the subject, defining a new research agenda to clarify what a pro-employment macroeconomic framework is, and establishing better links between research findings and policy advisory work.
23. The Office is already increasing its engagement internationally and nationally on employment-friendly macroeconomic frameworks and policy coherence. An important step in this direction was the Joint Conference of the International Labour Organization and the International Monetary Fund in Oslo in September 2010. The discussion document and the Conference itself focused on the challenges of tackling the human costs of the recession and on how to build an employment-oriented framework for strong, sustainable and balanced growth.<sup>11</sup> The two organizations agreed to work together to promote employment-creating growth and to explore the concept of a social protection floor within the context of sustainable macroeconomic policies and development strategies.
24. In another step, the Office with the United Nations Development Programme (UNDP) organized a Joint Technical Meeting on Employment, the Crisis and MDG Acceleration from 30 September to 1 October. The Meeting reviewed research and collaboration around the growth–employment–poverty reduction links, the Global Jobs Pact, pro-employment macroeconomic frameworks, trade and employment, the UN Social Protection Floor Initiative, promoting the private sector and sustainable enterprises, wages and incomes policies, public employment programmes and employment guarantee schemes. The agreed list of priority actions for collaboration in each of these areas included commitment on the particularly important point of policy coherence, specifically to explore incorporating ILO tools on country scans and employment targeting within the MDG Acceleration Framework for meeting the goal of poverty reduction.
25. Work continues with the World Bank on the Inventory of Crisis and Recovery Policies. The Global Jobs Pact provides the framework for this Inventory, which is a follow-up to the earlier request from the G20 for the ILO to assess measures taken and make recommendations.
26. At the country level, policy coherence requires more dialogue and collaboration between ministries of labour and ministries of finance, planning, trade, industry and agriculture, among others. The Office’s work to improve understanding of a pro-employment macroeconomic and growth framework aims to facilitate this kind of inter-ministerial dialogue at the country level.<sup>12</sup> The Office is also planning to take a more coherent and integrated approach in its policy advisory services and responses to countries’ requests for support in formulating and implementing national employment policies.
27. In line with the new Sustainable Enterprise Programme Strategic Framework, the Office has piloted an assessment methodology based on the 17 conditions for a conducive environment for sustainable enterprises identified in the conclusions on the promotion of sustainable enterprises adopted by the 96th Session (2007) of the International Labour Conference. This methodology – based on diagnostic assessments and tools to help constituents assess, prioritize and advocate for interventions to improve the enabling

<sup>11</sup> ILO–IMF: *The challenges of growth, employment and social cohesion*, discussion document for the Joint ILO–IMF Conference in cooperation with the Office of the Prime Minister of Norway, September 2010, available at <http://osloconference2010.org>.

<sup>12</sup> See GB.309/ESP/1/2 for a report of some initial results of this research.

environment for sustainable enterprises – includes sound macroeconomic policies as one of the components.

28. In Swaziland, for example, diagnostic assessment using a range of indicators corresponding to the 17 conditions was supplemented by a unique opinion survey of both employers and workers. The findings were presented at a high-level national workshop attended by the Prime Minister in July 2010. The policy recommendations are being used by the employers' organization to advocate for enabling-environment reforms, for example on taxation policy, on addressing the needs of small and medium-sized enterprises (SMEs), and on the role of business in formulating national policy on education and training. The assessment work has provided the social partners, and in particular the employers' organizations, with a powerful evidence base to underpin the promotion of social dialogue and the international labour standards, and at the same time to promote a better enabling environment for sustainable enterprises.<sup>13</sup>

### **Employment and labour market policies to promote full, decent, productive and freely chosen employment**

29. The conclusions advise governments of member States to consider or undertake, as appropriate and in dialogue with employers' and workers' representatives, the recommendations of the Global Jobs Pact; quantitative and qualitative employment targeting; inter-ministerial mechanisms for coordination, coherence and commitment on employment policy-making; articulating employment policies in national development frameworks; promoting sustainable enterprises and job creation, especially in high-growth sectors and for young people and disadvantaged groups; looking at changing forms of employment as opportunities for decent work provided that adequate protection for temporary and non-regular workers is ensured; and protect against disguised employment relationships.<sup>13</sup>
30. Actions the Office is taking or plans to take to strengthen its capacity to provide timely and customized advice on employment and labour market policies and to support member States on the actions listed in the previous paragraph include:
- (a) developing methodologies and more systematic policy advice on employment targeting;
  - (b) better articulating the macroeconomic, trade and sectoral productive transformation dimensions in national employment policies;
  - (c) aligning more closely all the relevant policy components that impact employment (macroeconomic frameworks, trade, enterprise development, skills, and so on) within an integrated framework for national employment policies as called for in, and provided by, the Global Employment Agenda;
  - (d) improving training of field personnel and Decent Work Country Teams to boost their ability to provide timely and customized policy advice on employment policies at the national level, and to evaluate policy impact and draw lessons from these experiences;
  - (e) improving knowledge management and institutionalization in line with the emerging new knowledge-management system; and

<sup>13</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 28.

- (f) generating more and better evidence on what works and undertaking more systematic employment policy reviews.
- 31.** It is important also to clarify that there are two cycles of employment policy work: (1) one at the country level consisting in diagnosis, policy advice, implementation, monitoring and evaluation, including drawing lessons from what works in specific areas and from employment policies in general; and (2) another cycle at the level of the ILO as an organization, which includes consolidation of lessons and knowledge from different countries and regions, the reporting on policy lessons and evaluations to the Governing Body, and the possible strengthening of employment policy review functions, including as an option through peer review, as identified in the background report to the recurrent discussion on employment. The Office is working to streamline and improve these two cycles of work on employment policies.
- 32.** Expanding Office capacity and mobilizing resources to enable timely and customized response to the large number of constituents' requests for in-depth employment policy reviews remains a challenge. New or expanded initiatives involving cross-Office collaboration include: a regular training course on employment policy; intensified ratification and implementation support of the Employment Policy Convention, 1964 (No. 122); and incorporating labour law and wage policy advisory activities in country employment policies. These efforts will entail new ways of working for sharing information and knowledge and for building more integrated responses.
- 33.** The Office has taken initial steps to review the "use, effectiveness and outreach of its services and tools" relating to quality employment creation<sup>14</sup> with a view to their rationalization and streamlining. This includes developing tools and supporting constituents in using employment-targeting methodologies.
- 34.** The Office's initial reflections on employment policy reviews regards both thematic and country-specific reviews as useful and complementary. The Inventory of Crisis and Recovery Policies mentioned above will strengthen the capacity of the Office to do both. A systematic process of national employment policy reviews would strengthen the services that constituents receive from the Office, particularly in drawing appropriate lessons. The ILO can draw on relevant experience in such reviews, such as the Country Employment Policy Reviews in Central and Eastern Europe, and the reporting to the Governing Body based on General Surveys on ratification and implementation of international labour standards. At present there is no systematic national employment policy review mechanism as such. A strengthened system of employment policy reviews, as mentioned in the conclusions,<sup>15</sup> could be carried out under the technical responsibility of the Office and then subjected to discussion in either: (i) a committee of technical experts convened on different aspects of employment policy (e.g. sustainable enterprises, skills, labour market institutions, etc.); or (ii) a committee of national expert peer reviewers drawn from member States. This system could be seen as an additional means of promoting the application of Convention No. 122. The system could be a purely voluntary process on the part of those countries that find it useful as a way of receiving more systematic advice about their own policies.
- 35.** The issue of better articulating pro-employment macroeconomic, trade and sectoral productive transformation dimensions in national employment policies, including through employment targeting, featured in the Second African Decent Work Symposium convened

<sup>14</sup> *ibid.*, para. 30(iii).

