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SIXTH ITEM ON THE AGENDA

# Strategic policy framework, 2002-05, and preview of the Programme and Budget proposals for 2002-03

## Consolidating the decent work agenda

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# Introduction

**1.** In approving the Programme and Budget for 2000-01 (Volume 3)[1] the Governing Body endorsed the Director-General's suggestion that a strategic policy framework be prepared for the period 2002-05. Its purpose is to provide the Governing Body with an opportunity to give its comments and guidance on the strategies and orientations proposed for the work of the Organization. One immediate use of this guidance will be to orient the Programme and Budget proposals for 2002-03 to be submitted to the Governing Body in March 2001.

**2.** The Governing Body and the International Labour Conference have already approved the four strategic objectives of the ILO established in the Programme and Budget for 2000-01. They have lent their support to the agenda for decent work set out by the Director-General in his report to the Conference in 1999. The Programme and Budget for 2000-01 began the process of its implementation with the restructuring of Office programmes, the introduction of strategic budgeting, and new human resource policies and initiatives to position the ILO as a voice for social justice in a world challenged by globalization. The priority now is to consolidate decent work across the four strategic objectives in the context of a rapidly changing global economy. This will require continuation of the concentration of effort and building of critical mass that started with the establishment of the InFocus programmes and the restructuring of the Office.

**3.** The strategic policy framework is not a plan in the conventional sense of that term. A plan would be based on assumptions about what the world will be like over the period covered. Experience with earlier medium-term plans suggests that they are rapidly outdated. Instead, the policy framework seeks to do two things: to propose strategies on how the ILO's objectives can be achieved; and to identify means of strengthening the ILO's capacity to implement those strategies. In an uncertain world, an organization must have a clear sense of its objectives and strategies. Tactics and specific activities may have to be adjusted quickly to meet changing circumstances, but this should be done with a clear sense of purpose. The organizing theme for the period 2002-05 is putting the decent work agenda into practice.

**4.** This document begins with a description of the global context and decent work agenda. This is followed, for each strategic objective, by a description of the relevant external environment, the ILO's response, and more specifically the proposed contribution to decent work. Finally, the strategies to be employed for the achievement of each operational objective are summarized. The operational objectives, compared to those in the Programme and Budget for 2000-01, are reduced in number and in some cases reformulated to make them clearer. The two programmes and budgets to be developed in the period 2002-05 will be derived from these objectives and strategies.

**5.** The second part of the document deals with specific measures to be implemented in the medium term to strengthen our institutional capacity to meet future challenges. Sections cover management, regional services, knowledge management, statistics, gender equality, external communications, external relations, human resources and information technology. We cannot predict the events for which our services may be required, but we know that if our internal intellectual and managerial capacities are inadequate, so too will our responses to those events. The unifying theme of this part of the policy framework is to expand and deepen our knowledge base and improve our ability to place this knowledge

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[1] GB.276/PFA/9.

at the service of our constituents. These proposals are intended to be achieved over the period up to 2005.

**6.** A concluding section provides some additional information on the Programme and Budget proposals for 2002-03.

# I. Decent work and the global economy

**7.** The rapidly changing global economy provides both challenge and opportunity to the ILO and its constituents. Global economic forces are unfolding in ways that can only partly be foreseen. The advance of globalization has deeply affected the balance of relationships between the State, labour and business, and has brought new opportunities for wealth creation and prosperity, together with new insecurities and inequalities. Rapid job creation in some countries and sectors contrasts with job loss and difficult economic adjustment in others. Information and communications technologies will continue to generate substantial shifts in production systems and in labour markets. The emergence of the knowledge economy is changing many of our assumptions, and creating new patterns of work across borders. How all of these trends will affect employment, rights, social protection and social dialogue is far from clear, and indeed depends in large measure on the actions and priorities of ILO constituents and other social actors.

**8.** Each region lives these changes in a different way. The OECD countries are better placed to weather the shocks and take advantage of the opportunities of the global economy. Not so for most of the countries of Central and Eastern Europe, which are still adapting to highly competitive trading environments. East Asia's past successes in the global economy have proved more fragile than expected, and although recovery from the financial crisis is now well under way in most countries, the prospects for sustained resumption of high growth remain uncertain. Growth in South Asia has proved more stable, but the economic reform agenda is formidable, while West Asia remains heavily dependent on the volatile price of oil. Latin America's opening up to the global economy, while including some notable successes, has also led to a succession of difficult adjustments with substantial social costs, and unemployment remains high. Meanwhile, except in a small number of countries and sectors, Africa remains on the margins of the new opportunities.

**9.** In this fluid and unpredictable global environment, the needs of people and families must be brought to the fore. If the new global economy is to deliver a better life for everybody, it has to meet the aspirations of people for security and employment, for voice in their workplace and their community, for rights and dignity in their work, and for the ability to provide education and opportunities for their children. These simple, basic demands underlie popular reactions to globalization. People are demanding that the global economy work for everyone.

**10.** The uncertainties about the future path of globalization, and the tendency for labour issues to take on ever-increasing prominence in debates at the global level, make it vital for the Organization to be at the forefront of thinking on the way forward – how to ensure that our values and goals are built into global solutions, and how the interests of ILO constituents are protected and advanced.

**11.** There is now a growing consciousness that effective governance of globalization requires a rules-based international system founded on widespread ownership within the international community, countries and societies. This new architecture is being progressively put together and adopted in matters of trade, financial and monetary questions and investment flows. But for the economic architecture to be successful, it is essential that social goals, and in particular the goal of decent work for all, be an integral part of the framework for international action. Working together with the other

organizations of the multilateral system, the ILO must play its part to ensure that the global institutions and policies that are put in place are consistent with the goal of decent work.

**12.** To do so, the ILO needs to ensure that its technical capabilities on these issues are up to the mark. It should be able to offer up-to-date information on the impact of globalization on people's working lives. It should be an active participant in debates on major issues and relationships in the global economy. It needs to work with its tripartite constituency to ensure that the decent work agenda is fully reflected in the development of global institutions.

## II.   Delivering decent work

**13.** The ILO strategy for promoting decent work involves simultaneous action at four levels: mapping out the concept of decent work; developing integration and coherence across the ILO within this framework; building decent work into policies for the global economy; and putting it into practice at the national level.

**14.** First, conceptual and methodological research will be carried out to deepen the analytical and empirical foundations of decent work. Decent work is much more than the sum of the ILO's four strategic objectives, because bringing these objectives together opens new potentials and synergies, and better captures the way people develop and express their goals. More work is required to better understand and measure the demands of people and families for decent work, and how they vary across countries and over time; to relate the notion of decent work to existing international labour standards; to show the relationship between decent work and specific concerns such as job quality, security and representation; to show how the promotion of decent work serves the interests of all ILO constituents. This work will form the core of the programme of the International Institute for Labour Studies, but will also inform and benefit from the overall activities of the Office on decent work, especially with respect to measurement of progress towards this objective. The regional structure and the Turin Centre will need to be fully integrated into this effort.

**15.** Secondly, the distinctive contribution of decent work lies in its ability to integrate different aspects of the work of the ILO and hence promote coherence in the design of policy. To realize this potential, the research and practical work of each ILO sector will address not only its own contribution to the decent work goal, but also major linkages with other sectors. This implies the development of a number of important inter-sectoral activities as a priority of the programme of work, since these have often been neglected in the past. This will be a particular feature of the InFocus programmes, so that for example the InFocus Programme on Boosting Employment through Small Enterprises Development will work closely with the Programme on SafeWork and the Programme on Strengthening Social Dialogue to ensure that employment promotion is consistent with safety at work, with productivity goals and with systems of representation and voice. This emphasis on programme integration will also be reflected in the development of statistics, in gender promotion, and in other cross-sectoral activities, which will be designed to bring together the concerns of each sector within a common framework.

**16.** Thirdly, the goal of decent work will guide the ILO's approach to the global economy as outlined above. This means developing integrated approaches to economic and social policy in the global economy, showing how respecting the ILO's goals and using the ILO's instruments, within a balanced decent work approach, provides a more just and more stable framework for global development. The ILO is also well placed to develop approaches to the governance of globalization which respect these goals, in collaboration with other organizations of the multilateral system. This work will be the responsibility of

the International Policy Group, and will inform debates in the Governing Body's Working Party on the Social Dimension of Globalization.

17. Finally, the building of coherent strategies to tackle the decent work deficit has to take place at the national level, and respond to the demands and priorities expressed by the governments and social actors concerned. It is at this level that the overall goal of decent work is translated into changes in people's lives. Putting decent work into practice at the national level means working with governments, employers and workers to develop practical and comprehensive national policies for all the dimensions of decent work. This effort will require contributions from the ILO as a whole, each of the sectors in Geneva working in coordination with regional and national teams and technical services. Supporting these efforts will also be a priority for technical cooperation. A small task force at headquarters will manage this process in collaboration with the field structure. The outcomes of these national decent work strategies will inform the development of programmes in the ILO as a whole.

18. The remainder of this section details the contribution of the ILO to the decent work agenda under each of the strategic objectives. The descriptions of action under the strategic objectives are not intended to be exhaustive. More information will be provided in the Programme and Budget proposals for 2002-03 and 2004-05. In particular, more information will be available on the regional dimensions of the proposals and the specific contributions of the InFocus programmes.

## Strategic Objective No. 1: Promote and realize standards and fundamental principles and rights at work

### *Context*

19. The globalization of the world economy has rendered violations of fundamental rights at work more visible than ever before and put them at centre stage in international policy debates. What may earlier have been explained away by cultural differences or socio-economic and political conditions is less and less tolerated by consumers, trade unions, businesses and increasingly well-informed public opinion. Consensus has hardened on the urgency of promoting fundamental rights at work, beginning with a frontal attack on the worst forms of child labour. Increasingly, these rights are seen not as a long-term goal, but as an essential foundation for genuine development in the interests of all, and international institutions are being called upon to contribute to their promotion.

20. These changes coincide with persistent difficulty in creating more employment worldwide, new methods of work, the growth of precarious jobs and increasing employment in the informal economy. Intense debate on labour market regulation and flexibility has provoked renewed interest in the role of international labour standards. Debate on these issues lies at the heart of different perceptions on how the global economy is affecting people's lives. Ultimately, it is about identifying the best instruments to seize the opportunities of globalization and reduce the negative impacts.

