

Decent work as a national goal

The experience of the Decent Work
Pilot Programme (DWPP) and other related initiatives

Azita Berar Awad

National Policy Group
Policy Integration Department

Prepared for the

2nd South-East Asia and the Pacific
Subregional Tripartite Forum
on decent work

5-8 April 2005, Melbourne, Australia

Table of content

- I. Introduction**
Decent work – an integrated agenda: from concept to practice
- II. National priorities and the decent work agenda: cross-country perspectives**
 - 2.1 National poverty reduction strategies
 - 2.2 Responses to globalization
 - 2.3 Democratization and fundamental rights
- III. Key lessons of the Decent Work Pilot Programme (DWPP)**
 - 3.1 Embedding decent work in national macro-policy priorities
 - 3.2 Promoting coherence of economic and social policies
 - 3.3 Building common ground: tripartite participation and ownership
 - 3.4 Connecting national and international agendas
 - 3.5 Linking national goals with local development
 - 3.6 Monitoring indicators
- IV. Follow-up action and future directions: moving from the Decent Work Pilot Programme (DWPP) to Decent Work Country Programming (DWCP)**
 - 4.1 The DWPP approach
 - 4.2 Analysis and policy oriented research at the country level
 - 4.3 Institutional aspects
 - 4.4 Partnerships, coherence and coordination
 - 4.5 Integrated ILO technical support and development of new tools
 - 4.6 From DWPP to DWCP

I. Introduction

Decent work – an integrated agenda: from concept to practice

1. In 1999, the Director-General of the ILO proposed the concept of decent work as “*the primary goal of the ILO ...to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity*”¹. Decent work was defined as the converging focus of the four strategic objectives embedded in ILO’s mandate and values: the promotion of rights at work; employment; social protection; and social dialogue. The concept was fully endorsed by the tripartite constituents as the overarching goal of the Organization. The challenges of putting decent work, the universal goal, into practice were the subject of the Director-General’s report to the ILC in 2001. The report discussed a number of issues in translating decent work into relevant policy agendas at the country level, including the issues of affordability, feasibility and coherence of economic and social objectives in the context of new global economy². It emphasized the need to raise the capacity of ILO constituents to put in place an integrated approach to decent work at the national level and to work in partnership with others to build support for a balanced and integrated approach to sustainable development and growth in the global economy.
2. The task of developing practical methods for promoting integrated approaches to decent work policies at the national level, was entrusted to a new Pilot Programme on Decent Work (DWPP). The objective of DWPP was therefore to test the relevance of an integrated approach, built around all four strategic objectives of the decent work agenda, to meet the goals and priorities of ILO constituents.
3. The DWPP includes eight countries: Bahrain, Bangladesh, Denmark, Ghana, Kazakhstan, Morocco, Panama and the Philippines. They represent different regions, cultures and levels of economic and social development. The country programmes are in different stages of implementation, given the different starting date, pace and process of tripartite consultations and endorsement of the programme and progress in the implementation of specific components. With the exception of Denmark and Panama, which were initiated in 2001, most country programmes were effectively launched in 2002. Kazakhstan is the latest addition in 2003. All country programmes operate within a timeframe of three to four years. The experience is in progress in most countries. The programmes are country- driven following the priorities defined and retained by the tripartite constituents. The technical support to the development and

¹ ILO: *Decent Work*, Report of the Director-General, International Labour Conference, 87th Session, Geneva, 1999.

² ILO: *Reducing the Decent Work deficit, a global challenge*, Report of the Director-General, International Labour Conference, 89th Session, Geneva, 2001.

implementation of country programmes is organized as a cross-Office effort, with a particular focus on the synergy and mutual reinforcement of actions on different dimensions of decent work³. Since January 2002, the DWPP has been managed by the National Policy Group of the new Department of Policy Integration (INTEGRATION/NPG). The experience of the pilot programme, as detailed hereunder, provides the basis for developing methods, guidelines and examples, for wider application and for capacity building.