<sup>15</sup> *ibid.*, para. 30(iv).



in Yaoundé from 6 to 8 October 2010. Upcoming regional meetings may provide similar opportunities in Asia and the Pacific and the Americas.

36. In response to the request in the conclusions to strengthen the “work on cooperatives and social economy as important areas of employment creation”,<sup>16</sup> the Office has undertaken a scoping study on the social economy to clarify concepts and take stock of experiences.

### **Improving employability, productivity, living standards and social progress**

37. The conclusions on this theme ask governments of member States to consider or undertake as appropriate various measures, including policies on wages and conditions of work that assure fair distribution of the benefits of progress, including policies on minimum wages; on education, training, and lifelong learning that improve employability and productivity; on entrepreneurship; on labour market information systems and employment services; and on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration).<sup>17</sup> The roles of the social partners include sustaining dialogue between employers, workers and training institutions; supporting on-the-job training; and promoting training and services for SMEs.<sup>18</sup>
38. The Office is asked to increase its work in documenting what skills development policies and measures work under what circumstances and to make this analysis more readily available to constituents. The format for a “Knowledge Bank” on skills and lifelong learning, as requested in the conclusions,<sup>19</sup> will be aligned with the Office-wide knowledge-management system. Developing the content will build on the collaboration with the Organisation for Economic Co-operation and Development (OECD), other international organizations, and the workers’ and employers’ organizations that contributed to the training strategy prepared by the ILO at the request of the G20 and which was welcomed by the G20 Leaders at their Toronto Summit at the end of June.<sup>20</sup> Proposals have been submitted, as a member of the Technical Support Group for the G20 Development Group, for supporting developing countries in adapting the strategy, and its underpinnings in ILO standards and best practices,<sup>21</sup> to meet their own circumstances. The ILO Training Centre in Turin has raised extra-budgetary funds for a knowledge-sharing workshop on the skills strategy (tentatively scheduled for April 2011).
39. Research completed on skills for green jobs,<sup>22</sup> undertaken in collaboration with the European Commission, has led to numerous opportunities for the ILO to share findings on

<sup>16</sup> *ibid.*, para. 30(viii).

<sup>17</sup> *ibid.*, para. 31.

<sup>18</sup> *ibid.*, para. 32.

<sup>19</sup> *ibid.*, para. 33(i).

<sup>20</sup> ILO: *A skilled workforce for strong, sustainable and balanced growth; Proposals to G20 Leaders for a training strategy as per their request in Pittsburgh (September 2009)* (Geneva, 2010).

<sup>21</sup> ILO: Human Resources Development Recommendation, 2004 (No. 195); ILO: Conclusions on skills for improved productivity, employment growth and development, International Labour Conference, 2008.

<sup>22</sup> O. Strietska-Ilina et al.: *Skills for green jobs: A global view. Synthesis report based on 21 country studies* (Geneva, ILO, forthcoming)

anticipating and meeting skills needs as part of keeping employment central in environmental policies. Work on skills for green jobs at the national level will be informed by a new assessment methodology: “Exploring the links between the environment, economy and employment in developing countries”. This tool has been developed and tested in Bangladesh in cooperation among the Policy Integration Department, the Regional Office for Asia and the Pacific, and the Green Jobs team in the Employment Sector.

40. In its work to promote the principles of the MNE Declaration and the role that MNEs can play in boosting employment, the Office has recently released a series of studies on “Promoting job creation for young people in multinational enterprises and their supply chains” in post-conflict States of West Africa. The first in the series, based on first-hand information obtained from MNEs in Liberia, culminated in a high-level policy dialogue in Monrovia and has resulted in the recent formation of a Job Creation Task Force comprised of business leaders in the Liberia Chamber of Commerce. Similar activities were carried out in Côte d’Ivoire and are scheduled in the Russian Federation and Sierra Leone. This form of action-oriented research with MNEs framed in the context of the MNE Declaration will be adapted elsewhere as a platform for discussing public–private partnerships around the interconnected issues of training, employment and living standards.
41. The second edition of the *Global Wage Report* will be released towards the end of 2010 and will provide an overview of wage trends and wage policies during the crisis in different parts of the world. Recent responses to requests for policy advice and technical assistance on wage-related issues include, for example, in the Philippines in conjunction with the current reform of the national minimum wage system, the oldest in Asia; in China in the context of the preparation of a new law on enterprise wage regulations; in Mongolia in respect of the implementation of the new minimum wage law; and in Cape Verde with regard to the feasibility of the introduction of a minimum wage policy.

### **Trade and investment policies to promote full, decent and productive employment**

42. Governments of member States are asked to consider or to undertake: assessing the employment and decent work impact of trade and investment policies, strengthening inter-ministerial collaboration and institutionalizing dialogue with the social partners on trade and employment issues, including aid-for-trade, fair adjustment programmes and, where appropriate, on policies to support value-added growth and industrialization in developing countries.<sup>23</sup>
43. The Office has been asked to strengthen its trade, investment and industrial policy expertise and research with a view to evaluating the employment and decent work impact of such policies and policy advice; to develop trade and employment assessment tools; to expand partnerships with other international organizations; and to scale up initiatives that have proven effective, such as the Better Work Programme, the Sustaining Competitive and Responsible Enterprises (SCORE) and the ILO Helpdesk for Business on international labour standards.<sup>24</sup>
44. The expertise and research capacity of the Office on trade and employment has been strengthened in the last two years. The Plan of Work in this area includes cooperation with

<sup>23</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 34.

<sup>24</sup> *ibid.*, para. 36; see also GB.309/MNE/1, paras 2–5.

the World Trade Organization (WTO), which at present includes the preparation of a jointly edited volume entitled *Making globalization socially sustainable* with contributions by a dozen highly recognized experts. In addition, a joint report is being prepared by the ILO, OECD, World Bank and the WTO on the topic of trade and employment as requested in the G20 Toronto Summit Declaration (26–27 June) for the G20 Leaders' Summit in Seoul in November. Collaborative research with the World Bank has also led to the recent publication of a joint technical paper on how openness and labour market institutions affect job loss and employment recovery during economic crises.

