



## SEVENTEENTH ITEM ON THE AGENDA

**International Institute for Labour Studies****Report of the 44th Session of the Board**

1. The Board of the International Institute for Labour Studies held its 44th Session on 15 November 2002, chaired by the Director-General of the ILO as President of the Board of the Institute. It had before it the Report of the Director;<sup>1</sup> and a document concerning the acceptance of contributions and gifts to the Institute.<sup>2</sup>
2. The Director-General welcomed the new members of the Board. He emphasized the need to respect and encourage the autonomy of the Institute and its academic freedom, the source of quality research and innovative thinking. The Institute had a singular position inside the ILO. On the one hand, it was part and parcel of the Office and contributed to developing the ILO's knowledge base. On the other hand, it had a special status: it was the only place within the ILO where it was possible to stand back from immediate concerns, and it provided the ILO and its constituents with a space for open debate and critical reflection – an instrument to explore new ideas, to question received wisdom, and to develop conceptual frameworks on emerging issues of potential relevance for the ILO. To carry out its fundamental function, the Institute needed to abide by the highest scientific standards and to enhance its credibility and reputation vis-à-vis the broader intellectual community.

**Report of the Director**

3. In introducing the report, the Officer-in-charge and Director ad interim of the Institute expressed the wish to receive substantial comments and guidance from the Board members, especially in view of the preparation of the Programme and Budget proposals for the 2004-05 biennium, which would be submitted to the next session of the Board in November 2003. He recalled that the Institute followed a budgetary cycle which was different from that of the ILO. It was particularly important at this current session to have the preliminary views of the Board on the future direction of the Institute's programmes.

<sup>1</sup> INS.B.XLIV/1.

<sup>2</sup> INS.B.XLIV/2.

4. The Director ad interim emphasized the need to strengthen the ILO's knowledge base, in particular with regard to the promotion of the Decent Work Agenda. In 2002, the Institute had made progress in analysing the positive correlations between fundamental rights at work and economic development, looking specifically at the impact on key variables such as foreign direct investment and comparative trade advantage. The Institute also began a research project on the role of civil society organizations in influencing development policies. Keeping in mind that the topic remained sensitive, the Institute had confidence that research under way would bring valuable empirical evidence through country case studies, showing the diversity of relations that exist at national and even at local levels between public authorities, employers' and workers' organizations, and the numerous associations that are encompassed nowadays within the broad concept of civil society.
5. The Institute and the ILO carried out their activities in a very competitive environment, and tough competition was also taking place in the domain of social sciences. Several international organizations had been increasing the capacities of their research and training centres, such as the World Bank Institute, and the ILO could run the risk of being left behind, particularly in the field of development economics. The resources gap was a matter of concern, but another difficulty resulted in the fact that, in order to substantiate the ILO's decent work objectives, the Institute had to explore issues that touched on economics, law and political science or industrial relations. An interdisciplinary approach was required, and the distinctive feature of the Institute, among ILO programmes, was its capacity to conduct in-depth research with an interdisciplinary perspective on cross-cutting issues such as development or governance mechanisms.
6. In such a competitive environment, there was a clear need to constantly update and consolidate the ILO's knowledge base. During past years, the Institute had concentrated its research work on emerging issues, and it would continue to do so. At the same time, it should be kept in mind that some analytical findings that were taken for granted ten or 15 years ago were seriously questioned today in the academic and scientific communities. Key issues had to be re-examined, recent research work taken into account and new empirical evidence found to solidly substantiate decent work programmes in different areas, such as sectoral collective bargaining or pensions systems. As an interface between ILO units and academic institutions, the Institute could act as a catalyst to update the ILO's knowledge base in several areas, and to consolidate it. In fact, significant research work and data collection had been undertaken in a number of ILO units at headquarters, but also in the regions and in the MDTs. Too often, those results remained scattered and fragmented in the different programmes, and they lacked visibility, particularly in academic circles. The Institute had a key role to play in this respect. It needed to develop closer cooperation with the different sectors and programmes of the ILO, to become the focal point of the Organization on research work, and even to elaborate joint projects and activities with other ILO programmes, where appropriate. Such cooperation had taken place recently, through a new technical cooperation project on social security standards, and through the organization of two public lectures during the current session of the Governing Body.
7. Furthermore, it was important to increase the visibility of the scientific results and publications issued by the Institute, through a more effective information policy and joint ventures with key academic institutions. The Institute had pursued and strengthened recently its relations with the Geneva International Academic Network (GIAN/RUIG) and with the School of Industrial Labor Relations at Cornell University.
8. The report of the Director had two chapters, the Research Programme, and the Education and Outreach Programme.