4. In 2002, another pilot programme for integrating decent work goals into the PRSP (Poverty Reduction Strategy Papers) process was launched with the DFID financial support. Initially covering five countries, the programme has been expanded and currently supports some fifteen countries. These include: Ethiopia, Ghana, Honduras, Mali, Sudan, Tanzania; Cambodia, Indonesia, Nepal, Pakistan, Viet Nam; Kyrgyzstan; Bolivia, Ecuador, Peru and Yemen. The goal of this programme is to integrate, in partnerships with other institutions, the decent work agenda into what has become, with the support of the donor countries and the international community, the overarching framework for poverty reduction strategies at the country level. The PRSP initiative follows the same principles as the DWPP in mobilising the tripartite partners and working out an integrated decent work agenda relevant to specific country circumstances.⁴
5. In the last two years, several other initiatives have been taken in promoting decent work as a national goal. In Brazil for example, following the election of President Lula, a Memorandum of Understanding was signed with the ILO to promote a range of initiatives under the decent work agenda. In Argentina, the crisis recovery programme developed after the financial crisis, is being converted into a full fledged, integrated and comprehensive decent work country programme. New Zealand and several Asian countries have been developing Decent Work Action Plans as a follow-up to the conclusions adopted at the 13th Asian Regional Meeting in Bangkok in 2001. Progress is to be examined at the forthcoming Asian Regional Meeting in 2005. In Madagascar, a decent work approach is in the making in the EPZ sector.
6. Finally a recent addition to the Strategic Management Framework of the ILO is the introduction of the Decent Work Country Programmes. The aim is to build the ILO programme of cooperation in member States around a manageable number of priorities combining country requests and characteristics with overall ILO goals in an integrated package. Distinction should be made therefore between promoting decent work as a national goal by member States and

³ For more information, see the INTEGRATION web-site: <http://www.ilo.org/public/english/bureau/integration/> .

⁴ The ILO/PRSP experience has been documented and reviewed extensively including in the ILO Governing Body ESP (3 documents).

decent work country programmes which constitute the ILO contribution to this national goal⁵. This point is further discussed in section 4.6 of this paper.

7. While this paper is focusing in greater detail on the experience of the DWPP, it takes on board the lessons learnt from all above-mentioned country experiences which share the common objective of promoting decent work as a national goal. This sharing of knowledge and experience across these programmes is facilitated by INTEGRATION/NPG which coordinates and/or supports the initiatives and experiences mentioned above. It also acts as the clearing house for identifying gaps and for developing new methodological and policy tools.
8. At the initiation stage of the DWPP, there was no clear road map. The pilot programme had to develop its own practical approach for implementation. The following principles guided the work:
 - (a) the complexity of the world of work in the globalizing context required multidisciplinary and integrated analysis and policy responses cutting across all four strategic dimensions of decent work;
 - (b) actions to promote the four strategic objectives of decent work, i.e. rights at work, employment, social protection and social dialogue, were more effective and mutually reinforcing when cast within a coherent whole;
 - (c) the entry points of the programme had to be defined at the country level in consultation with the national partners and in line with the overall national policy priorities in each country;
 - (d) practical solutions were to be put in place to provide an integrated ILO support at the country level, mobilizing resources and expertise from several units at the field and Headquarters.
9. The major thrust was therefore to define the specific decent work platform within the framework of policy and reform agendas that were of prime concern to the tripartite constituents. While there was consensus amongst ILO constituents on decent work as a common goal, the operationalization of the concept gave rise to different interpretations. The challenge was therefore to propose an approach that takes into account substantially different cultures, economic and social structures, political systems, development history and policy environments. Government representatives, employers' and workers' organizations were actively solicited in defining the decent work agenda and focus at the country level and the practical process for moving it forward. The

⁵ The Director-General's Programme and Budget Proposals for 2006-07, GB.292/PFA/8, Geneva, March 2005.

approach developed and fine-tuned over the last two years is outlined in section 4.1.

II. National priorities and the decent work agenda: cross-country perspectives

10. The decent work agenda proves to be a comprehensive and flexible policy platform that can be defined nationally and can operate in very different socio-economic and political contexts. The focus and entry points of the programme in each country are different and specific. Each represents a unique combination of policy issues. Each programme also shows the value of a policy agenda that can relate to national economic and social priorities and engage a broad range of stakeholders and build partnerships. Looking across countries and the wide range of entry points that were retained, three overarching themes emerge as the main policy preoccupations at the country level. These are 1) poverty reduction; 2) facing up to global competition; and 3) democratization and realization of fundamental rights.
11. While these are not mutually exclusive goals, the hierarchy in priorities and focus varies from one country to another, whether the overarching priority is a national poverty reduction strategy or trade and financial liberalization policies that determine the predominant parameters. A few examples are discussed here.

2.1 National poverty reduction strategies

12. Disillusioned with the experience of structural adjustment programmes, poverty reduction strategies have come back on top of the policy agenda in many countries and to the international development debate under the acronyms of PRSPs, PRSs and MDGs. In principle, these new frameworks advocate a new approach to poverty reduction built around the concepts of national ownership, interdisciplinary action, participatory processes and transparent governance. In the early generation of PRSs and PRSPs, the decent work agenda was not given a prominent place in the definition of the actions under these new policy frameworks. Integrating decent work as a national goal entailed working out a strategy through these processes. Putting employment at the heart of the strategies for poverty reduction, organizing policy debate on growth, equity, investment and trade and bringing labour market issues such as productivity, wage policies, labour code reforms, and the informal economy into the PRSP/PRS process have been the entry points for promoting decent work as a national goal, in the PRS and PRSP countries⁶.