45. The strengthening of partnerships also takes the form of organizing joint events, for example the launch of the ILO publication *Trade and employment in the global crisis*<sup>25</sup> with the World Bank on 21 June in Geneva, and a similar event at the World Bank in Washington, DC, on 25 October: "Trade and Employment Post-Crisis: Global Shocks, Structural Change and Policy Responses".
46. At the country level, staff of the WTO and the United Nations Conference on Trade and Development (UNCTAD) contributed to training courses for government officials and social partners organized with the Turin Centre and the field offices in Bangladesh and Indonesia in the context of the EC-funded project "Assessing and Addressing the Effects of Trade on Employment". Preparatory meetings have taken place with the World Bank Institute and the WTO's Institute for Training and Technical Collaboration to institutionalize collaboration in capacity-building activities around the theme of trade and employment.
47. In the area of industrial policies and capabilities for catching up, a book is under preparation. In terms of policy advice and technical cooperation the Office is planning to expand the work and partnerships around value-chain development as part of the Sustainable Enterprises Programme and to increase cooperation between sectoral activities and employment policies.
48. The different characteristics of countries by region and level of development call for differentiated policy advice on trade and employment. In Africa, the Office is focusing on responding to concerns about regional integration through a new research project on the employment effects of regional integration within the Economic Community of West African States (ECOWAS). In response to concerns in low- and middle-income countries about linkages to global value chains and economic diversification, the Office has developed Skills for Trade and Economic Diversification (STED), based on an approach piloted in Ukraine. Additional funds are being sought to support more country-specific research and policy advisory services in this area.

### **Standards-related action around the strategic objective of employment**

49. In recognizing the complementarity between rights and economic benefits, the International Labour Conference called on governments to ratify and implement effectively the up-to-date Conventions covered in the General Survey concerning employment instruments of 2010 as well as to give effect to the Recommendations

<sup>25</sup> M. Jansen and E. Von Uexkull: *Trade and employment in the global crisis* (Geneva, ILO; New Delhi, Academic Foundation, 2010).

concerned.<sup>26</sup> It also encouraged governments to give due consideration to the relevant standards referred to in paragraph 14 of the Global Jobs Pact and to reinvigorate efforts to ensure economic downturns do not lead to violation or weakening of fundamental rights at work or national labour laws.<sup>27</sup>

50. The Office continues to promote ratification and effective implementation of the employment-related standards, and encourages their inclusion in Decent Work Country Programmes, national employment policies and country implementation of the Global Jobs Pact. Sources of additional resources are being explored for increasing technical support to member States in Africa for improving public employment services and mobilizing and regulating appropriately private employment agencies, which includes promotion of and training on the relevant standards.<sup>28</sup>
51. The conclusions highlight the changing forms of work. The Office is reviewing the way in which social dialogue and collective bargaining are helping to ensure decent work for workers in disguised employment relationships and is examining the policy measures that can support this objective. This work is part of the assistance provided to governments to aid their efforts to protect against disguised employment relationships.
52. The question of promotion of international labour standards and the best means of keeping them up to date, including employment-related standards, are part of the broad question of standards policy which is the subject of a document entitled *Improvements in the standards-related activities of the ILO* to be discussed at this session of the Governing Body in the Committee on Legal Issues and International Labour Standards.<sup>29</sup>
53. Issues related to paragraph 50 of the conclusions, on elements and possible forms of a framework for promoting policy coherence between economic, financial, employment and social policies and strengthening collaboration with international organizations to this effect, are outlined in the report submitted to the Working Party on the Social Dimension of Globalization.

### **The interrelationship of the four strategic objectives and their impact on the strategic objective of employment**

54. The conclusions note that the Office, governments and social partners need to use the ILO Declaration on Social Justice for a Fair Globalization, the Global Jobs Pact and the Global Employment Agenda to institutionalize coherence in national policy and in the way the Office provides policy and technical support to constituents.<sup>30</sup> They also note that the Global Jobs Pact, together with the inseparable, interrelated and mutually supportive nature

<sup>26</sup> The Employment Policy Convention, 1964 (No. 122); the Human Resources Development Convention, 1975 (No. 142); the Private Employment Agencies Convention, 1997 (No. 181); the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189); and the Promotion of Cooperatives Recommendation, 2002 (No. 193).

<sup>27</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 38.

<sup>28</sup> The Employment Service Convention, 1948 (No. 88), and the Private Employment Agencies Convention, 1997 (No. 181).

<sup>29</sup> GB.309/LILS/4.

<sup>30</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 43.

of the four strategic objectives recognized in the ILO Declaration on Social Justice for a Fair Globalization, not only offers an effective crisis response and recovery strategy but a framework of a “new social and economic development paradigm”.<sup>31</sup>

- 55.** Priorities for the Office include: strengthening the oversight and coordination processes to ensure that employment and the other three sectors of the Office work together on the key policy frameworks; improving transparency in resource allocations, building synergies and better participation of the social partners, recognizing the role of the Bureau for Employers’ Activities and the Bureau for Workers’ Activities; raising and reallocating resources in order to speed up the process of the Global Jobs Pact implementation at the country level; and working cooperatively with other multilateral organizations to promote policy coherence. The conclusions also expressed a concern with the proliferation of frameworks and tools and asked the Office to engage in a systematic review and possible consolidation of the range of tools and methods for employment promotion at the country level.<sup>32</sup>
- 56.** The Special Arrangements for giving effect to the Global Jobs Pact and the financial resources allocated for better headquarters–field coordination in delivering the Pact in the nine pilot countries, which have requested such assistance in an integrated way using the Global Jobs Pact Country Scan methodology, have galvanized more integrated support. The process is based on a number of components: the use of the Country Scan methodology covering all the strategic objectives; Office-wide multidisciplinary teams for each country drawing experts from across the four strategic objectives at field and headquarters levels; adjustment of the Decent Work Country Programme priorities to align them with the priorities emerging from the impact of the crisis and the Global Jobs Pact approach. The scan methodology contributes to the process of framing priorities and has led to new ways of working as a multidisciplinary team. Partnership with the UNDP in undertaking the Country Scans is hoped to improve coherence of policy advice at the country level and aid resource mobilization.
- 57.** As a future step, the Global Jobs Pact Country Scan methodology may be adapted as a routine diagnostic tool to inform the preparation of Decent Work Country Programmes as a way of operationalizing the Declaration on Social Justice for a Fair Globalization. This may be closely linked to the country-level information-gathering foreseen under the proposed knowledge-management strategy.
- 58.** Many countries want to have a national employment policy, including but not limited to those that have ratified Convention No. 122, and request the support of the Office to formulate and implement such a policy. This is frequently a priority item in Decent Work Country Programmes. But the national employment policy is not the same as the Decent Work Country Programme: it is a distinct product that links up employment with the main national policy frameworks, and often contains a plan to reach certain employment objectives and targets.
- 59.** A number of activities that cut across various dimensions of the Decent Work Agenda have also started recently. A project financed by the European Union entitled “Improving Social Protection and Promoting Employment” seeks to develop national plans for the simultaneous extension of social protection (notably through the implementation of national social protection floors) and the levels of decent employment. Pilot countries selected for innovative and iterative national dialogue processes on the basis of the detailed

<sup>31</sup> *ibid.*, para. 42.