21. Concerns with both the economic and social dimensions of globalization are leading to the development of new structures to manage the global economy. It is only natural that as part of this process the ILO standards system should come to the fore as a necessary social pillar of the global economy. This system is being approached from two perspectives. On the one hand, how can it help to protect those – both employed and unemployed – who are most adversely affected by the global changes under way, how can it overcome the persistence of work-related abuses and discrimination, and how can it help to empower the socially excluded? On the other, how can the system – basically conceived in the first half of the twentieth century – respond adequately to the realities of open economies, open

societies, massive technological change and an emerging global market, while retaining the values of social justice on which it is based, and which continue to be fully valid?

**22.** The ILO's tripartite constituency will need to find creative ways to address these questions, and thus to make the ILO's voice relevant to the intense debates and the growing uncertainties in the lives of individuals and families in the twenty-first century.

## ILO response

**23.** ILO Conventions and Recommendations are a vital source of protection for working people all over the world, and the ILO's tripartite structure provides a firm political and social basis for the standards system. Respect for rights at work enables people to claim freely a fair share of the wealth they help to generate and to secure improvements in the quality of their working lives. In this way these rights help to transform economic growth into social equity and employment at all stages of the development process. A rights-based approach is therefore an integral part, along with employment and enterprise growth, of a strategy to build social justice into economic globalization. To this effect, ILO strategy will combine normative action with technical cooperation under the Declaration on Fundamental Principles and Rights at Work and the International Programme for the Elimination of Child Labour (IPEC).

**24.** A comprehensive review of standard setting, supervision, promotion, technical cooperation and related issues will be undertaken based on tripartite support for the ideas set out in *Decent work*. A strong tripartite consensus on these issues will be required to combine modernization with strengthening of the standards system.

## Decent work

**25.** The Declaration process has demonstrated that elements that are embodied in ILO standards and principles can help to map out the concept of decent work. International labour standards relating to all four strategic objectives help to define the action that needs to be taken for its realization in varying development situations. The cross-cutting issue of gender and the protection of vulnerable groups, such as migrant workers and indigenous and tribal peoples, are also reflected in the Organization's standards.

**26.** Special emphasis will be placed on assistance to countries in which the need and prospects for concrete improvements are identified by the Declaration follow-up and the supervisory mechanisms. The experience of time-bound programmes for the elimination of child labour in particular sectors and countries could be expected to yield lessons for other aspects of decent work.

**27.** Intersectoral initiatives will include:

- with the Employment Sector, research and action on measures to apply ILO standards through improvements at the workplace;

- with the Social Protection Sector, forging links between the supervision and promotion of selected Conventions on occupational safety and health and conditions of work, on the one hand, and technical cooperation and research on these subjects, on the other;

- with the Social Dialogue Sector, promoting the participation of employers' and workers' organizations in action under the Declaration and IPEC, as well as in standard setting, supervisory processes and action to improve the application of standards.

## Operational objective 1a:
## Standards and fundamental principles
## and rights at work

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| Objective: | ILO member States give effect to the principles and rights concerning freedom of association and collective bargaining and the elimination of forced labour, child labour and discrimination in employment and occupation. |
| Indicators: | Member States that have ratified at least one Convention in each of the four categories of fundamental principles and rights. |
| | Member States in which there are positive changes, as noted in the Expert Advisers' introduction to the compilations of annual reports on the Declaration. |
| | Member States that have begun implementation of gender-sensitive technical cooperation that specifically addresses needs or problems identified in reports submitted under the Declaration, the introduction by the Expert Advisers, and plans of action adopted by the Governing Body. |

Strategy

28. The strategy to promote fundamental principles and rights will include a targeted campaign on ratifications of fundamental Conventions, directed at ensuring that each member State has ratified at least one Convention in each core category (freedom of association and collective bargaining, forced labour, child labour, discrimination). The Declaration follow-up process will, through plans of action on each subject, design technical cooperation that is both gender-sensitive and deals with the obstacles identified. The ILO is committed to bring a variety of resources to bear in achieving the goals of the Declaration and to mobilize additional resources. Fundamental principles and rights will also be promoted as part of the ILO's integrated approach to economic and social policy in the global economy, in partnership with the United Nations and the international financial institutions.

29. Effect will continue to be given to the Declaration through the annual and global reporting exercises foreseen in the follow-up. The annual review composed of annual reports from member States that have not yet ratified all of the fundamental ILO Conventions will provide a baseline against which each country can measure its progress. The Global Report will review global and regional trends and important changes that take place with respect to the particular topic in a four-year period. The reports will identify areas calling for technical assistance from the ILO to help member States to implement the fundamental principles and rights.

## Operational objective 1b: Child labour

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| Objective: | Child labour is progressively eliminated, priority being given to the urgent elimination of its worst forms and to the provision of alternatives for children and families. |
| Indicators: | Member States that ratify: |
| | (i) the Minimum Age Convention, 1973 (No. 138); |
| | (ii) the Worst Forms of Child Labour Convention, 1999 (No. 182). |
| | Member States that carry out national quantitative and qualitative studies on the extent of child labour. |
| | Member States that formulate policies and programmes specifying time-bound targets for the elimination of the worst forms of child labour, taking into account the special situation of the girl child. |
| | Children who directly benefit from ILO action, in particular in regard to the worst forms of child labour and the girl child. |

Strategy

**30.** The strategy of the InFocus Programme on Child Labour: IPEC will combine normative action with increased technical cooperation to support the elimination of child labour. The normative dimension of the strategy has two elements: the new approach of Convention No. 182, focusing on the immediate elimination of the worst forms of child labour; and the comprehensive approach of Convention No. 138, fixing a minimum age for employment. The campaign for ratification of both Conventions will increasingly move towards a campaign for their implementation.

**31.** The Global Report on child labour (2002) and the first reports on Convention No. 182 from ratifying States will help reinforce the linkage of the Conventions with comprehensive policy development and with technical assistance provided through projects and advisory services, especially at the national level. This in turn assists in monitoring the numbers of children directly benefiting from ILO action.

**32.** Area-based integrated projects have demonstrated that specific sectors in selected geographical areas can be made free of child labour. Building on this, a number of national time-bound programmes of action on the worst forms of child labour will be implemented. This will demonstrate the impact that a significant reduction of the worst forms of child labour can have on sustainable economic and social development. Advocacy, research and action will be necessary at the global as well as at regional and national levels.

**33.** Quantitative and qualitative studies, disaggregated by gender, will shed more light on particular child labour situations and identify priority areas for action. This will further contribute to the realization of decent work in which the worst forms of child labour are effectively eliminated. Employment opportunities will need to be expanded for parents, especially single parents and mothers, and educational opportunities for children reinforced. Particular attention will be given to protection of the girl child.

## *Operational objective 1c: Normative action*

| Objective: | Services are provided to the supervisory bodies, constituents, the Governing Body and the International Labour Conference, enabling existing standards to be supervised and new standards to be set. |
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| Indicators: | Reports processed for the Committee of Experts. |
| | Complaints examined by the Committee on Freedom of Association. |
| | Rate of response from governments for each supervisory body session. |
| | Improvements in the application of the fundamental Conventions noted in the biennium by the Committee of Experts: |
| | (i)      with satisfaction; |
| | (ii)     with interest. |
| | Cases of progress in the implementation of Conventions other than the fundamental ones noted in the biennium by the Committee of Experts: |
| | (i)      with satisfaction; |
| | (ii)     with interest. |
| | Cases of progress noted in the biennium by the Committee on Freedom of Association. |
| | Consensus on possible improvements in ILO standards-related activities. |

Strategy

**34.** The supervisory mechanisms help to identify particular problems, make recommendations and contribute to an assessment of progress towards decent work at the national level. This will be followed by assistance to constituents on legal and practical aspects, drawing on the capacity of all sectors of the Office. An intensified series of measures will focus on

how the implementation of international labour standards can contribute to the concept of decent work and help to put it into practice.

35. A successful outcome of the current policy discussion [2] will require a consensus on the direction and modalities of normative action. It will permit more effective servicing of the relevant bodies – intensifying dialogue with constituents – as well as more focused information and advisory activities undertaken in cooperation with the regional structure. Constituents will be offered more assistance at the country level in line with the recommendations of the sueprvisory bodies. There will be a stronger focus on dialogue, proposing solutions, and practical assistance by the different sectors and the field structure. The Governing Body will give guidance on this in its review of standards-related activities, including the article 22 regular reporting system and article 19 reports for general surveys.

## Strategic Objective No. 2:
## Create greater opportunities for women and men to secure decent employment and income

### *Context*

36. Employment promotion is at the heart of the decent work agenda. Unemployment has been falling in most industrialized countries, but worldwide a billion workers remain unemployed or underemployed, and a growing proportion of jobs are found in the informal economy.

37. The globalization of markets, products, capital and labour is increasingly shaping global production systems and value chains with a continuous geographic redistribution of work and more unpredictable patterns of job creation as a result. The liberalization of investment and trade policies, together with rapid technological change, have been the main driving forces behind this transformation. Policy-making has become more complex as the influence of private sector actors and other stakeholders in civil society has increased. Governments are now less able than before to apply traditional economic levers.

38. New technologies are changing the way products and services are designed, produced and distributed, with profound implications for the organization of work and the skills required to do it. Location-independent production and labour markets will pose challenges to developed, transitional and developing economies, including the real possibility of a widening digital divide. This has severe implications, in particular for groups struggling to avoid exclusion from the labour market.

39. Labour markets have been influenced by demographic changes, such as aging populations and/or rapidly expanding labour forces. The impact of HIV/AIDS on labour markets is dramatic, particularly in sub-Saharan Africa.

40. Both natural and man-made crises often have dramatic consequences for incomes and employment. Wars, sharp economic downturns, natural disasters and difficult political and social transitions continue to affect large numbers of people, who as a result are facing increased poverty, unemployment and social exclusion.

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[2] GB.279/4.

41. International policy advice, official assistance flows and development strategies often contribute to this situation by not focusing sufficiently on the need to promote employment. Women have been subject to more exclusion than men and, if employed, they tend to have lower-income jobs. An enabling environment for enterprise creation, concentrating on small enterprises, is a key to development. Small enterprises are increasingly important in changing production systems and create the vast majority of new jobs. Many of these, however, are poor-quality jobs in the informal economy.

## *ILO response*

42. Globalization, new technologies, and rapidly changing labour markets and production systems create both opportunities and challenges for employment. New policies are required which are adapted to the changing international environment and which incorporate lessons from the employment impact of globalization so far. ILO research needs to keep abreast of these issues and assess the implications for global employment and labour market trends, and for policy design and coordination.

