

**THIRD ITEM ON THE AGENDA****An update of the implementation of the Global Employment Agenda and related aspects of policy integration**

1. At its November 2003 session, the Committee requested the Office to report on further developments on the Global Employment Agenda (GEA) and on policy integration. This paper provides this update and discusses how ILO country-level work on employment including youth employment, is integrated and coordinated within the overarching framework of decent work. The paper also provides an update on integrated country-level approaches under the Decent Work Pilot Programme (DW/PP), and under the ILO's contribution to the Poverty Reduction Strategy Papers (PRSPs) in a number of countries. In addition, it looks at some new employment dimensions of regional and global developments.
2. The Committee had requested information on the use of resources available to the Office for work on the DW/PP, PRSPs and the GEA. This will be provided at a future meeting of the Committee when the Integrated Resource Information System (IRIS) becomes operational ensuring a detailed breakdown of costs against specific activities at the country level where the major part of the work on these programmes is undertaken. What has been done is to illustrate, through information collected on an adhoc basis for selected countries, resources used by different ILO units on some of these exercises.

**Realizing integration in practice**

3. The Decent Work Agenda provides the overall framework for the ILO's work. This paper covers integrated approaches at the country level, at which the overall goal of decent work is translated most directly into policies and actions. The aim, which is increasingly being realized with ILO technical support, is to move towards integrated decent work country programmes, developed and endorsed by ILO constituents, which define priorities and targets.
4. Each sector of the ILO is developing its action within this context. The GEA is the employment pillar of decent work. It feeds into and draws upon the decent work strategic framework by promoting employment policies respecting fundamental principles and rights at work, the extension of social protection and the development of mechanisms for social dialogue. Progress towards each of these decent work objectives reinforces and complements action to achieve the others; a coherent approach to decent work delivers

more than the sum of the parts. However, bringing these different elements together into an integrated agenda is often a complex task. Office coordinating mechanisms need to take into account national situations and the different nature of interventions.

5. Steps towards the effective integration of approaches to achieving decent work objectives have been taken, both within sectors and across them. The DW/PP which was reported on in the November 2003 ESP Committee, is a cross-sectoral effort to develop methods and instruments, in which the GEA provides the employment dimension, identifying employment concerns and policy instruments.<sup>1</sup> As was reported in the November paper, the DW/PP has shown that there are many possible entry points to the Decent Work Agenda, depending on the aspirations and priorities of ILO constituents at the national level, but the need for more and better employment is very often the starting point.
6. Another important integrating framework has been the ILO's contribution to the PRSP process. A pilot programme on the PRSPs was reported on to the ESP Committee in November 2002, and work has since expanded.<sup>2</sup> The ILO's main concern in the PRSP exercise is that the employment-poverty nexus be fully understood and the concerns and goals of ILO constituents put onto the agenda. A separate paper outlining the ILO's analytical framework and review of policy advisory work on productive employment for poverty reduction and development is being separately discussed by the Committee in this session.<sup>3</sup>
7. The implementation updates on the DW/PP and the PRSP in the subsequent sections show how the adoption of the Decent Work Agenda can help focus attention on critical economic and social concerns and at the same capture the synergies between the four pillars of this agenda. This helps countries design integrated strategies with active involvement of the social partners. Also, given its focus on the GEA, the paper examines how this both contributes to developing synergies between employment and the other pillars of the Decent Work Agenda and serves in many cases as the entry point of ILO work at the country level.

## Implementation updates: DW/PP and PRSP

8. The Committee at its last session was provided a detailed review of the conceptual framework and implementation of the DW/PP. This is a brief update on some of the significant developments that have since taken place.
9. In *Bangladesh*, a series of studies are under preparation by national and international experts, under ILO guidance, on the specific dimensions of decent work prioritized by the tripartite advisory body on the DW/PP. The papers are to be discussed at the National Policy Dialogue on "Globalization for decent work and poverty reduction: Policy alternatives" in March 2004 that will bring together several ministries and government agencies, employers' and workers' organizations, academia and civil society representatives.

<sup>1</sup> GB.288/ESP/5.

<sup>2</sup> GB.285/ESP/2.

<sup>3</sup> GB.289/ESP/2.