<sup>32</sup> *ibid.*, para. 45.

country social protection and employment performance reviews and policy analysis are Burkina Faso, Cambodia, Ethiopia and Honduras. Results will be published in 2012.

60. Gender equality continues to feature in the vast majority of the work of the Office on employment, as spelled out in the strategy document<sup>33</sup> and in the conclusions on gender equality at the heart of decent work.<sup>34</sup> Specific steps following the recurrent discussion on employment include the preparation of policy briefs and working papers on gender and the world of work during the global economic crisis, and integrating gender issues and equality into the Country Scans under the Global Jobs Pact. The scan produced in El Salvador is a particular example of incorporating a broad range of gender concerns. Further, the publication *Decent work and the informal economy: A resource guide*, to be released later this year, includes extensive treatment of gender issues.

### Requests to the Governing Body for items to be placed on its agenda

61. Some of the requests addressed to the Governing Body in the conclusions (Part IX) are being met in the form of reports submitted to various committees at the current session:
- (a) A review of the process of the first recurrent discussion on employment is submitted to the Steering Group on the Follow-up to the Declaration on Social Justice for a Fair Globalization.<sup>35</sup>
  - (b) Elements for a framework for promoting policy coherence (relating to paragraph 50 of the conclusions), and including strengthening collaboration with international organizations on employment policies and objectives and on improving coherence between economic, financial, employment and social policies, nationally and internationally, are outlined in the report submitted to the Working Party on the Social Dimension of Globalization.
  - (c) The forum on macroeconomic policy options for rapid high-quality employment generation is seen by the Office as the discussion of the paper prepared for the Working Party on the Social Dimension of Globalization.
  - (d) An update on the country implementation of the Global Jobs Pact, including the “rapid response” by multidisciplinary teams, will be provided in the oral report on the follow-up to the Global Jobs Pact presented to the Committee on Employment and Social Policy under the first item of its agenda and recorded in the report of the Committee to the Governing Body.
  - (e) A review of the follow-up mechanism of the MNE Declaration is being taken up by the Subcommittee on Multinational Enterprises with a view to developing promotional options.<sup>36</sup>

<sup>33</sup> ILO: *Strategy for Gender Mainstreaming in the Employment Sector for the implementation of the ILO Action Plan for Gender Equality 2008–09* (Geneva, 2009).

<sup>34</sup> ILO: *Conclusions concerning gender equality at the heart of decent work*, International Labour Conference, 98th Session, Geneva, 2009.

<sup>35</sup> GB.309/SG/DECL/1.

<sup>36</sup> GB.309/MNE/1, paras 19–20.

- 62.** Reports and discussions on additional items requested are proposed for subsequent sessions of the Governing Body and the International Labour Conference:
- (a) The general discussion on employment and social protection implications of the new demographic context has been proposed for the 101st Session of the International Labour Conference in 2012.
  - (b) An update on how the Organization is giving effect to the conclusions concerning the promotion of sustainable enterprises<sup>37</sup> will be considered as a possible agenda item for a future session.
  - (c) The possible inclusion of an item on policy coherence in a future International Labour Conference will depend on the conclusions of the discussion on policy coherence for strong, sustainable and balanced growth,<sup>38</sup> and also the discussion of the proposals for the agenda of the 101st Session (2012) of the Conference.<sup>39</sup>
- 63.** As regards the conclusions' reference to the programme and budget<sup>40</sup> within the parameters of the agreed Programme and Budget for 2010–11, the Office has fine-tuned workplans to begin to take on board the requests stemming from the recurrent discussion. The field–headquarters meeting on the implementation of the Programme and Budget for 2010–11 (Geneva, 13–15 October) provided opportunities to agree on pertinent changes in country outcomes and global products.
- 64.** Working within the limitations of resources foreseen for 2012–13, the revised outcome strategies and budget proposals as outlined in the Preview of the Programme and Budget Proposals for 2012–13 reflect new priorities or new ways of working called for in the conclusions concerning the recurrent discussion on employment.
- 65.** This paper has summarized the initial steps taken by the Office to act on the conclusions concerning the recurrent discussion on employment as well as steps that could be taken in the future. It complements information governments and social partners may provide on the actions they were encouraged to take on these conclusions.

Geneva, 2 November 2010

*Submitted for debate and guidance*

<sup>37</sup> ILO: Conclusions concerning the promotion of sustainable enterprises, International Labour Conference, 96th Session, Geneva, 2007.

<sup>38</sup> GB.309/WP/SDG/1.

<sup>39</sup> GB.309/2/1.

<sup>40</sup> Resolution concerning the recurrent discussion on employment, op. cit., conclusions, para. 58.

## Appendix

### **Resolution concerning the recurrent discussion on employment<sup>1</sup>**

The General Conference of the International Labour Organization, meeting at its 99th Session, 2010,

Having undertaken, in accordance with the ILO Declaration on Social Justice for a Fair Globalization, a recurrent discussion on the basis of Report VI, *Employment policies for social justice and a fair globalization*,

1. Adopts the following conclusions; and
2. Invites the Governing Body of the International Labour Office to:
  - (a) give due consideration to them in planning future work on employment and request the Director-General to take them into account when preparing the programme and budget for future biennia and when allocating such other resources as may be available during the 2010–11 biennium;
  - (b) decide on placing relevant items on the agenda of the Conference, with a view to following up its discussion as soon as possible; and
  - (c) at its session of 18 June 2010, refer to the Steering Group on the Follow-up to the Declaration on Social Justice for a Fair Globalization the evaluation of the organization and impact of the first recurrent discussion, and report to the Governing Body in November 2010. This report should contain proposals for optimizing future recurrent discussions from the 100th Session of the International Labour Conference onwards.

### **Conclusions concerning the recurrent discussion on employment**

#### I. INTRODUCTION, TRENDS AND CHALLENGES

1. The world is emerging from its worst global recession in 70 years, a recession triggered by a crisis in global financial markets. It has set back progress towards shaping a fair globalization based on the goal of social justice. The recession has exacerbated a crisis of poverty and underdevelopment that preceded it, and contributed to immense global unemployment, underemployment and employment insecurity. It has damaged people's lives, reduced incomes and living standards for many, threatened the sustainability of enterprises and undermined productive investment.

2. Many countries are now showing signs of growth following significant fiscal and monetary stimulus measures. Policy-makers are working to address the need for more effective supervisory and regulatory financial frameworks. Yet the recovery remains fragile and unevenly distributed, and many labour markets are yet to see jobs recovery match economic recovery. Recent turbulence in equity, bond and currency markets underlines the fragility of recovery.