43. Globalization requires an appropriate policy response that enhances the potential benefits of increased trade and foreign investment, such as more economic and employment growth, while reducing its potentially adverse effects, such as job losses and greater economic disparities. Such a framework needs to be defined at the national level so as to properly take into account local circumstances, and needs to recognize that the ability of governments to apply traditional economic measures is changing.

44. A comprehensive employment framework will draw together the various major programmes of the sector into a coherent set of policy options, strategies and operational programmes covering the following major areas:

   - *Strengthening the ILO's knowledge of the employment outcomes of different policies.* Strategies will be developed to promote decent employment and income, for men and women, based on economic growth and drawing on improved knowledge and understanding of the global employment challenge.

   - *Policies to promote enterprises, particularly micro-, small and cooperative enterprises, which have the biggest potential for creating new jobs.* There will be a strong focus on productivity improvement and enhanced competitiveness linked with strategies to improve the quality of employment, including in the informal economy.

   - *Policies to enhance knowledge, skills and employability.* This will focus on providing men and women with the relevant and necessary skills to access jobs in present and future labour markets. Policies and programmes will also be developed to improve labour market efficiency and promote equal access for women.

   - *Promoting employment through reconstruction and employment-intensive investment.* This will cover integrated rapid response capability in crises of various types as well as the design and implementation of special employment programmes in situations of high unemployment.

   - *Various measures to improve livelihoods through micro-finance, self-employment, local economic development and other income-generating activities.* These require a better understanding of the support policies that are necessary to incorporate them into a decent work strategy.

   - *Promotion of decent work through voluntary private initiatives and the social responsibility of businesses,* including the Global Compact, with emphasis on tripartite involvement. The Tripartite Declaration of Principles concerning

Multinational Enterprises and Social Policy is a framework for action to address the labour and social issues that may arise as a result of foreign direct investment.

45. The above policy and programme elements will focus on the overall objective of promoting decent work by combining employment promotion with fundamental concern for the quality of that employment. The resulting set of policy options, strategies and operational capacity building programmes will be developed in ways that can be effectively adapted to the specific conditions that exist at the national and local levels.

## *Decent work*

46. The sectoral contribution to decent work will consist in developing the inter-linkages and causal relationships between employment promotion and fundamental rights, social protection and social dialogue. Within the sector itself, it will specifically include the development of the comprehensive employment framework, which will serve as the basis of advisory services for member States and interaction with other international organizations. The framework will take into account the lessons learnt from individual country employment policy reviews. On the basis of these assessments, a coherent set of priority targets in the area of employment policy will be formulated, consistent with the ILO's overall goal of decent work.

47. Within this setting, increased attention will be given to national policies on more and better jobs for women. This will involve an integrated approach to employment creation, raising awareness of fundamental rights at work, ensuring that women's employment improves family and child welfare, protection of the most vulnerable, and social dialogue.

48. Effective linkages and joint work programmes with the other sectors are equally essential to operationalize the decent work concept. Within the sector, the InFocus programmes will take the lead in intersectoral cooperation.

49. The InFocus Programme on Boosting Employment through Small Enterprise Development will work closely with other InFocus programmes, including those on promoting the Declaration, SafeWork and social dialogue. The respective aims are to ensure that policies and programmes in the small enterprise sector effectively promote the Declaration as a social floor; promote job quality, including social security, health and safety, and gender and family concerns; and ensure that social dialogue is at the heart of the process to develop sustainable employment promotion policies and strategies. Similarly, the InFocus Programme on Crisis Response and Reconstruction will work closely with those on child labour, the Declaration and social dialogue.

50. An intersectoral task force on decent work in the informal economy will ensure that research, policies and programmes targeting the informal economy constitute a coherent approach taking all the ILO's strategic objectives into consideration.

51. Other joint intersectoral initiatives will also be developed, as follows:

- with the Standards and Fundamental Principles and Rights at Work Sector, research and action on measures to apply ILO standards through improvements at the workplace;

- with the Social Protection Sector, ensuring that policies and programmes to promote employment are underpinned by adequate systems for social protection, including:

  – appropriate, productive and safe working conditions in small and medium-sized enterprises;

  – appropriate linkages between labour market and social security policies;

- the development of better regulated migration;

- the collection and analysis of data on security and labour market flexibility;

- due attention to the effects of HIV/AIDS on the workforce and in the workplace;

■ with the Social Dialogue Sector, building the capacity of the social partners to participate effectively in the formulation and implementation of employment and productivity-related policies and programmes.

## *Operational objective 2a: Employment policy support*

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| Objective: | ILO constituents are better equipped to analyse trends in national and global employment and labour markets, and to elaborate, advocate and implement effective strategies for the promotion of decent employment for men and women. |
| Indicators: | ILO constituents that make use of the ILO knowledge base. |
| | Global and national employment policies that are influenced by recommendations of ILO policy advice. |

Strategy

**52.** Work in this area will emphasize the strengthening of the knowledge base on the employment outcomes of different policies, covering labour markets, equal employment opportunities, migration, and voluntary private sector initiatives. As proposed by the Advisory Group on Statistics, it will include information specific to regions, sectors and types of enterprises. The ILO must reinforce itself as the world's leading source of aggregate, gender-specific, up-to-date employment information, illuminating public debate and guiding policy. Good practices will be identified that are better adapted to the new international environment. Recommendations on employment strategies to promote decent work will be based on an in-depth analysis of the complementarity between labour market reforms, investment and macroeconomic policy.

**53.** The extensive knowledge base will constitute the basis for assisting constituents in the formulation and implementation of national employment policies, which will be an integral part of the national decent work strategies.

## *Operational Objective 2b:*
## *Knowledge, skills and employability*

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| Objective: | ILO constituents invest more in training and skills development to provide men and women with improved and equal access to decent jobs. |
| Indicators: | ILO constituents that adopt policies and invest in improvements in the quality and effectiveness of skills development and training and employment services. |
| | ILO constituents that adopt strategies to ensure that women in general, and persons with special needs, such as the disabled, displaced and young and older workers, have access to training and skills development. |

Strategy

**54.** Investment in the skills and employability of workers becomes crucial to balance the need to promote economic productivity and competitiveness with the need to promote the social goals of equity, inclusion and responsibility. Skills development thus becomes one of the essential pillars of decent work, because it builds up social infrastructure and provides opportunities for people to gain jobs and to escape poverty and marginalization. This is in particular true for those who otherwise would be excluded from the labour market, in

particular women, but also for groups with special needs such as youth, people with disabilities, and displaced and older workers. The InFocus Programme on Skills, Knowledge and Employability will in its work emphasize the strengthening of training policy frameworks together with the design and delivery of learning and training programmes for enterprises, training institutions and employment services. This needs to be done in close cooperation with the social partners. Lifelong learning and new approaches to self-employment and small enterprise development will be promoted. Priority target groups will include those that face particularly difficult challenges in obtaining access to decent work, with special emphasis on workers in the informal economy, most of whom are women.

## *Operational Objective 2c: Employment creation*

| Objective: | ILO member States and constituents are better equipped to design and implement employment promotion programmes in the areas of enterprise development and employment-intensive investment, including in post-crisis situations, paying particular attention to the situation of women. |
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| Indicators: | ILO constituents and other institutions that apply ILO advice and practical tools for enterprise development. |
| | ILO member States that apply the ILO approach to employment-intensive investment, particularly in post-crisis situations. |

Strategy

55. The InFocus Programme on Boosting Employment through Small Enterprise Development will apply the lessons learnt from past experience in promoting job creation in micro-, small and cooperative enterprises as part of the decent work agenda at the national level. Decent work means that policies and programmes aimed at enterprise development must pay due attention to job quality in terms of occupational safety and health, conditions of work, social security and respect for fundamental rights at the workplace, in addition to their traditional focus on the challenges facing enterprises in terms of legal and regulatory obstacles, access to finance, management training, markets, information and productivity issues. Special programmes will be designed targeting women entrepreneurs. Increasingly, work will be undertaken in cooperation with the private sector, particularly in terms of promoting decent work throughout the supply chain and developing management practices in enterprises of all sizes, which reflect ILO values and concerns.

56. Particular attention will be given to the impact of HIV/AIDS on labour markets and the formulation of employment promotion programmes. Another priority will be to address the challenges and opportunities for micro-, small and cooperative enterprises posed by new information and communications technologies.

57. To address the problems of poverty, unemployment and underemployment it is necessary to focus development agendas on the creation of sustainable opportunities for decent work. This is particularly true for countries recovering from crises. In order to contribute to poverty reduction through employment-intensive growth strategies, the ILO will continue to promote self-employment through micro-finance, local economic development strategies and labour-based approaches to public investment in infrastructure aimed at improving the access of poor populations to productive resources and basic social services. This will involve capacity building for increased private sector execution of public works, and efforts at combining job creation with decent working conditions, without compromising on efficiency and productivity. In responding to the employment and other socio-economic challenges posed by crises, the InFocus Programme on Crisis Response and Reconstruction will use the concept of decent work to provide a comprehensive and coherent approach to social and economic reintegration and reduction

of vulnerability. Support will be provided to governments and social partners in the design of policies and programmes to overcome the socio-economic impact of crisis.

## Strategic Objective No. 3:
## Enhance the coverage and effectiveness
## of social protection for all

### *Context*

58. The need to improve social protection has been at the centre of ILO action since its inception. Despite economic and social progress, grave problems remain, including more than 1 million work-related deaths each year. Many workers are still excluded from basic forms of protection. They work in the informal economy, in casual or clandestine employment, or in other situations where insecurity and discrimination are their daily lot. In principle, workers with a formal employment relationship have at least a minimum of protection. However, many government programmes – ranging from unemployment schemes to labour inspection – are under-funded, poorly managed or otherwise unable to delivery the safety and security they promise. Even the workers who are comparatively well paid are sometimes faced with serious concerns. They are unsure if their employment is secure, if their pensions will be adequate, or if they may be exposed to hazards that they do not understand. They may not have access to maternity protection or childcare facilities. Their hours of work may be long or variable.

59. Some forms of insecurity are on the increase. Globalization, informalization and ageing are putting pressure on the capacity of governments to finance social security systems, while at the same time leading to intense debate on the impact of social security on competitiveness. An increasing sense of insecurity can be partly traced to changing and less stable production systems. Social security and the global economy are also starting to interact in new ways, for example through the increasing importance of pension funds in international financial markets. Nor is globalization only a question of flows of trade and finance: labour markets too are increasingly cross-border, and both legal and illegal international migration raise a host of questions about the design of systems of regulation and protection. There is an evident need for a strong social framework as part of the new global architecture.