10. The meeting will address the implications of globalization for employment, social protection, basic rights at work and social dialogue in the context of the need to reduce poverty, of industrial restructuring and the phasing out of quota controls by 1 January 2005 under the World Trade Organization Agreement on Textiles and Clothing. Some of the critical issues to be examined include how to ensure that globalization is favourable to poverty reduction especially its effects on informal economy activities; what are the new areas of growth and new sources of employment generation; what are the crucial factors in enterprise competitiveness; and how can the decent work approach help in enhancing enterprise-level competitiveness, gender perspectives and workers' mobility.
11. The *Ghana* DW/PP has been gaining momentum since the start of its implementation in March 2003. A policy seminar in December 2003 brought together for the first time all partners and stakeholders from the national and the district level involved in the Programme to meet and discuss their respective contributions and overall policy directions for integration into the Ghana Poverty Reduction Strategy (GPRS). They reached agreement on policies for employable skills and the promotion of entrepreneurship, for the integration of persons with disabilities and for employment promotion through public procurement. The Ghana Employers' Association and the Trade Union Congress have actively participated in the above policy discussions and are themselves leading policy development on productivity remuneration and the determination of the minimum wage. In 2004, the Programme will focus on an integrated strategy for poverty reduction in the informal economy.
12. In Ghana, the GEA is providing the framework for the Presidential Employment Summit to be held in 2004 as the employment component of the DW/PP. A national executive committee with representation of the social partners was set up in December 2003 and will identify the topics for background studies as well as oversee the preparations for the Summit. A recent joint ILO/UNDP mission undertaken at the end of 2003 has pointed out the need for strengthening the employment component of the GPRS. The planned Employment Summit will address this issue and, with support of the tripartite constituents, develop concrete policies to be incorporated in the GPRS and the measures and resources needed to successfully implement them.
13. In *Morocco*, at a high-level meeting in December 2003, a national action plan was adopted by the tripartite constituents on improving the competitiveness of the textiles and garments industry through the promotion of decent work. The action plan outlines measures needed to respond to the economic and social challenges of the industry restructuring that globalization and trade liberalization impose on the textile and garments sector in Morocco. It is the result of extensive consultations promoted by the DW/PP among all partners concerned and is based on analytical studies on the economic and social determinants of the competitiveness of the sector.
14. Under the action plan, activities have now been launched to demonstrate how promoting decent work through social dialogue can effectively contribute to improving the quality and quantity of employment. These include: (i) training on collective bargaining and dispute resolution; (ii) training on productivity and occupational safety and health; (iii) the development of a gender strategy by the social partners; (iv) the review of existing training programmes with a view to maximizing their impact and improving their coordination; (iv) a rapid assessment of the prevalence of child labour; and (v) the development of a "social management upgrading" project in a selected number of enterprises.
15. The above developments point to the integrated nature of problems faced and the increasing awareness by social partners in the pilot countries that raising economic efficiency to meet the demands of global competitiveness and social progress are intimately linked. Plans of action being developed and/or adopted in different policy

environments reflect this practical and integrated approach to quantity and quality of employment. Promoting effective strategies for addressing gender equality is placed high on the national decent work agendas.