<sup>1</sup> Adopted on 16 June 2010.



3. Many countries face difficult policy choices. On the one hand, a premature winding down of the fiscal stimulus packages that served to mitigate the crisis impact could be a brake on the fragile recovery in the private economy. On the other, whilst a postponement of addressing the serious debt and deficit problems in which countries now find themselves could lead to the same outcome; reductions in government spending, where they result in decline in public services, jobs, wage levels, pensions or transfer payments could also impact on aggregate demand, growth and employment.

4. Many countries in both the developed and the developing world still suffer from the consequences of the crisis, and the current challenge of fiscal deficits in developed countries must be managed. Any reduction in global aggregate demand at this delicate stage in the recovery processes could seriously exacerbate problems such as underlying imbalances within and between nations, unemployment, underemployment and potential for further job losses, the numbers of working poor, social tensions, protectionist reactions and other factors that delay and make more difficult the global goal of achieving full, productive, freely chosen and decent work for all.

5. Experience from past recessions has shown that the recovery in employment lags well behind the pick-up in economic activity. Macroeconomic policies and frameworks designed to address the crisis must therefore seek to reduce or eliminate the lag between the recovery in output and a return to full productive employment and decent work for all. Employment creation and growth should be at the heart of all macroeconomic policy.

6. Employment recovery has to be based on productive investment and income.

7. A good investment climate should encourage both foreign and domestic investment and growth which can benefit both employers and workers through additional opportunities for decent work.

8. Equally, consumption is an essential component of aggregate demand. The crisis shows that debt fuelled consumption became unsustainable. It is the incomes of working men and women that sustain aggregate demand; and productivity is the source of rising incomes. Before the crisis, average wage growth lagged overall behind returns to capital and productivity growth. The reasons for this are subject to debate; however, it is clear that a fair sharing of productivity gains between wages and profits is a solid basis on which to sustain demand.

9. There is a clear link between macroeconomic policy and sustainable enterprises. An enabling environment for sustainable enterprises allows them to generate the growth that creates decent jobs and provides the confidence to invest and employ. Policies that provide such an environment are necessary for the creation of decent work.

10. In many countries, temporary, part-time, casual or other changing forms of work have increased as a consequence of factors on both the supply and demand sides of the labour market. Governments, the social partners and the International Labour Office (the Office) are challenged to be more responsive to such employment to ensure decent work.

11. The benefits from increased trade and investment are spread unevenly. Some economies and workforces are disadvantaged and poorly prepared to enter the global economy. For many developing countries diversifying their economies and producing a wider range of goods and services is an important challenge. Policy options include industrial policies and sectoral strategies, which expand decent and productive employment opportunities.

12. Informal employment in urban and rural areas is a major problem for many labour markets throughout the world. The majority of poor people live and work in rural areas, where decent work deficits can be severe. Thus, increasing rural productivity and investment in agriculture and rural areas are essential to reducing inequalities and promoting more inclusive economies.

13. There is increasing concern that young people will not find the employment opportunities they need, and that a generation may be left behind. Many women also continue to be excluded from full participation in the labour market. This could lead to significant increase in social tensions, further pressure on the road to recovery and long-term consequences for their social and economic well-being, as well as the development of nations. Ensuring that young people and women have the appropriate education, skills and opportunities to participate in the economy is important. This recognition does nothing to detract from the responsibility to address other long-term socially disadvantaged groups that are marginalized within and across our nations.

14. In an ever more globalized world, information and technology increasingly drive the need for new skills and competencies at the workplace and put a premium on the knowledge economy. Promoting improved access to technology in developing countries will increase employment opportunities.

15. The movement of goods and capital across borders is one feature of globalization, but workers also cross borders and it is important to be cognizant that globalization has increased migration, which also needs to be looked at from an employment perspective while ensuring protection of migrant workers, in accordance with national law and practice and applicable international labour standards.

16. Adaptation to climate change and the need to safeguard the natural environment will continue to impact on the world of work. The challenges are to seize the major opportunities for decent green job creation and inclusive development and to manage labour market transitions.

17. The International Labour Organization (ILO) has a particular role to play in the employment and social aspects associated with all these challenges.

18. The ILO has important policy tools to tackle the employment consequences of the crisis, and build a sustainable recovery: the Global Employment Agenda (2003), the ILO Declaration on Social Justice for a Fair Globalization (2008), and the Global Jobs Pact (2009). The Organization and its constituents can harness this policy framework to accelerate recovery and put productive employment and decent work at the heart of national and international policy frameworks to promote a world in which productive and decent work opportunities are maximized.

## II. BACKGROUND

19. At its 97th Session in 2008, the International Labour Conference adopted the ILO Declaration on Social Justice for a Fair Globalization. The Declaration recognizes, in the context of accelerating change, the commitments and efforts of the Organization and its Members to implement the ILO's constitutional mandate, including through international labour standards, and to place full and productive employment and decent work at the centre of economic and social policies. This Declaration is designed to strengthen the ILO's capacity to promote its Decent Work Agenda and create an effective response to the challenges of globalization that promotes and achieves progress and social justice.

20. The follow-up to the ILO Declaration on Social Justice for a Fair Globalization stipulated that the Organization would table a recurrent discussion at the International Labour Conference (ILC) to understand better the diverse realities and needs of constituents, to assess the results of the ILO's activities and to enable the Office to deliver more effective responses with respect to each of the Organization's four inseparable, interrelated and mutually supportive strategic objectives. These are: promote employment; develop and enhance social protection; promote social dialogue and tripartism; and respect, promote and realize the fundamental principles and rights at work.

21. This document contains the tripartite conclusions agreed at the 99th Session of the ILC, 2010, following the recurrent discussion on employment and the observations of the General Survey concerning employment instruments.

22. The overall objective of these conclusions is to identify actions required to respond more effectively to the diverse realities and needs of ILO Members for the generation of full, freely chosen and productive employment and decent work. These identify the challenges faced by member States, employers and workers and their organizations. To address these challenges, these conclusions propose actions that the Governing Body and the Office, governments, and employers' and workers' organizations, can take to support constituents' needs, whilst mindful of their diverse realities.

23. These conclusions call for improved methods of international cooperation that better enable the Organization and its constituents to benefit from each others' experiences. In many cases, increased collaborative work with other relevant international organizations is called for, as is improved policy coherence at national, regional and international levels, including South-South cooperation.

24. These conclusions draw on the Constitution of the International Labour Organization, including the Declaration of Philadelphia, and on the ILO Declaration on Fundamental Principles and Rights at Work, as well as the ILO Declaration on Social Justice for a Fair Globalization. They take account of the profound impact of the global financial, economic and jobs crisis that began in 2008. They also establish a framework for implementing policies and policy options including all elements in the Global Employment Agenda previously agreed by the Governing Body and in the Global Jobs Pact previously agreed by the Conference.