60. The scope and effectiveness of social security systems are closely related to the level of development. It had been assumed that statutory systems would steadily be extended to many more people, but this has not happened. With urbanization, the traditional forms of social security have been eroded, with informal networks of support based on extended families, kinship and communities losing their importance. In a number of transition economies previous systems of social security have collapsed without being adequately replaced. Whole communities have been left bereft, desperately seeking alternatives. In the industrialized countries, a significant rise in old-age dependency, high unemployment rates and new patterns of employment have weakened social consensus on modalities of financing social security systems. HIV/AIDS has placed new demands on health and survivors' insurance. These recent developments put the long-term financial sustainability of existing systems at risk and raise issues of access, levels of protection funding, private accounts, and other key matters. In the developing countries, in contrast to earlier expectations, the informal economy has grown rather than declined, and further weakened mechanisms of governance of existing social security schemes. Moreover, clandestine migration is increasing rapidly, expanding a group of workers that has little if any social security protection.

61. Labour protection problems follow a similar pattern. In the poorer countries there is little if any protection for the large majority of workers, often including those in small and medium-sized formal sector enterprises in addition to agriculture and the informal

economy. Few inspectorates can claim adequate resources, training or impact. Where dangerous industrial activities have been shifted to poorer countries, basic standards of occupational health and safety are more difficult to enforce. Transitional economies have few resources for systems of protection, and the former systems often fail to operate. Even in wealthier countries, many problems subsist. Deregulation has diminished protection for some workers. Changes in the structure of employment, including part-time work and subcontracting, raise difficult challenges.

62. In all parts of the world the security of women workers has been affected more adversely than that of men. Many women workers are denied maternity protection and are subjected to various forms of discrimination and unequal treatment. The increase in single-parent households, particularly lone-mother families, adversely affects the basis of women's participation in the labour market since the basic requirements (especially childcare services) for the increased participation of single mothers are not met in many countries.

63. HIV/AIDS has become an immense human and social tragedy worldwide. The impact of the disease on the workplace has been devastating in many countries, especially in sub-Saharan Africa, as the disease attacks those in their most productive years. Social norms and attitudes make it difficult to address the issue effectively. Chief among these factors are the denial culture and the view that HIV/AIDS is a problem that requires exclusively medical attention. As a consequence the pressure is on treatment rather than prevention, and most programmes tend to exclude preventive measures, especially at the workplace.

64. These developments call for more widespread access to appropriate protection and security. Moreover, adequate social protection can offer economic benefits as well as costs. Properly organized improvements in social protection help make adjustment policies successful and long-term development sustainable. At the workplace, decent conditions contribute to motivation and productivity.

## ILO response

65. The challenges faced by social security systems will be addressed by the International Labour Conference in 2001. This debate will guide the ILO's response, aimed at developing a framework for social security that is financially stable and socially effective in the new global environment.

66. A key priority is a minimum level of social security for all, defined according to the level of development. This can be achieved by extending coverage and by making existing institutions and policies more effective, particularly for women and excluded groups such as migrants. In some cases it may not be sufficient to strengthen central systems. Complementary measures may be needed to include those not covered. Priorities may also differ as to the type of protection. Income security in old age will be a more important preoccupation in developed countries, whereas poorer countries may accord higher priority to adequate health care. Innovative thinking will be promoted, bringing new perspectives to bear on how different aspects of the security of workers and families can be assured.

67. The changing balance in the regulation of working conditions between public authorities and the private sector has important implications for labour protection. While legislation traditionally provides the framework for action, it is in many cases being liberalized. At the same time, resources allocated to enforcement are rarely adequate to ensure protection of workers. One response to this is more targeted action and improved resource allocation within governments. Another is strengthening voluntary or negotiated enterprise-level efforts at self-improvement. However, the cost of improving working conditions and safety and health is widely seen as an insuperable barrier. A major focus of ILO efforts is therefore to demonstrate that improvements pay, not only for advanced enterprises but also at the smallest scale. This requires a base of practical, easy-to-use information and

demonstration of its cost-effective application. Better labour protection also requires the development of voluntary networks to support improvements, often at sectoral level. This local action will be reinforced by steps to put labour protection issues on the international agenda. On HIV/AIDS, awareness and advocacy campaigns with the cooperation of all partners will be based on the resolution on HIV/AIDS and the world of work, adopted by the International Labour Conference at its 88th Session (2000). [3]

## *Decent work*

**68.** The ILO's decent work strategy is very much about social protection. Hundreds of millions of workers around the world face difficult conditions devoid of basic protection. Yet social protection issues continue to receive little political recognition. One major focus of ILO efforts is to create worldwide awareness of the existing shortcomings in social and working conditions prevailing in various parts of the world. This will be pursued through country-based and global reporting. This activity will include the systematic compilation of information on socio-economic and labour security, and contributions to the measurement of decent work.

**69.** The ILO must also demonstrate that progressive social protection policies and the application of relevant international labour standards offer added value, rather than a cost. These considerations imply that improving social and working conditions not only benefits workers but also improves the long-term sustainability of enterprises and economic performance. Governments, employers and workers need to accommodate their different interests in creative ways to respond to the demand for decent work. Activities on these issues will concentrate mainly on documentation and the dissemination of decent work initiatives (e.g. good practices) at the community, enterprise and national levels.

**70.** Intersectoral initiatives will include:

- with the Standards and Fundamental Principles and Rights at Work Sector, forging links between the supervision and promotion of selected Conventions on occupational safety and health and conditions of work, on the one hand, and technical cooperation and research on these subjects, on the other;

- with the Employment Sector, ensuring that policies and programmes to promote employment are underpinned by adequate systems for social protection, including:

  – appropriate, productive and safe working conditions in small and medium-sized enterprises;

  – appropriate linkages between labour market and social security policies;

  – the development of better regulated migration systems;

  – the collection and analysis of data on security and labour market flexibility;

  – due attention to the effects of HIV/AIDS on the workforce and in the workplace;

- with the Social Dialogue Sector:

  – the development of programmes on HIV/AIDS involving employers' and workers' organizations and labour administrations;

[3] GB.279/7.

–   joint action on occupational safety and health, concentrating on key sectors such as mining, construction, forestry, chemicals and agriculture;

–   work on the role of employers' and workers' organizations in improving working conditions in small enterprises.

## *Operational objective 3a:*
## *Scope of social security schemes*

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|---|---|
| Objective: | Member States broaden the scope and the instruments of social security systems (including the informal economy and working poor), improve and diversify benefits, strengthen governance and management, and develop policies to combat the adverse effects of social and economic insecurity. |
| Indicators: | Member States that adopt voluntary or public schemes, including the extension or modification of existing social security schemes, to previously uncovered sections of the population following ILO intervention. |
| | Member States that initiate action to improve the financial architecture and governance of their national social security schemes and systems following ILO intervention. |
| | Member States where data are generated and used to develop strategies and policies to combat economic and social insecurity. |

Strategy

**71.** The ILO will continue to assist member States in expanding the coverage of their social security systems and improving their range of benefits and governance. This includes all branches of social security, ranging from social insurance (pensions, health, unemployment and short-term benefits) to social assistance and community-based schemes. Particular attention will be given to the informal economy and the working poor. Assistance will be provided to equip major statutory schemes to reach out to the uncovered population, as well as voluntary and community-based schemes.

**72.** The ILO will assist its constituents in improving the planning, management and economic, financial and fiscal viability of social security schemes. The Office will also help reassess the division of responsibility between public authorities, private enterprise and individuals in order to further strengthen social consensus on the financing of social security schemes. A special effort will be made to improve the management of pension funds. The move in some countries away from pay-as-you-go systems is raising new issues in social security planning and governance, especially regarding the investment of social security reserves.

**73.** HIV/AIDS increases the need to provide health protection and social assistance to infected workers and their dependants besides reducing the contributory base that supports social security systems as well as the tax base of governments. Social budget models will be adapted and used to assess the level of necessary resources, estimate potential gains of early awareness campaigns, and help governments to develop and implement appropriate action.

**74.** Information gathering and research will play a key role in documenting and combating various forms of economic and social insecurity. The InFocus Programme on Socio-Economic Security will collect data in selected countries to quantify the different forms of insecurity, which will be analysed to develop an overall response. This will be done at the country level in close collaboration with field offices. The work will provide direct feedback to ILO technical programmes on both formal and informal security schemes. This analysis will also provide inputs for advocacy related to economic and social security.

## Operational objective 3b:
## Action to improve working conditions

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|---|---|
| Objective: | ILO constituents target and take effective action to improve safety and health and conditions of work, with special attention to the most hazardous conditions at the workplace. |
| Indicators: | Member States in which local institutions are using ILO tools and methodologies to improve working conditions in small-scale enterprises and the informal economy. |
| | Member States that ratify and apply ILO standards on work and family, maternity protection and working time and in which relevant data on these issues are generated and used in policy formulation. |
| | Member States that establish policies and programmes for equal treatment of women and men migrants and against their trafficking. |
| | Member States that incorporate workplace concerns into their national action plans to combat HIV/AIDS, and that take practical initiatives involving the social partners. |
| | Member States in which constituents substantially expand or strengthen their occupational safety and health capacity through the ratification and application of ILO standards and the implementation of codes, guides and statistical tools and methods on safety and health. |
| | Member States in which national SafeWork programmes of action are launched for selected industries and hazardous agents. |

Strategy

**75.** Member States will be assisted to set objectives and priorities and to make the case for additional resources for the protection of workers, especially in the most hazardous occupations and sectors. High priority will be assigned to modernizing the advisory and enforcement capacity of labour inspectorates. Assistance will be given to develop legislation and policy and promote national programmes of action on occupational safety and health, including occupational safety and health management systems and chemical safety programmes. In addition to the promotion of international labour standards, emphasis will be placed on practical measures, including the application of codes of practice at the industry level. This will be the basis for rebuilding the ILO's technical cooperation programme on occupational safety and health.

**76.** The ILO will demonstrate how improving conditions not only benefits workers, but also improves enterprise performance. Good enterprise-level practices will be benchmarked in terms of conditions of migrant workers, sexual harassment, HIV/AIDS prevention, care and support initiatives at the workplace, working time, work-family issues and maternity protection, as well as improving basic working conditions and environment and safety and health. ILO experience in implementing programmes to improve working conditions and productivity in small enterprises will be evaluated. This will lead to improved, gender-responsive training methodologies and tools and to the identification of means to expand the reach of programmes, extending them also to micro-enterprises and the informal economy where working and living conditions converge. This work will provide a strong basis for developing technical assistance programmes. Stronger networks will be built with local organizations to ensure effective programme delivery.