9. The first project in the Research Programme examined the correlations between fundamental rights at work and economic development. Sophisticated statistical models had been elaborated that related fundamental rights at work to foreign direct investment and comparative trade advantage. They provided empirical evidence that higher labour standards had a positive effect on foreign direct investment. Literature reviews had been published regarding the economic impact of child labour and the effects of wealth and gender inequality on economic growth. The Institute had plans to pursue this research in 2003 through country case studies.
10. The second project in the Research Programme focused on the role of civil society organizations in the design and implementation of decent work policies. Very little empirical knowledge was presently available on these institutions. Country case studies had been conducted in Ireland, Italy, Bangladesh and South Africa, which showed a diversity of relations between public authorities, the social partners and other civil society organizations. That research would be pursued in 2003.
11. Concerning the Education and Outreach Programme, the Institute organized, jointly with the French Ministry of Employment and Solidarity, a symposium on “The future of work, employment and social protection”, which took place in Lyons on 17-18 January 2002. A similar meeting was being prepared for April 2003 in Annecy under a new format. A workshop was organized in Shanghai in May 2002 in cooperation with the Chinese Ministry of Labour and Social Security. Two public lectures were being held during the current session of the ILO Governing Body, and two further lectures had been programmed for early 2003. The annual International Internship Course had been held in Geneva in May-June 2002 for Spanish-speaking participants, and a new course would be conducted in English in May 2003. A Regional Internship Course for Arab States had been held in Beirut, Lebanon, in September-October 2002. Cooperation between the Institute and the ILO International Training Centre in Turin had developed and new training materials on decent work were being prepared. Professor Simon Deakin of Cambridge University had delivered the Fifth ILO Social Policy Lectures (endowed by the ILO’s 1969 Nobel Peace Prize) at the Central European University in Budapest in November 2001. The next series of lectures would take place at the University of Tokyo at the end of 2003. The second Phelan fellowship was awarded to a young Brazilian scholar who had pursued her research at the Institute in early 2002, and the third fellowship had been granted to a young researcher from Nigeria who would start at the Institute in January 2003. A number of visiting scholars and interns had been based at the Institute in 2002, and several study visits had been organized.
12. Concluding his presentation, the Director ad interim emphasized the need to strengthen the Research Programme of the Institute, to develop partnerships with selected academic institutions, and to coordinate the future activities of the Institute with the work of the World Commission on the Social Dimension of Globalization.
13. Mr. Suzuki (Employer Vice-Chairperson) observed that the Institute needed to do more to enhance its visibility and to disseminate information about its activities. He recollected that, when he first attended the International Labour Conference in Geneva, he had thought that the Institute was the think tank of the ILO. Since then, policy research within the ILO had shifted its main focus from structural adjustment in 1989 to the social dimension of globalization, and he mentioned the Governing Body Working Party on the Social Dimension of Globalization and the recent establishment of the World Commission on the Social Dimension of Globalization. The Institute’s visibility had not progressed in line with those developments. In order to enhance visibility, he recommended that the Institute undertake a stock-taking exercise culminating in a structured report that would describe not only activities and outputs, but also the inputs utilized, including human and financial resources. He recommended that it should take the form of an annual report. He also felt

that there was a need to clearly distinguish between the nature of the Institute's own research and the research work carried out by other ILO departments.