### III. MACROECONOMIC POLICY FRAMEWORKS TO PROMOTE FULL, DECENT, PRODUCTIVE AND FREELY CHOSEN EMPLOYMENT

25. Governments of member States should assess as appropriate the following:

- (i) creation and maintenance of productive and freely chosen employment, conforming to fundamental principles and rights at work and other international labour standards;
- (ii) policies to help maintain wage levels;
- (iii) design and implementation of a pro-employment macroeconomic policy framework that promotes growth, investment, sustainable enterprise, decent work, employability and skills development and a fair distribution of income, "to place full and productive employment and decent work at the centre of economic and social policies" (ILO Declaration on Social Justice for a Fair Globalization);

- 
- (iv) production, collection, analysis and dissemination of high-quality labour market statistics and information on decent work in order to build a sound empirical evidence base for policy-making;
  - (v) promote employment growth through both domestic and export-led economic growth;
  - (vi) harnessing the input and experience of workers and employers through their representative organizations, through effective dialogue on policies affecting employment.

26. The role of the social partners includes:

- (i) providing timely, considered and constructive policy input to governments;
- (ii) advocating for agreed tripartite employment policy;
- (iii) promoting the Decent Work Agenda and social dialogue;
- (iv) participating in collective bargaining according to law and practice.

27. Priorities for the Office include:

- (i) improving and coordinating its technical and analytical capacity to examine macroeconomic policies from the perspective of employment outcomes. This can only be done effectively if the Office supports capacity building in those countries that currently cannot collect labour market statistics. The Office should also deliver high-quality policy advice upon request to governments and social partners and ensure constituents are aware of the services it can provide;
- (ii) increasing its engagement in international macroeconomic policy dialogues and pursuing partnership and dialogue with other relevant international organizations across the multilateral system on integrating employment objectives into macroeconomic advice and policy frameworks;
- (iii) promoting and strengthening policy work on the enabling environment for sustainable enterprises reflecting employment growth and decent work;
- (iv) intensifying research efforts; submitting research to external peer review to improve quality, value-added and visibility; and using research findings to inform policy advice;
- (v) engaging with other international agencies, international financial institutions and developed countries to strengthen policy coherence and to deepen development assistance and support for least developed, developing and transition countries with restricted fiscal and policy space to respond to the crisis.

IV. EMPLOYMENT AND LABOUR MARKET POLICIES TO  
PROMOTE FULL, DECENT, PRODUCTIVE AND  
FREELY CHOSEN EMPLOYMENT

28. Governments of member States should consider and/or undertake, as appropriate, the following:

- (i) the recommendations of the Global Jobs Pact, including employment services, employment guarantee schemes, infrastructure investment, public sector development, social dialogue, collective bargaining and employment protection during restructuring, as well as sustainable enterprises to enable long-term employment and growth;
- (ii) employment targeting through integration of quantitative and qualitative targets for employment growth in economic and sectoral policies, investment and expenditure plans, and evaluating their implementation;
- (iii) setting up or strengthening mechanisms for effective coordination, coherence and commitment across government ministries on employment policy-making;
- (iv) articulating employment policies in national development frameworks, establishing and/or improving labour market information systems and integrating labour market indicators in national monitoring systems and budgetary reviews;
- (v) supporting the creation and growth of sustainable enterprises in all sectors and supporting job creation across sectors of the economy, recognizing the multiplier effect of targeted efforts;
- (vi) noting the G20 labour ministers' support for further development of high growth sectors like health care, elder care, education and public safety;
- (vii) targeting assistance for the creation of decent employment and income opportunities for vulnerable and disadvantaged groups, including through small and medium-sized enterprises, cooperatives and labour-intensive infrastructure investments;
- (viii) implementing a supportive regulatory environment conducive to job creation through sustainable enterprise creation and development;
- (ix) policy measures to address the challenge of youth unemployment, in particular through labour market programmes, to support their entry into sustainable employment and decent work;
- (x) new decent work opportunities that may be generated by changing forms of employment provided that adequate protection for temporary and non-regular workers is ensured;
- (xi) protect against disguised employment relationships.

29. The roles of social partners include :

- (i) providing timely, considered and constructive policy input to governments;
- (ii) using social dialogue and collective bargaining as appropriate, to address employment and labour market challenges;
- (iii) building awareness amongst their members of the Global Jobs Pact options; and

- (iv) proactively contributing to and using the Global Employment Agenda, ILO databases and information on international labour market policies, good practice and lessons.

30. Priorities for the Office should include:

- (i) reviewing and reporting on the multiple mechanisms (e.g. Millennium Development Goals, Poverty Reduction Strategies) that countries may be expected to use to reflect national commitments on employment, with respect to their coherence and collective reporting expectations;
- (ii) strengthening its capacities and expanding its services to provide timely and customized advice on employment policies, to evaluate their impacts, and to draw lessons;
- (iii) evaluating the use, effectiveness and outreach of its services and tools, including those relating to quality employment creation and advice on assessment of economic strategies and databases; reporting to the Governing Body on the results of these evaluations and learning from them in an effort to continuously improve the policies and services of the Office;
- (iv) carrying out employment policy reviews, and improving methods to draw lessons from them and sharing them with constituents;
- (v) providing regular training opportunities for governments, social partners and other major stakeholders on employment policy design, implementation frameworks and evaluation, including training on generating, analysing and utilizing labour market statistics for effective employment policy-making;
- (vi) stepping up its work on precarious employment in the informal economy through increased research and country reviews on factors that impede or facilitate transition to formality and decent work;
- (vii) strengthening its work on employment-intensive investment including public employment guarantee schemes for temporary employment, emergency public works programmes and other direct job creation schemes which are well targeted and include the informal economy;
- (viii) strengthening its work on cooperatives and social economy as important areas of employment creation.

#### V. IMPROVING EMPLOYABILITY, PRODUCTIVITY, LIVING STANDARDS AND SOCIAL PROGRESS

31. Governments of member States should consider and/or undertake as appropriate the following:

- (i) designing and promoting policies in regard to wages and earnings, hours and other conditions of work that ensure a just share of the fruits of progress to all and a minimum living wage to all employed and in need of such protection;
- (ii) considering options such as minimum wages that can reduce poverty and inequity, increase demand and contribute to economic stability. The Minimum Wage Fixing Convention, 1970 (No. 131), can provide guidance in this respect;

- (iii) improving the quality and coverage of basic education and core competencies;
- (iv) improving knowledge on decent work and entrepreneurship skills which will enable individuals and enterprises to respond and adjust more easily to economic restructuring and economic downturns, and participate in the formal economy;
- (v) providing opportunities for lifelong learning and skills development, including higher order competencies, through vocational education and training that benefit long-term employability and productivity;
- (vi) improving and expanding accessibility of appropriate vocational, and wherever relevant, entrepreneurship training, especially addressing the needs of women, young people and vulnerable groups;
- (vii) improving and expanding accessibility of vocational and entrepreneurship training, especially to cooperatives and micro, small and medium-sized enterprises;
- (viii) investing in labour market information systems to inform labour market policies, including training policies, and their delivery; and to track impact and effectiveness of education and training in order to inform ongoing policy development;
- (ix) enhancing the capacity of their employment services to reach more jobseekers and employers and to improve their performance, including in career guidance and job counselling;
- (x) strengthening institutions, practices and mechanisms to sustain employer and worker involvement in setting training priorities and assuring training quality and relevance at sectoral and national levels;
- (xi) promoting the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration) which, among other things, addresses training and living standards.