**77.** The Office will collect and disseminate up-to-date comparative information and statistics on issues such as occupational safety and health, work and family, the conditions of precarious and atypical workers, working time arrangements and work organization. This will help constituents to modernize their national law and practice. The ILO will document the rise in illegal and clandestine migration and accompanying exploitation in the workplace. This work will be used to help forge an international consensus on regulated movements of workers and to promote action against racism and international trafficking for employment, especially that of women for prostitution. Similarly, efforts will be made to mobilize opinion leaders in initiating a global campaign for maternity protection.

## Strategic Objective No. 4:
## Strengthen tripartism and social dialogue

### *Context*

**78.** Social dialogue reflects the basic ILO constitutional principle of tripartism, and is thus at the core of ILO action. As a strategic objective it is sought in its own right, and in addition it is a priority means of achieving all ILO objectives. However, despite its promise and successes, social dialogue is rarely used to its full potential, especially as globalization and socio-economic development have opened up possibilities for broadened and diversified levels of social dialogue. In some countries the legislative framework is inadequate for these new challenges, or the institutions for dialogue are not yet fully developed. In many cases organizations of employers and workers are not sufficiently strong and independent. Many governments remain reluctant to engage in meaningful dialogue with the social partners on basic questions of social and economic policy.

**79.** Improvements in social dialogue must take into account the rapidly changing economic and social environment. The scope and patterns of collective bargaining are changing, with an increase in enterprise-level bargaining. The implications for social dialogue of new developments such as voluntary codes of practice will be explored. Recourse to individual contracts, fragmentation and informalization of the labour market, and widening disparities between groups of workers have eroded the capacity for collective action. Globalization has implications for the level at which industrial relations is conducted. Workers' and employers' organizations have found it difficult to sustain and increase their membership in these circumstances and to operate effectively at multiple levels. Their influence over economic and social decisions has sometimes waned, especially where they lack capacity to analyse complex economic developments and policies. In some parts of the world there are serious violations of international labour standards on freedom of association, the right to organize and collective bargaining.

**80.** Governments are rethinking and in many cases reducing their role in the labour market. The influence of ministries of labour on major economic decisions that have an impact on employment and social polices is usually limited. Privatization and public sector reform has often lacked the social dialogue necessary for ensuring positive outcomes.

**81.** Failure to address issues such as equal pay, maternity protection and sexual harassment is linked to the under-representation of women, particularly at the decision-making level, in labour administrations, employers' organizations and trade unions. There is a need to improve outreach to women workers, who in many cases work part-time or in the informal economy, as well as to the increasing number of women entrepreneurs.

**82.** Civil society groups have emerged as a major force. Many such groups deal with labour issues, such as the equitable sharing of the benefits of globalization, child labour, gender equality, occupational safety and health and corporate social responsibility. These groups are often fragmented and their voices are sometimes incoherent. The social partners have an important opportunity to enhance their influence through alliances with civil society groups that share ILO values and methods of work. This will require new capacities and greater outreach.

### *ILO response*

**83.** A precondition for social dialogue are the necessary guarantees for freedom of association and collective bargaining. However, for organizations of employers and workers to play their essential role they need to have a broad membership, effective services for their members, and the necessary capacity to contribute to decisions on economic and social policy.

84. Beyond the minimum guarantees and the direct strengthening of the social partners, it is important to put in place the necessary regulatory and institutional framework for social dialogue and to ensure the effective participation of employers' and workers' organizations. Institution building and social dialogue at the sectoral level can be particularly important for topics such as occupational safety and health or skills training. In most countries the government is the largest employer, and the public service too needs a proper framework of dialogue and negotiation.

85. Strengthening the institutions and processes of social dialogue involves assistance to governments in the elaboration and adaptation of regulatory frameworks and in the dissemination and application of laws and regulations promoting decent work. This will mean involving all government agencies responsible for labour administration and more broadly for economic and social policy, as well as the participation of the social partners. Special attention will be given to promoting social dialogue in countries in transition and going through public sector reform and privatization processes. Training in the prevention and resolution of conflict as well as advice on mediation and dispute settlement mechanisms will be a central activity to support the advancement of social dialogue. Dialogue on gender equality will be promoted through information and training on successful experience. Support for outreach will encourage the social partners to extend their representation, to explore strategic alliances with civil society groups on labour and social issues and to build a culture of trust in the processes of social dialogue. Ways of extending services to and representing workers in the informal economy will be documented and promoted.

86. At the international level, social dialogue is essential for the construction of global institutions with legitimacy and widespread support. At the same time, increasing global competition and new forms of work organization in the global economy affect collective bargaining and social dialogue at the national level, and create incentives for new forms of cross-border dialogue, for example, within regional integration processes. These developments need to be analysed and their implications understood.

## *Decent work*

87. Promoting a participatory process that gives a voice to those most directly involved in the world of work is an essential part of the conceptual framework of decent work. While government capacity to design and implement decent work strategies will need to be strengthened, applied research on strategies for enhancing the representation of workers and employers and ensuring their participation in social dialogue institutions is crucial to promoting decent work for all. Social dialogue is also fundamental to the achievement of each of the strategic objectives. More especially, it provides the means of integrating the strategic objectives into a coherent approach for decent work initiatives with the full involvement of the social partners at the country level. Expanding opportunities for social dialogue at all levels is critical to the debate on globalization. By bringing the experience of working men and women to the forefront at the global level, the ILO provides a world forum for social dialogue on decent work.

88. Social dialogue does not operate in a vacuum. The dialogue has to be about substantive issues in order to be effective. All of the ILO's technical sectors hence include provision for social dialogue. Functioning institutions of social dialogue play a key role in ensuring the participation of the social partners in determining how to achieve socially sustainable development, particularly in the central matters of wealth distribution, conditions of work and occupational safety and health.

89. The sector will work together with the other sectors on a number of critical issues to which social dialogue can make a significant contribution at the national, sectoral and enterprise level. It will coordinate work on social dialogue to promote decent wages

through wage-fixing machinery and collective bargaining, including reducing the persistent gender wage gap. Other intersectoral collaboration includes:

- with the Standards and Fundamental Principles and Rights at Work Sector, promoting the participation of employers' and workers' organizations in action under the Declaration and IPEC, as well as in standard setting, supervisory processes and action to improve the application of standards;

- with the Employment Sector, building the capacity of the social partners to participate effectively in the formulation and implementation of employment and productivity-related policies and programmes;

- with the Social Protection Sector:

  – the development of programmes on HIV/AIDS involving employers' and workers' organizations and labour administrations;

  – joint action on occupational safety and health, concentrating on key sectors such as mining, construction, forestry, chemicals and agriculture;

  – work on the role of employers' and workers' organizations in improving working conditions in small enterprises.

## *Operational objective 4a: Stronger social partners*

| Objective: | To strengthen the representation, services and influence of the social partners. |
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| Indicators: | Employers' or workers' organizations that provide new or improved services to their members or strengthen their capacity to provide such services. |
| | Employers' or workers' organizations that take policy or practical initiatives to extend the representation of their organizations. |
| | Member States in which the social partners have greater capacity to influence economic and social policies and programmes. |

Strategy

**90.** Strategic planning will be used to identify opportunities for employers' and workers' organizations to provide new and improved services, and to develop their capacity to deliver them. The ILO will provide training and advisory services to the organizations to help them acquire the skills and knowledge required to provide new or improved services. In the case of employers' organizations, assisting them to develop a competition policy for their countries through a process of social dialogue will be a dominant theme, while the programme of assistance to them will continue to be responsive to their individual needs in other areas. Workers' organizations will continue to be assisted in developing and implementing their policies on training and education, in particular concerning such issues as development policies, the consequences of globalization, the informal economy and international labour standards. Assistance to workers' organizations will be improved through greater coherence between different means of action and better coordination of activities in the regions and at headquarters and the Turin Centre.

**91.** Good practices and benchmarks of strategies to extend the representativeness of the social partners will be documented and disseminated. Work will be carried out to develop services in employers' organizations that would attract small enterprises into membership. The participation of women in enterprise leadership will be promoted through activities to support women entrepreneurs. Efforts will be made to develop and implement trade union policies, not only to attract membership in the formal sector, but to extend the representation in little organized areas such as the informal economy and among migrant workers and youth. Assistance will be extended to workers' organizations to encourage

women not just to join trade unions, but also to take up responsible positions in the organizations.

92. Efforts to increase the participation of the social partners in social and economic policy-making will include assistance to increase their knowledge and analytical capacity on relevant issues, as well as promoting government action to enhance their role.

## *Operational objective 4b: Strengthening governments and the institutions of social dialogue*

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| Objective: | To strengthen governments, legal frameworks, institutions, machinery and processes for social dialogue. |
| Indicators: | Member States that ratify ILO Conventions addressing the institutions or practice of social dialogue. |
| | Member States that adopt legislation based on ILO standards and advice, with the involvement of the social partners. |
| | Member States that establish or strengthen legal frameworks, institutions, machinery or processes for social dialogue. |
| | Member States in which social dialogue institutions or processes specifically address gender issues. |
| | Member States that ratify or take practical steps to apply the Labour Administration Convention, 1978 (No. 150). |
| | International organizations and regional or subregional groupings that integrate social dialogue into labour-related policies, action plans and institution building. |

Strategy

93. The InFocus Programme on Social Dialogue will play a leading role in standards promotion and technical assistance on social dialogue. Through research, the development of practical tools and dissemination of examples of good practice, it will help strengthen both the institutions and the processes of social dialogue.

94. Awareness will be raised of how bipartite and tripartite bodies and the social partners can be more involved in ratification processes, with particular emphasis on the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). Parliamentarians and parliamentary bodies will be the target of promotional activities for the ratification of ILO labour standards relevant to social dialogue. The sector will contribute to the promotion of the ratification and implementation of Conventions Nos. 87 and 98, which are fundamental to social dialogue.

95. Technical assistance will be provided to strengthen the capacity of governmental bodies to design, implement and enforce labour laws and to ensure the legal and institutional framework for social dialogue. The involvement of the social partners in this process will be promoted. Legislation on the public service will be included.