16. The Office can report continuing progress in the PRSP exercise since it last reported to the Committee in November 2002 when the Committee recommended that ILO involvement in the PRSPs be broadened and deepened and that the Office prepare a further report for its consideration in 2004.<sup>4</sup> The PRSP exercise has many elements in common with the DW/PP, as for example in Ghana, since it brings together strategic objectives in a coherent framework.
17. In addition to the original five pilot countries (Cambodia, Honduras, Mali, Nepal and the United Republic of Tanzania), the ILO is now active in a larger number of countries supporting in various ways the PRSP process at a national level. In particular, the Office is engaged in PRSP activities in Bangladesh, Ethiopia, Ghana, Indonesia, Pakistan and Viet Nam, the latter as a part of the DW/PP. The nature of the ILO's contribution to PRSPs varies from country to country and is largely dependent on overall national development goals and objectives given its stage of development, capacities of the constituents and on the nature of the PRSP itself.
18. In *Ethiopia*, ILO work undertaken since late 2002 on the PRSP has concentrated on a number of integrated areas. The first has been to ensure a more active role of the social partners in the PRSP process as they had not been engaged in the formulation of the original PRSP. This has taken place through a series of themed workshops on capacity building in poverty analysis, gender and various aspects of social dialogue and a workshop on "development diplomacy" which sought to equip participants with advocacy, networking and negotiation skills for engaging in policy dialogues. The capacity-building package on PRSP development by the ILO was pilot tested at this workshop and was well received by the participants.
19. Other activities aim to strengthen the Ministry of Labour and Social Affairs and the social partners to undertake active labour market policies in support of the Sustainable Development and Poverty Reduction Programme (the title of Ethiopia's PRSP). A related initiative is focused on the social security needs of workers in the informal economy. It targets, in particular, improved access to health care with special emphasis on social security needs for women. The aim is to extend the scope of the existing micro-insurance schemes to finance and improve access to health care for those beyond the reach of public or employer-based health care.
20. Finally, support is provided to the tripartite partners in the annual review and analysis of the PRSP. The emphasis here is on policies for generation of productive and remunerative employment, strengthening the labour relations framework partly through strengthening the National Labour Relations Advisory Board and strengthening the institutions through which social dialogue can take place to develop consensus on key economic and social issues.
21. In *Indonesia*, work on the PRSP is part of the Indonesia Tripartite Action Plan for Decent Work, 2002-05 formulated by the ILO with the constituents, and closely coordinated with work on youth employment under the Youth Employment Network (see box below). The ILO has been assisting the National Committee for Poverty Alleviation (NCPA – the government body responsible for coordinating the drafting of the PRSP) through the

<sup>4</sup> GB.285/13, para. 94.

submission of a review and commentary on the draft interim PRSP and the development of a series of technical briefing notes on 12 distinct themes for presentation to the relevant PRSP task forces including on “The role of employment in poverty reduction”, “Decentralization and decent work”, “Reducing youth poverty through better pathways from school to work”, “Promoting good governance in the labour market”, and “Social protection for all”.

#### Indonesia – Youth employment

Addressing the youth employment challenge in Indonesia is a daunting task, reflected by a soaring open unemployment rate for urban youth of 33 per cent and an underemployment rate for rural youth of 47 per cent. It is no surprise that 62 per cent of the poor are below the age of 30. Therefore, the issues of addressing youth employment challenges and reducing poverty are closely linked. This is reflected in the ILO's contribution to the PRSP, which mainstreams youth employment issues in the overall policies for promoting decent work.

The Coordinating Minister of Economic Affairs in Indonesia, established an Indonesian Youth Employment Network (I-YEN) (with Indonesia becoming the first “lead country” in the United Nations Secretary-General's Youth Employment Network. The I-YEN involves senior policy-makers as well as prominent representatives of the private sector and civil society. The primary task of the I-YEN is to develop a national action plan on youth employment.

In supporting the I-YEN, the ILO has been working closely with the Ministry of Manpower and Transmigration, workers' and employers' organizations, the academic community and the World Bank to carry out research work, undertake capacity building, provide policy advice and launch demonstration projects. For example, a review of national youth employment programmes and a study on future scenarios have provided inputs into the preparation of the national action plan on youth employment. The findings of a school-to-work transition survey have fed both into the preparation of the national action plan and the development of a career guidance manual for the use of secondary and technical schools in pilot regions.

The national youth employment action plan is currently under preparation and will be finalized by I-YEN in February 2004. Thereafter, it will be submitted to the Government for its consideration.

22. The ILO has also been implementing an extensive programme of building awareness and technical capacity of the ILO's Indonesian constituents about the PRSP and supporting their involvement in the process through a series of bipartite and tripartite meetings, both at national and regional levels. Furthermore, a comprehensive ILO report is expected to be presented to the NCPA, the PRSP task forces, the World Bank and the donor community in February 2004. This report is designed to help the Government draft relevant chapters of its PRSP. The work on PRSP also allows the ILO to engage in dialogue with development partners and donors, providing further opportunities for promoting decent work objectives.
23. It is important to emphasize that work on developing the DW/PP and supporting the PRSP process at the country level is an Office-wide activity, with major contributions from field units and headquarters technical departments coordinated by the Policy Integration Department (INTEGRATION).
24. Ethiopia provides a good example of support for the PRSP undertaken by specialists in the Subregional Office for East Africa (SRO, Addis Ababa) supported by a number of units from headquarters. An approximate breakdown gathered from different units indicates that resources utilized in 2003 were as follows: support by the Employment Sector (seven work-months) for developing active labour market policies in support of the Sustainable Development and Poverty Reduction Programme; IFP/Dialogue (three work-months) in strengthening the capacity of the social partners to actively engage in the PRSP exercise; Social Protection (three work-months) for extending the social security system; ILO, Addis Ababa, specialists in support of activities (nine work-months); and INTEGRATION (three work-months).
25. Ghana is another example of collaborative resource allocation for the DW/PP and PRSP exercise. In 2002-03, 12 units from the field and headquarters contributed staff time and