14. Looking at future activities, he felt that the Institute's research should be broad in outlook, and it should not be restricted. It should not only address issues such as collective bargaining, but also pursue its research agenda with the academic freedom evoked by the Director-General. Speaking in his own personal capacity, he suggested two possible areas for future research work. First, he noted that current societies had three institutions: government, enterprise and family, and that enterprises were more privileged when compared to the other two institutions. He suggested that the Institute could perhaps investigate the possibility for families to depreciate their housing and tangible assets, which had a large impact on their livelihoods. Second, he referred to the perspective from the Eastern hemisphere to point out that it was with much time and difficulty that enterprises were shaped and developed. He noted that enterprises were derived as a response to the needs of society and therefore they had a social character. He recommended research addressing the social function of enterprises as a way to redress the misunderstanding generated by a vision of the enterprise based purely on its economic purposes.
15. Mr. Suzuki said that the Institute's visibility could also be increased through promotional tools such as a unique colour or means of presentation so that the Institute would be symbolized by clearly distinguishable features. He expressed his ambition to use his three-year mandate to help develop the potential of the Institute – one of the important parts of the ILO. Finally, he stated that the most critical and urgent thing was to take a clear decision about the directions that the Institute should take and under whose leadership.
16. Ms. Yacob (Worker Vice-Chairperson) mentioned that there was some ambivalence in the ILO concerning the role of the Institute, which had affected the availability and utilization of its resources. For the Workers' group, the Institute was performing a strategic role, helping the ILO's policy formulation through high-quality research, indeed a powerful tool for crafting policies and taking informed decisions. She underscored the need to align the Institute's research work with the ILO's four strategic objectives and thus complement and strengthen the work of other sectors of the ILO.
17. Ms. Yacob invited the Institute to take a more proactive approach to enhance its visibility and gain greater relevance within the ILO by means of working more closely with other ILO units, for example, by sharing the findings of its research with them. She fully supported the need for the Institute to be academically independent and to maintain high academic standards. At the same time she felt that it was useful to make an effort to ensure that research would come in a form that could be easily understood and digested. In this regard, she suggested considering the preparation of edited versions of Institute research findings for sharing with other groups within and outside the ILO.
18. With regard to future activities, she requested the Institute to prepare a comprehensive strategy paper outlining its objectives and priorities and making specific research proposals for the coming biennium. That paper could be the basis for informal consultations among the Board members when they met at the March 2003 session of the Governing Body. She listed a few topics for research that could be considered by the Institute within the framework of the strategy paper. They included issues related to global governance and the international financial structure, corporate governance and corporate social responsibility, and framework agreements negotiated between global trade unions and multinational corporations. She also asked the Institute to help develop the ILO's knowledge base on key policy issues such as sustainable development and the need for a comprehensive framework for employment policies and social security systems.

19. Commenting on the current research programme, Ms. Yacob noted that the findings on the decent work paradigm were enlightening. The research brought out the positive correlation between high labour standards and development, and between human capital formation and social stability, all having a positive effect on foreign direct investment. She also noted the findings linking the decline of exports to manufacturing job losses in OECD countries and those pointing to a positive link between workers' rights and higher wages and higher share of formal employment. That research work was of clear relevance to the Workers' group and it helped strengthen the correct approach to the Decent Work Agenda. In future studies, the Institute should consider addressing additional statistical and theoretical research to the gender gap in the world of work and in society at large.
20. Touching on the research on the policy process, she noted the very interesting work on the role of civil society organizations, other than trade unions and employers' organizations, in the design and implementation of labour and social policy. Such research work highlighted the presence of a variety of social actors in the public policy debate, and provided insights on the mixed contribution of civil society organizations to policy making. She stressed that such research, however, should not be interpreted as an endorsement of the view that the tripartite mechanism and social dialogue in the ILO should be enlarged to include NGOs. Trade unions, being the elected and accountable voice of workers, were crucially important in advancing the social agenda. Their full involvement was required in order to make any ILO policy or programme credible and sustainable. She made the specific suggestion that research should be extended to examine the role and impact of trade unions in influencing the development agenda and advancing social justice. The research should also cover union collaboration and synergy with other groups in promoting decent work, looking, in particular, at why collaboration was pursued and how. Such research could be organized in collaboration with networks of union-linked researchers. In that regard, she noted with satisfaction that Institute research in "Organized labour in the 21st century", in collaboration with the labour movements, had produced excellent results. Similar analysis of issues relevant to the social partners should be pursued.
21. Ms. Yacob complimented the activities under the Education and Outreach Programme, in particular those strengthening collaboration with the Turin Centre. She invited the Institute to pay attention to gender issues in its education programmes. She also suggested that the Institute should explore new means, including the use of electronic media, for giving a higher profile to initiatives such as the ILO Nobel Peace Prize Social Policy Lectures and other public lectures, making it possible for more people within and outside the ILO to benefit from those events. The emphasis, she added, should be on extending the relevance of the Institute's outreach work beyond the intellectual community. To this end, she pleaded for full utilization of the potential for networking with scholars and constituents through greater reliance on the use of new technologies.
22. Ms. Yacob fully supported the call for allocating more resources to the Institute. She thought it was critical to give the Institute a strategic position within the ILO. More resources were clearly needed for that. In that regard, she asked whether any effort had been made to develop new synergies and cater to new external donors and institutional support.
23. The representative of the Government of Brazil expressed his support for the suggestions made by the earlier speakers with regard to the Institute's role and the content of its work. He observed that the Institute was understaffed. He recommended that next year's report to the Board include a description of the competencies of the research staff, in order to match expectations with actual capabilities in terms of human resources. He felt that closer links should be developed with the academic and research communities, including research centres and institutes by trade unions and employers' organizations. He prompted the Institute to broaden its network of researchers by involving retired professionals from the

ILO or from other organizations on a voluntary basis. He argued that the knowledge, experience, and wisdom of the latter could be greatly beneficial to the younger generations of researchers. He concluded that by promoting collaboration among different generations, the Institute would be setting an important example for other United Nations institutions.