96. Research will focus on the factors responsible for successful social dialogue and for its failure, and on the potential of social dialogue to enhance economic performance and promote social progress. It will also examine different forms of social dialogue and emerging partnerships. These include enterprise-level consultation and bargaining, social dialogue at the local level and in the informal economy, multi-country sectoral agreements, national social and economic councils, and economic and social pacts at the national, subregional and regional levels. Using comparative research findings, technical assistance will be given to constituents in member States to analyse social dialogue practices and procedures and improve the effectiveness of their institutions and processes. Advice on establishing and strengthening dispute settlement mechanisms, as well as capacity building on conciliation, mediation, negotiation and collective bargaining skills,

will also be provided. Particular efforts will be made to provide technical assistance in strengthening institutions and processes for social dialogue at the sectoral level in selected countries and sectors such as forestry, construction and agriculture, as well as at the global level in a number of sectors in which there is expressed interest by workers' and employers' organizations for bipartite cooperation, such as the maritime sector (including fishing), the chemical industry and transport.

97. Comparative experience of the mechanisms and strategies used to promote gender equality in bipartite and tripartite institutions will be documented. Positive experience of using social dialogue, including collective bargaining, to address gender equality issues as well as practical strategies for mainstreaming gender issues in institutions, government ministries and workers' and employers' organizations will also be identified and disseminated. The ongoing collection of baseline data on the participation of men and women in trade unions, employers' organizations and ministries of labour, including in leadership positions, will provide essential information for evaluating progress. Technical assistance to strengthen the capacity of governments and workers' and employers' organizations to address gender issues will be coordinated within the sector, with relevant technical units and the field.

98. Opportunities will be identified for promoting the ratification of the Labour Administration Convention, 1978 (No. 150), together with the field and followed up by appropriate action. Technical cooperation programmes will be further developed to assist labour ministries to design and implement action plans to strengthen their administrations and enhance their participation in social and economic decisions affecting the world of work. Work to strengthen the service role of labour administrations in relation to labour inspection and employment services will be carried out in cooperation with other relevant sectors. The public service, public sector reform and privatization will be included in this work.

99. The ILO will seek a more active role in promoting the virtues of social dialogue with international organizations, with particular emphasis on the Bretton Woods institutions. In view of the growing importance of economic pacts and agreements being concluded at the regional and subregional levels, the ILO will be more directly involved in the activities of these groupings at those levels in order to advocate social dialogue on socio-economic issues and the involvement of the social partners. At the same time, technical assistance will be provided to the social partners themselves to increase their capacity to contribute to the activities of these institutions in member States.

# III. Strengthening institutional capacities

## Management challenges

100. On taking office in March 1999, the Director-General moved quickly to institute changes in management systems and structures and to encourage a culture of teamwork. The Office was reorganized around the four strategic objectives. A Senior Management Team composed of the Director-General and the six Executive Directors was created. A number of senior appointments were made, of which a substantial percentage were women. In the course of 1999 seminars and other training sessions were convened for headquarters and regional staff to explain the processes of change that had been put in motion and to obtain feedback from officials at all levels. These were the first steps in a process of bringing change to all levels of the Office. Changes in the ways that colleagues work and communicate are not accomplished quickly or easily. Moreover, changes in style and methods of work are being accompanied by changes in performance expectations brought about by strategic budgeting. The need to accomplish objectives, meet targets and think

strategically affects how work is organized, how resources are distributed internally and how staff are evaluated.

101. To assess how the change process was being perceived and to judge what managers and staff believed were the positive and negative features of change, a climate survey of the staff at large was undertaken and a management retreat of senior managers was organized in the first half of 2000. The conclusions from both were largely similar. On the positive side, staff believed that the decent work vision had given the ILO a clear image of its purpose to the world, that the visibility of the Organization had been considerably enhanced, that the concentration on the four strategic objectives had sharpened its focus and that change was necessary and welcome. Concerns were expressed principally about the need to overcome obstacles to the better delivery of services and to the strain imposed by the need to perform more effectively. There was also a strong wish that internal communications be more effective and that decision-making be more transparent at all levels. The need for a reform of human resource policies was a priority for most. There was a strong wish to deepen change; many felt that it had not yet gone far enough. The climate survey, in particular, pointed to the need to improve the skills of managers. There was a need to develop a stronger service mentality in the ILO departments providing internal support services.

102. Action is under way on all of these points. Special measures are being taken to speed up the delivery of technical cooperation, for example by fixing targets for delivery and the use of a "hotline" to unblock administrative obstacles to delivery and fixing clear responsibility for delivery with individual officials, and not only units. A survey of the costs of delivering technical cooperation is in progress. This is expected to reveal not only the true costs of this work, but also the particular bottlenecks affecting delivery. A new Director of Communications has been appointed to develop a programme that goes beyond the ILO's traditional media-centred strategy and offers a comprehensive organizational communication strategy. An ambitious programme for the reform of human resource policies has begun. A programme of management coaching was started in 2000. A paper before the Committee at its current session provides the final list of objectives, indicators and targets for 2000-01, establishing targets and service standards for all support units. [4]

103. These are the immediate responses to immediate problems. In the longer term the challenge remains that of delivering on demands for increased and better services in the context of zero budgetary growth. This requires a high level of management skill in deciding how services will be delivered. It requires priority setting, but there are limits to what the Office alone can do about fixing priorities. It is vital that the staff be motivated, believe that their performance is fairly judged, and that training and support be available to aid them in accomplishing their tasks. This requires that managers be knowledgeable about the technical issues of their programmes and have highly developed leadership and people management skills. The emphasis on working across sectors – headquarters and regions – in achieving common objectives and delivering on decent work will require managers with strong teamwork, networking and negotiating skills. There will be a sustained effort to meet these challenges over the time frame of the Strategic Policy Framework, with incentives to support the process.

## Regional services

104. The ILO delivers a substantial and essential part of its services to constituents through its regional structures. In its conclusions concerning the role of the ILO in technical

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[4] GB.279/PFA/7.

cooperation, adopted in 1999, the International Labour Conference called attention to the need to improve regional services and to better integrate work at headquarters and in the field. These points were re-emphasized in the discussions in the Programme, Financial and Administrative Committee on strategic budgeting.

105. In order to strengthen ILO action in the regions, the Director-General has launched the following measures, which will be applied and reinforced throughout the planning period:

- creation of a task force to promote improved delivery of services and better working methods, including targets to increase delivery rates;

- better integration of the work of headquarters and the regions through joint programming and work planning;

- the integration of extra-budgetary technical cooperation in the strategic budget;

- achieving a critical mass in each technical field through concentration across the Office on the indicators and targets established in the strategic budget;

- placing a strong regional and country-level component in all parts of the decent work agenda;

- networking both globally and locally, taking advantage of new technologies;

- ensuring that capacity is available to respond to specific national, subregional and regional needs, in particular by reserving time of headquarters staff to provide advisory services in the regions;

- steps to increase the volume of extra-budgetary resources available for technical cooperation within the framework of a zero growth regular budget.

106. It is necessary to improve the accountability and clarity of decision-making. This will be done within the framework of existing structures: resources are not available to open new offices, and there are no plans to close offices. The existing process of combining area offices and MDTs in the same location will be continued. Ultimately, there should be only ILO offices, which will combine representation, programme management and technical advisory services, and to which international staff may be assigned flexibly on the basis of needs. The offices will be grouped in subregional structures where appropriate, under the overall authority of the Regional Director.

107. Another key innovation will be to establish Decent Work Teams in the regional offices, reporting to the Regional Director. Each team will include expertise under all four strategic objectives. They will have several related roles: to provide support to the regions in planning and implementing the decent work agenda; coordination of the ILO's activities in the region across strategic objectives; liaison with technical sectors at headquarters, in particular on the joint programming of activities; and linking information and action across regions. Modern technology will be used to ensure networking and teamwork both with headquarters and throughout the regional structure.

## Knowledge management

108. A key part of the ILO's mandate is to collect, process and disseminate information and knowledge about labour issues worldwide. No other institution is better placed to do so. The ILO's tripartite structure and its network of offices provide unique possibilities to collect data on many work-related issues across the globe. This function, mandated in the Constitution, enables constituents and the international community to formulate policies and programmes from a sound knowledge base.

109.  The management of information and knowledge in the ILO covers labour and social issues worldwide and the ILO's work on these issues in the form of research, policy advice and statistics. It also encompasses the information needed for internal management and financing, administration, technical cooperation performance indicators and personnel. Staff need easy access to a wide range of data and information to carry out their tasks in an efficient manner. Budgetary data, project information, staff information and different types of technical and administrative data need to be readily accessible.

110.  A key issue in effective knowledge management is tacit knowledge. This is knowledge that is not contained in publications or databases but covers the experience, insights, and other unwritten knowledge not only of ILO staff, but also of its constituents. It is the institutional memory of the Office. It is generally recognized that such knowledge can substantially enhance the effectiveness of an organization. The difficulty is, however, to capture tacit knowledge. The information technology is available to set up discussion groups on the Internet, to create "virtual communities", and to provide other means of sharing information. But for this to happen, people must be willing to share knowledge voluntarily. They can be motivated to do so if knowledge sharing is seen as a process to which everyone contributes and from which everyone benefits. In other words, an effective strategy for capturing tacit knowledge needs to include incentives and administrative measures to create a knowledge sharing culture.

111.  Knowledge management has progressed in the ILO through several initiatives. In 1996, the ILO public website was created and now has more than 4 million hits each month. The ILO Intranet site contains additional information for use by ILO staff. Moreover, the Office is in the process of setting up a common IT infrastructure for the many databases needed to improve searches for information across these sources. Work has also started on creating a central information system – the ILO InfoCentre – giving staff members access to a wide range of administrative and personnel data in a user friendly manner. Progress has also been made in making ILO databases and the information sources available in the ILO library directly accessible through the Internet. The Governing Body has already approved the replacement of the current financial computer system with an Internet-based system for processing financial data.

112.  While these measures have improved, or will improve, information and knowledge management in the ILO, the Office still needs to develop a comprehensive policy to make information gathering, processing and dissemination more effective. Substantial advances can still be made in providing different groups – constituents, staff members and others – with the required information as and when they need it.

113.  In order to meet this challenge, the ILO will develop and implement a knowledge management policy bringing together the different stages of information gathering, processing and dissemination. Development of this policy will begin with a survey of the data and information available in the ILO. An evaluation of the usefulness of existing information will be complemented by a review of the information needs of constituents and of staff members. Other matters to be considered in the policy are:

■    An appropriate Internet-oriented document management system. This will enable the filing and retrieval of many different types of ILO documents. More generally, relevant information may be stored in computerized databases that can be easily accessed through the Internet by authorized users including constituents, staff and others.