32. The roles of the social partners include:

- (i) participating in social dialogue and institutions designed to sustain dialogue between employers and their organizations, trade unions, and training institutions at national, sectoral and local levels, including in institutions to design and implement vocational education and training;
- (ii) supporting opportunities for on-the-job training, both for employees and for young people amongst employers of all types from multinational enterprises to micro-, small and medium-sized enterprises;
- (iii) promoting productivity and responsible workplace practices and access to relevant training, information and services, particularly for small and medium-sized enterprises.

33. Priorities for the Office should include:

- (i) expanding its leadership role in skills development, building on the G20 training strategy prepared by the ILO, by documenting what works under what circumstances and with what resources, and by improving dissemination of this information, for example, considering the setting up and management of a global Knowledge Bank on education, skills and lifelong learning, including on green growth;

- (ii) conducting rigorous research on green jobs in order to track how countries are realizing the potential for job creation, adapting traditional industries, and shifting towards environmentally sustainable production, and then be able to disseminate high-quality, globally relevant information and to assist, in particular developing countries, to incorporate green jobs considerations and measures into Decent Work Country Programmes;
- (iii) developing diagnostic tools for anticipating skills needs. This includes considerations concerning changing demographics, as well as greening the economy, to reduce skills mismatches, to better meet industry needs and improve growth and employment on the basis of improved education and skills;
- (iv) documenting, consolidating and disseminating information on factors that enhance or hamper productivity gains and a fair distribution of their benefits, and devising ways of scaling up the implementation of good practices;
- (v) promoting the MNE Declaration, including through cooperation with other international organizations and private initiatives aimed at improving living standards and social progress.

#### VI. TRADE AND INVESTMENT POLICIES TO PROMOTE FULL, DECENT AND PRODUCTIVE EMPLOYMENT

34. Governments of member States should consider and/or undertake the following:

- (i) taking measures to assess the employment and decent work impact of their trade and investment policies in order to inform policy choices;
- (ii) strengthening collaboration among relevant ministries to ensure that sufficient attention is paid to increasing employment opportunities and decent work through trade and investment policies;
- (iii) institutionalizing dialogue with the social partners around trade and employment issues and aid for trade, within those inter-ministerial coordination mechanisms.

35. The roles of the social partners include:

- (i) social dialogue and cooperation on employment impact assessments of trade and investment policies, including fair adjustment programmes that facilitate transition of displaced workers, including to other decent work opportunities;
- (ii) where appropriate, collaboration on policies to support value-added growth and industrialization in developing countries.

36. Priorities for the Office should include:

- (i) strengthening its trade, investment and industrial policy expertise with a view to evaluating the employment and decent work impact of such policies;
- (ii) developing tools for assessing the dynamic quantitative and qualitative employment effects of trade and investment and promoting these tools to member States, including field support for countries as requested;
- (iii) increasing capacity to undertake research and analysis on the employment effects of trade and investment and industrial policies with the aim of informing policy advice;



- (iv) engaging governments and social partners, separately and together, in discussing and disseminating research findings on the impacts of trade and investment agreements on employment and decent work; and encouraging empirical findings to feed into national policy-making;
- (v) expanding collaboration with other relevant international agencies to, among other objectives, expand the dissemination of research findings on the employment impact of trade policies to inform national, regional and international discussions, and promote policy coherence;
- (vi) scaling up initiatives that have proven effective in helping enterprises and workers benefit from trade opportunities, for example the Better Work Programme, Sustaining Competitive and Responsible Enterprises (SCORE) and the MNE Helpdesk;
- (vii) promotion, in the export sector of countries, of the ILO's core labour standards. In addition, in those countries that have not ratified ILO Conventions on occupational safety and health and maternity protection, promote safe workplaces and fair treatment of women who become pregnant.

#### VII. STANDARDS-RELATED ACTION AROUND THE STRATEGIC OBJECTIVE OF EMPLOYMENT

37. The Global Employment Agenda has reaffirmed the complementarity between rights and economic benefits.

38. Governments are encouraged to take the following steps:

- (i) respond positively and as a matter of priority to the Office campaign for the ratification of fundamental labour standards and the "governance" Conventions (as identified in the annex to the ILO Declaration on Social Justice for a Fair Globalization), which include the Employment Policy Convention, 1964 (No. 122), taking steps for their effective implementation;
- (ii) ratify and implement effectively the up to date Conventions covered in the General Survey concerning employment instruments of 2010;<sup>1</sup>
- (iii) effectively implement the Recommendations covered in the General Survey concerning employment instruments of 2010;<sup>2</sup>
- (iv) give due consideration to the relevant standards referred to in paragraph 14 of the Global Jobs Pact;
- (v) reinvigorate efforts to ensure economic downturns do not lead to violation or weakening of fundamental rights at work or national labour laws.

39. Employers' and workers' organizations are encouraged to work with governments and the Office to promote ratification and implementation of the above instruments.

<sup>1</sup> The Employment Policy Convention, 1964 (No. 122), the Human Resources Development Convention, 1975 (No. 142), and the Private Employment Agencies Convention, 1997 (No. 181).

<sup>2</sup> The Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the Promotion of Cooperatives Recommendation, 2002 (No. 193).

40. The primary obligation of companies is to respect national law. In the absence of relevant national law and regulations, companies should be guided by the principles agreed in international labour standards. The MNE Declaration is an important reference document in this regard.

41. Priorities for the Office include:

- (i) promote the ratification and effective implementation of the instruments mentioned in paragraph 38(i) above;
- (ii) promote coherence and implementation in practice of international labour standards through advice in reference to national employment policies and Global Jobs Pact country implementation, as well as use of their principles where relevant in regional and international forums where the ILO interacts with other multilateral agencies;
- (iii) promote the Employment Relationship Recommendation, 2006 (No. 198), as an instrument to combat disguised employment relationships, with particular attention to women and young people;
- (iv) draw guidance from ILO Conventions on public and private employment agencies<sup>1</sup> in order to assist in modernizing and strengthening employment services, as well as from best practices at the national level;
- (v) strengthen capacity building and provide technical assistance to member States to enable effective implementation of the Conventions and Recommendations mentioned in paragraph 38(i) above.