24. Mr. Anand (Employer member) argued that collaboration among different generations of researchers was a good idea but should be developed voluntarily and over time, otherwise it might lead to a clash of different generational mindsets. He proposed to expand the Institute's research programme to look at the important issue of the informal sector, in particular at the promotion of skills – a crucial element for employment creation and social stability. He proposed to strengthen the Institute's work by building stronger links with the Turin Centre. Outreach and cooperation should also be pursued as a policy with research institutions and universities across the world, not just with a select number in a few countries. He argued that the research policy of the Institute should be progressive, futuristic and anticipatory of problems concerning the ILO, regardless of who the Director might be. In this regard, he argued that the Director should not be an outsider, but rather a good, creative manager of both research and people. He proposed that an informal meeting of the Board be held in March, with selected representatives of governments, employers and unions, to discuss future directions for the Institute's activities. Finally, in response to a suggestion by Ms. Yacob, he proposed that the role of employers' organizations, as well as that of trade unions, in the development agenda be expanded after the appropriate research.
25. The representative of the Government of South Africa endorsed the views of other Board members on resource mobilization and the need to enhance the visibility of the Institute. African countries counted on the Institute's capacity in terms of knowledge and information. She welcomed the Institute's research results concerning South Africa and other countries on the issue of civil society and the labour movement. She encouraged the Institute to increase collaboration with academic institutions and research centres in Africa, paying special attention, in the case of South Africa, to previously disadvantaged institutions of higher learning. The Institute should seek innovative ways to improve the access of people from developing countries to: (i) information and research findings; and (ii) educational activities such as study tours, the visiting scholar programme and internship courses. There should be additional regional internship courses. The ILO Area Offices should be more involved in disseminating the Institute's research results. She cautioned that using only electronic means in disseminating information would exclude many interested parties who lacked access to information technology. Retired professionals represented institutional memory and could enhance the research capacity of the Institute and possibly serve as mentors for young professionals. However, one should only draw on them on an ad hoc voluntary basis.
26. Speaking about its future role, Mr. Lambert (Employer member) recommended that the Institute set itself to become a centre of excellence. This would be possible by means of high quality research and collaboration with outstanding researchers and prestigious people. He congratulated the Institute for the public lecture delivered by Senator Tiziano Treu. Being a newcomer to the Board, and with a view to being able better to assess the capabilities of the Institute, Mr. Lambert asked for more information on the number and tasks of Institute staff and the use of external collaborators.
27. Mr. Barde (Employer member) subscribed to the points made by his colleagues. As a long-standing member of the Board, he wished to emphasize that the Institute's financial and human resources were small. He recommended concentrating those scarce resources on core research projects and education and outreach rather than on multiplying programmes.

28. In response to the discussion, the Director ad interim expressed his gratitude to the Board members for their substantive comments and proposals, which had proved to be very constructive and useful. It appeared that the Institute had to improve its image and its visibility both within the ILO and within the academic community. The research programme was well oriented, but more human resources should be involved in it. The Board had requested the preparation by the Institute of a comprehensive strategy paper, which would be the basis for informal consultations to be held during the March 2003 session of the ILO Governing Body. The Director ad interim also noted the suggestion of the Employers' group to elaborate an annual report on the Institute. The Workers' group supported the research programme on the clear understanding that the project on civil society should not be used to undermine tripartism within the ILO. This project should also investigate the role of the social partners in shaping development policies, and their relations with other civil society organizations. The Workers' spokesperson had suggested new topics for research, including issues of global governance, the reform of the international financial architecture and corporate social responsibility. The recent lecture by Senator Treu, organized by the Institute, had been praised by some Board members. It showed that the Institute could be a centre of excellence, and it should continue in this direction.
29. The Board took note of the report of the Director.

### **Acceptance of contributions and gifts**

30. The Board recommended to the Programme, Financial and Administrative Committee of the Governing Body to the ILO the acceptance, with thanks, of the contribution of the employers' confederations of Denmark, Finland, Norway and Sweden.

Geneva, 18 November 2002.