■    The problem of information overload. Advances in information technology have created a situation where users are provided with far more information than they can handle. The filtering of information has become essential. New information technology is available for this purpose.

- The internal Advisory Group on Statistics has produced a number of proposals for improving the collection, processing and dissemination of statistical data which can be incorporated into a larger strategy of knowledge management. Its conclusions and recommendations are discussed below.

- The issues of capturing tacit knowledge and knowledge sharing are not issues of technology but of culture, and will need to be driven by internal communications policies and practices. To encourage such a cultural transformation, incentives will need to be created for the staff to exchange knowledge and experience on a proactive basis, and senior management will have to show the lead. Internet-based discussion groups or "virtual communities of practice" can be an effective way of capturing tacit knowledge once knowledge sharing is seen as a regular task by staff members.

## Statistics for decent work

### *Background*

114. Statistics are essential to strengthen ILO as *the* centre of excellence on labour issues and an authoritative source of labour information. They are required to design, implement, monitor and evaluate progress towards decent work both inside and outside the ILO. They are also required to communicate key messages to the world at large and to support Office policies as a whole. Statistical activities occur throughout the Office, resulting in the creation of many statistical and textual databases (close to 50 at the time of writing). Recognizing the need to improve coordination of these activities, the Director-General has established an Office-wide policy for the development of its statistical capacity over a five-year period.

115. This policy requires that: (i) sectors, the field structure and the Bureau of Statistics have identifiable statistical activities which fit into an integrated strategy; (ii) each of them take primary responsibility for statistical activities in areas where it has a comparative advantage; (iii) improved collaboration and cooperation within the Office, with decent work as the unifying theme.

### *Implications for institutional capacity building and statistical activities*

116. The longer term objective is to develop tools to measure, assess and monitor decent work. The Office will identify, develop, measure, analyse and disseminate statistical indicators of decent work to assist in policy formulation and evaluation and to better communicate with constituents and the public.

117. Statistical data are also required to monitor ILO programme activities through appropriate indicators and targets. The Office will maintain its role as custodian of a unique store of international labour statistics, and as the source of international standards on labour statistics.

### *Bureau of Statistics*

118. The Bureau will be at the centre of the Office-wide strategy and will have a reinforced role, providing advice and assistance to other parts of the Office to ensure quality of work.

119. The Bureau will have a major responsibility for statistics in the Office with regard to: (i) gathering, processing and disseminating official national data for a core set of indicators; (ii) maintaining a long-term repository of statistical data; (iii) setting international standards and guidelines through the International Conference of Labour

Statisticians; (iv) advising, collaborating and liasing with government offices and other international organizations on labour statistics.

120. The gathering, processing and dissemination of well-established and routinely collected official national data are the Bureau's most important activities. It will work more closely with the sectors and the field structure to set priorities for data collection. Databases and publications will be reviewed, and those of lesser importance will be discontinued. There is a need to improve data dissemination with more user-friendly software and to develop an improved format for the *Yearbook of Labour Statistics*. The country coverage, quality and consistency of data series will be improved in continued close liaison with national statistical offices.

121. The Bureau will lead a review of multi-country statistical databases in the Office to examine how they can be interlinked and easily accessed within and outside the Office.

## Technical sectors

122. Sectors will be mainly responsible for conceptual, developmental and analytical statistical activities in the Office, such as: (i) identifying new and improved indicators of decent work and new labour issues; (ii) developing and pilot testing new and improved indicators with a view to their eventual inclusion in the Bureau's data collection activities; (iii) increasing the cross-country comparability of national data for selected indicators; (iv) undertaking ad hoc data collection and analysis.

123. The expertise and available information differ across the sectors. The Standards and Fundamental Principles and Rights at Work Sector will focus on developing concepts and definitions for new indicators to measure core standards, and then to pilot test and help make data collection routine. Major textual databases in this sector, such as NATLEX, ILOLEX and APPLIS will be reviewed for overlap, structure and content to help improve their usefulness and cost-effectiveness.

124. The Employment Sector will focus on increasing the comparability of the available employment and wage data routinely collected by the Bureau of Statistics by adjusting official data and creating comparable ILO data series. The sector will also develop additional indicators on employment, labour market and related subjects, especially in the framework of the Key Indicators of the Labour Market (KILM) project.

125. The Social Protection Sector will focus on the development of indicators of socio-economic security and social protection, including indicators that cover workers in the informal economy.

126. The Social Dialogue Sector will develop and compile indicators of voice representation and social dialogue (e.g. union density rates and collective bargaining coverage).

## The regions

127. The ILO's extensive field structure can play an important role in its efforts to collect, process and disseminate national data. In order to more fully utilize this potential, field offices will: (i) increase the collection of national data to maximize country coverage and comparability across countries; (ii) develop regional and subregional databases for dissemination and use in the analysis of decent work; (iii) respond to constituents' needs, including the provision of technical assistance.

128. Capacities for statistical activities need to be strengthened in the field structure. National information specialists will be engaged to improve the gathering and checking of national data and to maintain regional and subregional databases.

### *Consultative Group on Statistics*

**129.** The Office will establish a Consultative Group on Statistics to ensure collaboration and flow of information between sectors, the Bureau of Statistics and the field structure. This group will: (i) monitor the Office strategy on statistics; (ii) identify resource priorities for statistics; (iii) carry out a technical review of selected statistical data before publication; (iv) review and advise on major statistical publications; (v) investigate how current work on indicators of decent work could lead to the development of combined decent work measures or indices.

## Gender equality

**130.** Progress has been made on gender equality since the Fourth World Conference on Women (Beijing, 1995); the human rights of women have gained recognition; violence against women is now an illegal act in almost every country. Progress, however, is uneven and far from sustained. Women continue to represent the majority of the world's poor. Much of their work is unpaid and often remains invisible in official statistics. Women are over-represented in the more precarious categories of employment, in the informal economy as well as among the unemployed and underunemployed. Women are therefore in many cases covered neither by legislation nor by social security, and they have no voice to improve their situation. They bear the brunt of the social costs and human suffering during periods of economic crisis and armed conflict and as a result of the HIV/AIDS pandemic. There has been no breakthrough in women's participation in decision-making processes and little progress in legislation in favour of women's right to own land and other property.

**131.** To address these multi-faceted gender issues, it is essential to take an integrated approach, based on equal rights and partnerships between men and women. Gender is an issue that cuts across all of the ILO's four strategic objectives and is fundamental to achieving decent work for all. For the ILO and its constituents, the future challenge therefore consists in effectively incorporating gender equality concerns throughout the process of putting decent work into practice at the national and international levels.

**132.** The relevant conclusions and initiatives of this year's two special sessions of the United Nations General Assembly held to assess follow-up on the Fourth World Conference on Women and the World Summit for Social Development held in 1995 will be incorporated into the programmes of each of the technical sectors. Specific emphasis will be placed on:

■ supporting the Declaration on Fundamental Principles and Rights at Work and its Follow-up, and promoting other international labour standards particularly relevant to women workers;

■ seeking to target and eliminate the employment of the girl child;

■ strengthening the employability of women and fighting poverty by addressing the quantitative and qualitative dimensions of women's employment;

■ improving conditions of work for women through maternity protection and the promotion of measures against sexual harassment and violence at the workplace, and improving protection for migrant women workers, with particular emphasis on women being trafficked for prostitution;

■ eliminating discrimination and promoting gender equality in social security systems, and extending coverage to excluded women workers;

- making gender equality issues visible on the agenda of social dialogue and that of tripartite institutions as well as promoting the more effective representation of women within employers' and workers' organizations.

133. The capacity of ILO constituents to design gender-sensitive policies and implement programmes to promote gender equality in the world of work will be strengthened by enhancing their ability to carry out gender analysis and gender planning in their national context. A multidisciplinary approach will be emphasized to mainstreaming gender, complemented by special activities targeting women.

134. Assistance will focus on establishing the appropriate national institutional arrangements for promoting gender equality. It is necessary to consolidate and disseminate experience and the lessons learnt in this area, in particular with regard to the functioning of tripartite national committees set up to promote gender equality.

135. The effective implementation of ILO action on gender equality requires strengthening the ILO's knowledge base on gender issues. This will be pursued through the collection of gender-sensitive data in all ILO areas of activity and will be a main priority for the technical sectors in cooperation with the Statistics Programme. Applied research will be carried out in areas related to work and family, the care economy, the informal economy, macroeconomic policies, migration and trafficking and information and communications technology. Other areas of research will focus on a life-cycle approach to gender equality by examining discrimination against women throughout all stages of their lives, gender equality's contribution to decent work, and the links between gender equality in employment and poverty reduction. In addition, new measures will be developed to collect and disseminate good practices emerging from the implementation of the decent work agenda.

136. Internal capacities to effectively incorporate gender equality issues in all ILO activities will be further strengthened. The ILO strategic budgeting framework will be used to encourage ILO action on gender equality, including through the further development of gender-sensitive performance indicators and targets.

## External communications

137. While progress has been made in raising public awareness of the ILO, there is a need for a longer range communications strategy to consolidate and extend recent successes. The details of such a strategy are being prepared. It will be based on the central idea that strong communications capacities and outreach across the Office are key components for the ILO's success. Some important elements are given below.

138. The first element of the strategy is a clear, consistent message. This is one of the strengths of the unifying concept of decent work. It will be necessary to ensure that this message is a feature of all ILO communications initiatives, and that ILO officials at all levels are able to articulate it accurately and convincingly. All the tools available to the ILO to enhance its communications will be used in a consistent way, so that the ILO "brand" and the decent work theme are immediately recognizable.

139. A second element is the targeting of information and advocacy to specific audiences, in language that they understand. The ILO's most fundamental channel of communication is with its constituents, and this will be reinforced. In addition, it is necessary to ensure that our partners in the global multilateral community receive and understand our message, as well as parliamentarians, donors, public interest organizations, and the public at large. The nature of the relationship and the method of work needs to be adapted to each counterpart.

140. Thirdly, communication must be proactive. It is not enough for the ILO to be a repository of information, however valuable that information may be. We need to ensure that the information is conveyed in a timely, attractive and persuasive manner. Modern information technologies permit this to be done more and more effectively, but only if it is understood that we must seek out the audience and not wait until asked.