cash allocation as part of an agreed common workplan. These included 4.5 work-months from the Employment Sector, three work-months from field units and eight work-months from INTEGRATION. In addition, US\$440,000 was contributed by the Regional and Area Office, ACT/EMP and INTEGRATION.

26. In order to foster a coherent and integrated Office-wide approach on decent work and PRSPs, an Intersectoral Advisory Committee was formed in late 2002 to continuously review the potential contribution of each of the four strategic sectors to the PRSP process. In addition, the Office is documenting its experience with PRSPs in order to disseminate the lessons learned. To strengthen the capacity of ILO staff to effectively engage in the PRSP exercise, a staff seminar involving some 50 senior staff from the field and headquarters, was organized in Turin in September 2002.
27. The significant advocacy and capacity building needs amongst the constituents and ILO staff are supported by a number of tools and guides/manuals that have been produced by the Office, drawing attention to poverty reduction strategies, PRSPs and ILO activities on gender, cooperatives, HIV/AIDS and disability. A comprehensive decent work and PRSP guide is being developed which, among other things, will outline practical steps for engaging in PRSPs and for success in networking, influencing and negotiation in PRSP processes.
28. In addition to country-level contacts, review meetings are held regularly with the World Bank on the PRSP process. Furthermore, the ILO chaired the UNDG Working Group on PRSPs, which drafted an “Assessment of the role and experiences of UN agencies in PRSPs” and a related “Guidance note on UN country team engagement in PRSPs”. Both draft notes promote further coherence and coordination of country-level work on PRSPs and better harmonization with other national frameworks. Views are exchanged regularly with a number of the ILO’s multi-bilateral donors on the assessment of ILO experience with PRSPs and orientation of the work.<sup>5</sup>

## Global Employment Agenda

29. In addition to the Agenda’s contribution to the DW/PP and PRSP country exercises, this section illustrates work being undertaken in Egypt to develop a national employment agenda and promoting gender equality by encouraging market access for women entrepreneurs (see box).

### Promoting gender equality through the Global Employment Agenda: Encouraging market access for women entrepreneurs

Discrimination in the labour market affects women setting up and growing their own businesses as well as women in wage employment. In particular, women entrepreneurs experience gender-based problems in accessing resources, information, support and markets. With assistance from the Government of Ireland, the ILO has identified critical factors that militate against women entrepreneurs formalizing and developing their own enterprises in countries such as Ethiopia, the United Republic of Tanzania and Zambia. In addressing these challenges, it has been promoting market access for women entrepreneurs through exhibitions and trade fairs, supporting member-based associations of women entrepreneurs and linkages to social partners, and providing capacity building for ILO constituents and other support organizations engaged in women’s entrepreneurship. As part of an evolving partnership between the ILO and the African Development Bank, complementary interventions are being planned in association with the Ministry of Labour and Human Resource Development in Kenya, whereby development finance can be matched with business support services. This will

<sup>5</sup> The United Kingdom’s Department for International Development and the Netherlands have supported the ILO country-level action and capacity-building programmes.

contribute to the Government's new Economic Recovery Strategy for Wealth and Employment Creation. In the United Republic of Tanzania, the ILO is working with the Ministry of Industry and Trade to mainstream gender issues into the new SME policy. The ILO is also partnering with the OECD in developing policies and approaches to foster women's entrepreneurship on a global basis.