#### VIII. THE INTERRELATIONSHIP OF THE FOUR STRATEGIC OBJECTIVES AND THEIR IMPACT ON THE STRATEGIC OBJECTIVE OF EMPLOYMENT

42. The inseparable, interrelated and mutually supportive nature of the four strategic objectives in the Global Jobs Pact is increasingly looked to not only as an effective crisis response and recovery strategy, but as the framework of a new social and economic development paradigm, characterized by employment-centred and income-led growth with equity:

- (i) the full economic and social growth potential of a society cannot be realized if people are not benefiting from a social protection floor;
- (ii) by the same token, social security schemes cannot be financed without a sound economic and employment base;
- (iii) freely chosen employment cannot be realized without respect for the fundamental principles and rights at work;
- (iv) a fair sharing of the benefits of productivity gains and growth and of adjustment burdens in times of economic crises cannot be assured without social dialogue; and
- (v) productivity gains and employment growth cannot be achieved without an enabling environment for sustainable enterprise.

<sup>1</sup> The Employment Service Convention, 1948 (No. 88), and the Private Employment Agencies Convention, 1997 (No. 181).

43. The Office, governments and social partners need to increase their technical and institutional capacities to use the ILO Declaration on Social Justice for a Fair Globalization, the Global Jobs Pact and the Global Employment Agenda to institutionalize coherence and the mutually supportive character of the four strategic objectives.

44. Governments of member States should consider and/or undertake as appropriate the following:

- (i) combining measures such as minimum wage, income transfers, social protection, employment policies, public investment and skills and entrepreneurship development to improve the quantity and quality of jobs, including for groups typically disadvantaged in the labour market;
- (ii) utilizing mechanisms that encourage social dialogue, based on freedom of association, including collective bargaining, to preserve jobs during downturns and to enhance employability, education and training and the appropriate skills for those forced to seek new work, to define working conditions, and to agree on measures to improve productivity and to share gains from improved productivity;
- (iii) building adequate social protection for all;
- (iv) strengthening the capacities of labour inspection services, including to help employers comply with national labour law through enforcement and education and to provide access to technical training and education services, including on occupational safety and health, which can improve the quality of life of workers and boost productivity;
- (v) deploying employment policies to build a more inclusive society, including for example ensuring that policies and programmes serve the objective of gender equality and meet the needs of groups typically disadvantaged in the labour market.

45. Priorities for the Office should include:

- (i) strengthening the systematic oversight and coordination processes ensuring that employment and the other three sectors of the Office work together on the key policy frameworks, including the Global Employment Agenda and the Global Jobs Pact;
- (ii) improving transparency in resource allocations, building synergies and better participation of the social partners, including in technical cooperation projects, recognizing the cross-cutting role of the Bureau for Employers' Activities and the Bureau for Workers' Activities in the work of the Office;
- (iii) raising and reallocating adequate resources in order to speed up the process of the Global Jobs Pact implementation at country level where this is requested by member governments. This could happen in the following ways: (a) creating a designated Office team drawn from across the four strategic objectives of the ILO on applying the Global Jobs Pact at the country level who would lead rapid diagnostics and response support to field offices; (b) encouraging governments to ensure a genuine tripartite process at country level including, where necessary, capacity building of constituents; (c) using the full country scan methodology, which should be completed as a first step;
- (iv) working cooperatively with other multilateral organizations to promote policy coherence for a fair globalization, based on the guidance of the ILO Declaration on

Social Justice for a Fair Globalization, the Global Employment Agenda and the Global Jobs Pact;

- (v) a systematic review and possible consolidation of the range of tools and methods for employment promotion at the country level, including for example Decent Work Country Programmes.

#### IX. REQUESTS TO THE GOVERNING BODY FOR ITEMS TO BE PLACED ON ITS AGENDA

46. Receive a report of ways in which international organizations, including international financial institutions and the United Nations, are providing support to employment policies and employment objectives, and the state of collaboration with the ILO.

47. Organize a forum during the Governing Body on macroeconomic policy options for rapid high-quality employment generation, and how the ILO is promoting employment objectives through macroeconomic advice to governments and constituents. The discussion should be based on evidence-based analysis of country experience.

48. Consider a discussion on major periodic capacity-building exercises in the regions on employment policy analysis and design guided by the impact assessment of these policies.

49. Consider whether to develop a “rapid response” capacity from across the Office to be able to work effectively with other international organizations or alone, to assist countries that request support to develop a strategy to deal with fiscal crisis or economic restructuring in regard to employment and social policy.

50. Request the Director-General to rapidly initiate discussions with the main international financial and economic institutions and other relevant international bodies with the objective of achieving a better coherence between economic, financial, employment and social policies at the international level. Invite the Director-General to submit to the November 2010 session of the Governing Body a document outlining the elements and possible forms of a framework with the objective of promoting coherence between these policies. This document should provide a coherent framework to give governments and social partners the best possible advice to achieve full and productive employment and decent work at the centre of economic and social policies, while enhancing cooperation and exchange of experiences among them. In preparing the elements of such a framework, the Office should consult with the main economic and financial international institutions with a view to achieving a better coherence among economic, financial, employment and social policy at the international level, bearing in mind the contribution this can also make to facilitating coherence amongst government policies at the national level and their advocacy internationally.

51. Reschedule the ILC discussion on employment and social protection implications of the new demographic context as soon as possible.

52. Initiate a review of the follow-up mechanism for the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy to be taken up by the Governing Body’s Subcommittee on Multinational Enterprises with a view to developing promotional options.

53. Determine a framework with a view to defining appropriate action to ensure that employment-related standards are kept up to date.

54. A systematic review and possible consolidation of the range of tools and methods for employment promotion at the country level, including for example Decent Work Country Programmes.

55. Provide an update on how the Organization is giving effect to the conclusions concerning the promotion of sustainable enterprises (ILC, 2007).

56. Options for improving and implementing impact assessments more consistently and ensuring that these impact assessments are systematically considered in the context of future work of the Office.

57. The Officers of the Governing Body consider these conclusions and, without delay, in consultation with the Officers of the relevant Governing Body committees, identify reports or information they might request from the Office as a result of this discussion.

58. In accordance with the ILO Declaration on Social Justice for a Fair Globalization, which provides that the Organization would table a recurrent discussion at the International Labour Conference, among others, “to assess the results of the ILO’s activities with a view to informing programme, budget and other governance decisions”, the Director-General will take all necessary steps to:

- (i) ensure that these conclusions are taken into consideration during the implementation of the Programme and Budget for 2010–11 and in subsequent biennia within the limitations of existing resources;
- (ii) explore ways of finding the necessary resources to fully implement these conclusions, including through extra-budgetary and Regular Budget Supplementary Account resources;
- (iii) in line with the approved results framework for 2010–15, ensure that the Governing Body considers how best to implement these conclusions in the Programme and Budget proposals for 2012–13, in the first instance in the Preview of the proposals to be submitted to the 309th Session of the Governing Body in November 2010.