141. Improved communication will require enhanced skills at all levels in the Office. Part of the response to this need will be staff training on public presentations and relations. A communications culture will be promoted in which staff and constituents will find it natural to keep all concerned parties informed of important ILO action. Communication will be built into all major activities at the design stage.

142. There is also a need for a central service to support communications. This includes media relations, assistance in preparing press releases and other messages, technological support and training.

## *External relations and partnerships*

143. To meet the challenges of globalization, an integrated framework for economic and social policy in the global economy is required which can foster coherent policy development and action within the multilateral system. This has been underscored by the outcomes and commitments stemming from major recent global conferences and their follow-up processes, in particular the World Summit for Social Development and the Millennium Summit.

144. The Bureau for External Relations and Partnerships has been established in order to coordinate and further develop an Office-wide strategy which responds to this need, and in particular to strengthen the ILO's linkages with the international community around the decent work agenda. Within the Bureau, the International Policy Group has been assigned the task of developing analytical approaches and policy positions in this regard. A cross-sectoral Advisory Committee on International Policy issues has been formed to guide the Office's international policy agenda. These have been key initial steps towards an Office-wide engagement in interacting with the international community in an integrated and mutually reinforcing way.

145. To further promote the decent work agenda, the ILO needs to translate these policy and conceptual messages into operational activities in such a way that ILO priorities are reflected in national and international development strategies, as well as in the operational agendas of other global development players and their constituents. This will assist in ensuring the centrality of employment, fundamental rights at work, social protection and social dialogue in the development approaches adopted by the international community, and in mobilizing resources for this purpose.

146. Mainstreaming the external relations dimension in its activities and means of action will better equip the ILO to project its values and messages throughout the international community, and to influence policy positions that are crucial in making decent work viable and operational at the national level. At the same time, it will allow ILO programmes and activities to build up synergies with key players in the multilateral system.

147. In the light of the above, the development of global partnerships to promote the ILO's strategic objectives will be treated as a cross-cutting issue in ILO activities. To this end the Office will organize a comprehensive review of the role of external relations and partnerships in promoting the Organization's priorities, and will establish an overall policy direction for a coherent interface and synergies between relations, technical functions and operational activities vis-à-vis constituents and the international community. The external

relations and partnerships function will be developed in close coordination with the ILO knowledge management system and with its communications and outreach.

## *Human resources development* [5]

148. Human resources will be strategically linked to the ILO's capacity to implement the decent work agenda, and in particular to knowledge development and management. There are four major challenges:

   (i) continued development and implementation of the Human Resources Strategy described in the papers submitted to the Programme, Financial and Administrative Committee in November 1999 and March 2000. After the year 2000, the focus will shift to consolidating the new HR processes;

   (ii) implementing planned systems for career development, succession planning and prospection to secure a significant improvement in both the quality and timeliness of appointments;

   (iii) an increase in training activities geared towards the delivery of the ILO's priority objectives;

   (iv) a substantial switch of HR spending away from administration and towards recruitment in career development and training.

149. Meeting these challenges will make a fundamental contribution to the ILO's ability to meet changing organizational priorities. The goal is a significant increase in the capabilities of the Organization through a combination of strong quality controls in external hiring, along with more investment in staff training and development.

150. Special attention will be paid to ensuring that all human resources policies are gender-sensitive. In particular, priorities will include improving the staff gender balance within the Organization, especially at the managerial level, career development and the promotion of a gender-sensitive and family-friendly working environment.

151. Although the medium- to long-term HR strategy is a challenging one, the opportunity exists for the delivery of each of these objectives within the five-year time horizon under consideration. Implementation of the new HR strategy by spring 2001 is under way. The shift of resources from administration to career development through a combination of decentralization of activities and selective outsourcing is a realistic expectation.

## Information technology [6]

152. Building on the lessons from two earlier exercises, a third IT strategy exercise will be initiated, covering the period 2001-05. As with the formulation of the other two strategies, there will be extensive consultation with user departments. A consulting company will be competitively selected to undertake this project. The following major directions will be covered by the latest update:

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5 Further details of the Human Resources Strategy are found in GB.277/PFA/10 and GB.279/PFA/12.

[6] See also GB.279/PFA/5 (Information Technology Systems Fund).

(i) replacement of the old mainframe-based in-house-developed financial system by a modern off-the-shelf Enterprise Resource Planning (ERP) package, with integration of the enhanced human resources information systems;

(ii) resources permitting, installation of an Electronic Document Management System (EDMS) as a secure distributed repository of searchable documents of all types: text processing, spreadsheets, publications, e-mail, web pages, scanned papers from the ILO archives, images, audio and video. The EDMS, which will be fully accessible from the regions, will streamline the production and dissemination of documents while providing the essential foundation for the implementation of knowledge management;

(iii) implementation of a Virtual Private Network (VPN) for secure seamless voice and data communications throughout all ILO offices;

(iv) continued upgrading of the network infrastructure to keep up with new technologies and the demands of new applications, such as desktop-to-desktop video-conferencing; a high priority will be to ensure that the technological infrastructure at headquarters and in the regions is adequate to support their common work;

(v) increased reliability and performance of network-based applications through the clustering of servers and implementation of a Storage Area Network (SAN).

**153.** Resources for the above proposals are in the Information Technology Systems Fund, approved by the Governing Body in March 2000.

**154.** The defining feature of all new corporate systems is that they be web-oriented.

# IV. Conclusion

## Implications for the Programme and Budget proposals for 2002-03

### *Form and content of the proposals*

**155.** The strategic framework contained in the previous section of this paper will provide the foundation for the Programme and Budget proposals for 2002-03. The framework itself will be included in full in the proposals, amended as necessary to take into account the discussions at the present session of the Governing Body. In addition, the following information will be provided:

■ Targets for each performance indicator.

■ Strategy statements for each indicator (more detailed, time-bound versions of the strategies in the present paper, with indications of major outputs during the biennium).

■ An estimate of extra-budgetary technical cooperation expenditure under each operational objective, with a description of the contribution of technical cooperation to the achievement of the performance targets. These descriptions will emphasize the regional dimensions of technical cooperation.

■ Descriptions of additional action if additional extra-budgetary resources are found, with links to higher performance targets.

- Resource tables for the strategic budget, the operational budget and each sector and main programme, with comparative information for 2000-01.

- Explanatory appendices on resources.

**156.** While the strategic objectives of the ILO remain fully valid, the operational objectives and indicators have been modified by comparison with those for 2000-01.[7] In part, the changes relate to the process of learning how to apply strategic budgeting concepts in the specific conditions of the ILO. The revised indicators and targets are intended to provide greater clarity and easier measurement, and thus to be a better basis for reporting on performance. In addition, the objectives and indicators have been revised with a view to achieving greater focus and ensuring a critical mass for high-priority action. The 16 operational objectives have been reduced to ten, and the number of indicators has been reduced from 46 to 38.

**157.** Proposals for the support and management services will be guided by the discussion on strengthening institutional capacities. In many cases, the performance indicators for 2000-01 will remain valid.

## *Meetings*

**158.** In order to allow maximum flexibility in the choice of meetings for the future and to ensure that the ILO is able to respond to recent developments, it is suggested that the Programme and Budget proposals for 2002-03 specify only a part of the meetings for the biennium. There are normally nine meetings, and it is at present assumed that resources for these meetings should be kept at the 2000-01 level. Two of the meetings are traditionally reserved for the Employers' and Workers' groups. At present the Director-General feels that three meetings should have priority:

- the Seventeenth International Conference of Labour Statisticians;

- the Thirteenth Joint ILO/WHO Committee on Occupational Health;

- the Global Conference on Decent Work in the Informal Economy.

**159.** Proposals have also been developed within the Office concerning time-bound programmes on the worst forms of child labour, the global financing of social assistance, HIV/AIDS at the workplace, discrimination in employment and occupation, gender equality in pay, the impact of regional and subregional integration on labour legislation, and introducing change in labour administrations.

**160.** The Governing Body may wish to provide guidance on the number of meetings and topics that should be included in the Programme and Budget proposals for 2002-03. If it decides on fewer than nine meetings in March, the Governing Body will be able to decide at a later date on the topics for the additional meetings.

## *Resources*

**161.** The Director-General intends to submit a zero growth budget, despite strong demand for ILO action on many fronts and the need for innovation to remain relevant in a rapidly changing world. A maximum of effort has been and will continue to be applied to the identification of the cost savings that can be applied to new or strengthened action. This

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7 See GB.279/PFA/7 for the objectives, performance indicators and targets for 2000-01.

effort, however, needs to be seen in the context of the real resource decline in recent biennia, which limits the scope for further savings.

162. Resource constraints are especially severe for some of the ILO's most promising new programmes and for long-neglected issues such as staff training. For example:

   ■ The major innovation of the proposals for 2002-03 will be emphasis on decent work, as described earlier in this paper. Resources are needed for research, data collection and strengthening the knowledge base, and for practical activities at national level. Technical sectors and the regions have been asked to make important contributions, yet the total resources available are far below the needs.

   ■ The costs of reporting on and follow-up to the ILO Declaration on Fundamental Principles and Rights at Work are underestimated in 2000-01 by over $2 million if all the activities are carried out. In addition, the compilation of the replies for consideration by the Expert Advisers under the Declaration programme costs at least $1 million to translate and print (these costs are borne by the Relations and Meetings Programme). These costs may rise in 2002-03, when the annual reports will concern discrimination and child labour.

   ■ Regular budget support for several other InFocus programmes should increase if they are to meet the original goals of visibility and impact. Moreover, as these programmes attract increasing technical cooperation funds, demands on the regular budget increase, as can already be seen in the case of child labour. Yet zero growth imposes a severe limit on any increase.

   ■ Extra-budgetary technical cooperation resources have fallen for the ILO's traditionally large programme on employment, just as important new initiatives are under way, in particular the Jobs for Africa Programme. The extent of regular budget support for programme development and implementation is tightly constrained.

   ■ While there are some encouraging signs, multi-donor extra-budgetary support has still to be secured for HIV/AIDS activities. Regular budget support is available only by cutting other programmes at a time of overall resource difficulty.

163. In view of the constraints on the regular budget, voluntary contributions could do much to help overcome them. Extra-budgetary donors could – as several have already generously done – consider including core resources in the projects they approve. This would be entirely consistent with the new budget presentation for 2002-03, in which performance is achieved through efforts funded under both the regular budget and extra-budgetary sources.

164. Submitted for information and observations.


Geneva, 20 October 2000.