- 30.** In *Egypt*, open unemployment and underemployment are persistently high. Structural reasons are behind this unfavourable labour market situation. These reasons include a mismatch between a rapidly growing labour supply and labour demand, in addition to the low productivity and non-competitiveness of many enterprises. Among unemployed people, almost 95 per cent are new labour market entrants and about 90 per cent of them belong to the 15-29 age group. This is why the Egyptian Government launched a comprehensive Youth Employment Programme in 2001. It also invited the ILO to focus on some specific key policy and institutional issues, which would need to be incorporated in a more comprehensive national employment agenda.
- 31.** The ILO submitted a policy framework paper to the Government and the social partners, which emphasized the need for an integrated approach to the employment challenge. The application of the GEA framework identified five critical clusters of policy intervention: (i) macroeconomic and sectoral policies aimed at creating sources of productive employment generation; (ii) policies strengthening enterprise competitiveness to boost exports and employment; (iii) labour market policies for establishing a better-functioning labour market; (iv) policies promoting small enterprise development and improving productivity in the informal sector; and (v) policies enhancing employability and creating new employment opportunities for youth. Based on the five identified clusters, the ILO is carrying out activities that should provide elements for a national employment agenda. A major activity is the development of a framework for the formulation, implementation, monitoring and evaluation of active labour market policies. This framework will allow the policy-makers to better design and implement in a cost-effective manner labour market policies that facilitate creation of decent jobs, reduce skill mismatches and integrate workers into productive employment. It will also endeavour to strike a new balance between the adjustment needs of the private and the public sectors and the security of workers. The analytical findings and policy recommendation on the review of active labour market programmes will be discussed at a national tripartite seminar to be held around May 2004.
- 32.** In addition, the ILO has undertaken a review of two components of the Government's Youth Employment Programme, namely the training component and the promotion of job creation in workshops of artisans (e.g. mechanics and carpenters). This will come up with concrete recommendations for their improvement on the basis of review findings and international experience.

## Youth employment

- 33.** Youth employment issues are covered as part of the GEA framework for tackling the problems of particularly vulnerable segments of the labour force. The GEA, through its ten elements, provides a comprehensive approach to the problem, bringing out the need to improve the overall employment situation as well as more specifically targeted labour market programmes to productively absorb young people into the labour market.
- 34.** The United Nations Secretary-General's Youth Employment Network (YEN) is the first global alliance under the umbrella of the GEA. At its second meeting at the ILO from 30 June to 1 July 2003, the Secretary-General's High-Level Panel on the Youth Employment Network recommended an initiative of "Social dialogue for youth employment". Following this recommendation, the International Organisation of Employers (IOE) and

International Confederation of Free Trade Unions (ICFTU) have written a joint letter to the ILO Director-General proposing their common support to assist governments in the preparation of national reviews and action plans as called for in the United Nations General Assembly's resolution A/57/165.

35. The Tenth African Regional Meeting in Addis Ababa, December 2003, in its session on "Decent work for youth" stressed the importance of developing strategies and policies to create more and better jobs for the huge number of young men and women entering the labour market. The Meeting adopted a comprehensive resolution on youth employment in Africa which called upon the ILO to support governments and the social partners to formulate and implement practical measures for decent and productive work for young people (see document GB.289/5).
36. The ILO's Tripartite Meeting on Youth Employment, scheduled for 2004, and the discussion on youth employment by the International Labour Conference in 2005 will provide an opportunity to focus the Office's work on youth employment within the context of the GEA. Furthermore, this work will help position the work of the GEA to influence the five-year review of the Millennium Declaration which will be undertaken by the General Assembly in 2005.
37. The practical focus for the YEN is to exchange information and facilitate learning on youth employment policies and initiatives, and to develop synergies for concrete results on the ground. In Brazil, which volunteered to be the eighth lead country of the YEN, the ILO is working under the YEN partnership with the World Bank to support the Government's *Primeiro Emprego* flagship programme. The ILO, as mentioned earlier, is furthermore working to support the Government of Indonesia's National *Youth Employment Network* and the preparation of its national action plan (see box). In Egypt, the ILO is working closely with the Government to assess and improve its National Youth Employment Programme. In Sri Lanka, the Government in consultation with the YEN is setting up a national task force and preparing an action plan for 2004. In Viet Nam, the ILO has prepared a policy paper on youth employment and organized a national media campaign on this issue.

## Global and regional developments

38. Global developments related to trade, capital flows, commodity prices and economic fluctuations have a major impact on employment, especially in developing countries. An important part of the work under the GEA is to analyse these developments and their economic repercussions on employment and poverty.
39. In January 2003, the Employment Strategy Department launched the first *Global Employment Trends Report*. Since the launch of this first report, the world has witnessed a slow economic upturn, which has been insufficient to correct the weak global employment situation. The next annual report, released in January 2004, provides an analysis of current labour market trends around the world. It uses the most recent labour market indicators and analyses the factors contributing to the present situation of high levels of unemployment and poverty in many parts of the world. The report reveals how women and young people have – once again – been especially hard hit, particularly in the developing world.
40. The report covers Latin America and the Caribbean, East Asia, South-East Asia, South Asia, the Middle East and North Africa, sub-Saharan Africa, the transition economies and industrialized countries, focusing on the distinct labour market characteristics and challenges faced by each region and economic group.

41. The *Global Employment Trends Report, 2004*, analyses the various factors contributing to the poor state of the current global employment situation which is partly reflected in the increase of those working in the informal economy. There has been a decrease in employment in information and communication technology, as well as extensive job losses in travel and tourism and in the export and labour-intensive manufacturing sectors. Countries in fragile financial situations and those experiencing armed conflict and violence have also seen rising unemployment and poverty. Overall, the analysis provided in the report offers a concise picture of the current situation and of where economic growth and decent work opportunities are most needed around the world.
42. As discussed in the last report to the Committee, the GEA is being adapted in line with regional priorities as in the case of the Jobs in Africa programme. To develop effective poverty-fighting tools, the ILO launched in October 2003 a pilot phase of national consultations between the ILO tripartite partners and other development actors in 12 countries in Africa. The results of these consultations were presented at the Tenth African Regional Meeting in Addis Ababa in December 2003. These national consultations will continue and provide important inputs to the convening of the Extraordinary Summit of the Heads of State and Government of the African Union on Employment and Poverty Alleviation in Africa to be held in Burkina Faso in 2004 in the organization of which the ILO has been asked to collaborate.

## Resource use

43. Support for analytical and policy advisory work on the ten main elements of the GEA, development of national employment agendas and work at the regional and global level on critical employment concerns, is an Office-wide activity in which the main support comes from the Employment Sector but is implemented in collaboration with other technical sectors and the field specialists. In some cases, as in the Jobs in Africa programme, the work is primarily carried out by the Regional Office for Africa and the subregional offices in Africa with support from the Employment Sector. In addition to ILO resources in support of this programme, extra-budgetary resources are used to fund particular activities.
44. In the case of the development of the national employment agenda for Egypt, for example in 2003 the major inputs were provided by the Cairo Subregional Office (12 work-months) with support from EMP/STRAT (four work-months). During 2004, besides EMP/STRAT from headquarters, IFP/SEED will be involved.
45. A review of ongoing activities at the national level on the core elements of the GEA showed that in 2003 the ILO was working with the constituents in 55 countries mostly in the developing world and economies in transition. In terms of individual core elements covered, although these were in most cases combined with other elements, the number of countries covered were: knowledge and skills (44), productive employment for poverty reduction (42), decent employment and entrepreneurship (41), macroeconomic policies (24), technology (21), labour market policies (19), sustainable development (16), occupational safety and health (14), social protection (13) and trade and employment (13).

## Conclusions

46. Some of the main conclusions that emerge from the analysis are: (i) the GEA is providing an effective framework for identifying key employment concerns and needed policy responses at the country level and in developing synergies with the other main pillars of decent work; (ii) the ILO is helping constituents make effective progress in developing integrated strategies for decent work at the country level which would help identify

priorities and targets; (iii) the DW/PP and support by the ILO for the PRSP process is providing important lessons as well as help to develop methods and instruments for enriching the Decent Work Agenda at the country level; (iv) steps have been taken by the ILO within sectors and across them to ensure better integration; and (v) youth employment issues are gaining momentum, especially as a result of the development of the YEN, and concrete policy measures are being developed in countries participating in the Network to absorb young labour entrants in productive and decent employment from which other countries can learn.

47. The Committee is invited to comment on the report with a view to giving guidance on the future development and implementation of the Global Employment Agenda and related aspects of policy integration.

Geneva, 3 February 2004.

*Submitted for discussion.*