⁶ Poverty Reduction Strategy Papers (PRSPs), An assessment of the ILO's experience, GB.283/ESP/3, 283rd Session, ILO, Geneva, March 2002.

13. In *Ghana*, for example, the DWPP focuses on the contribution that decent work can make to poverty reduction, particularly in the informal economy and the small business sector. Four out of ten Ghanaians are classified as poor, according to the Ghana Living Standards Survey. Poverty reduction has thus been declared the top national development priority. Between 25 and 30 per cent of the poor depend on the informal economy for their livelihood.
14. The focus of the DWPP is to build the capacity of national constituents to advocate for the decent work agenda to be incorporated into the Ghana Poverty Reduction Strategy (GPRS). The GPRS is the key national policy framework and resource allocation mechanism. The implementation of the GPRS is to be carried out at the district level, by the 110 districts in the country. The formulation of relevant policies and programmes under the DWPP is therefore supported by practical work on the informal economy in two pilot districts.
15. Extensive consultation processes with tripartite partners and also involving other ministries, academia and institutions since 2002 have born fruits. The new government has adopted the upgrading of the informal economy as the top policy priority. Policy proposals and tools are currently being formulated on public procurement, employment creation and labour standards; enhancement of productivity; wages and income policies; employable skills and entrepreneurship; and the integration of disabled people. A Presidential Job Summit will be organized in 2005. It is expected that employment and decent work priority issues will be given prominence in the revision of the GPRS due in June 2005.
16. The *Philippines* was amongst the first countries to adopt “decent and productive employment” as an explicit objective of its national development plan and as a central instrument of poverty reduction. Poverty affects 30 per cent of the population, and three-quarters of the poor live in the rural areas. The present

Poverty Reduction Strategy Papers (PRSPs): An assessment of the ILO’s experience, GB.285/ESP/2, 285th Session, ILO, Geneva, November 2002.

An update of the implementation of the Global Employment Agenda and related aspects of policy integration, GB.289/ESP/3, 289th Session, ILO, Geneva, March 2004.

Buckley G.: *Decent work in a least developed country: A critical assessment of the Ethiopia PRSP*, Working Paper No. 42, National Policy Group, Policy Integration Department, ILO, Geneva, 2004.

Buckley G., Casale G., Fashoyin T.: *Tripartism and Decent Work in Poverty Reduction Strategies in Ethiopia*, Paper No. 5, In Focus Programme on Social Dialogue, Labour Law and Labour Administration, Social Dialogue Sector, ILO, Geneva, 2004.

Working Out of Poverty: an ILO submission for the Indonesia PRSP, ILO, Jakarta, 2004.

Buckley G.: *Social Dialogue and the Poverty Reduction Strategy Paper (PRSP) Process in Cambodia: an Assessment*, Paper No. 1, In Focus Program on Social Dialogue, Labour Law and Labour Administration, ILO, Geneva, 2003.

Decent Work for Poverty Reduction: An ILO contribution to the PRSP in Nepal, Employment Strategy Unit, Employment Sector, ILO, Geneva, 2002.

job-creation rate cannot match the fast growth of the labour force at 2.8 per cent annually and even this is threatened by uncertainties in domestic and global markets. Most employment opportunities are found in low-productive and poor-quality work in the informal economy.

17. The Philippines' decent work action plan was launched in May 2002, to support the national priorities of reducing poverty and promoting decent and productive employment. The wide-ranging action plan also includes national priorities that call for integrated responses. A major component of the Decent Work Action Plan is the Local Development and Decent Work (LDDW) which aims at developing and demonstrating an approach to decent work and local development. It should be emphasized that while national and sectoral policies provide a framework for boosting employment and fighting poverty, most operational initiatives focus on strengthening local capacity to respond to social and economic needs. The LDDW has three goals: making decent work an explicit objective in local development; planning and design of poverty reduction strategies and programmes; demonstrating a practical approach including methods and guidelines in supporting local planning and decentralization frameworks. Together with national, regional and local partners in the country, the ILO has produced a "Local Development and Decent Work Resource Kit". This kit is a collection of practical, easy-to-use "tools" for local planners, local institutions and development practitioners.
18. *Panama* was one of the first countries in the DWPP. The pilot programme in Panama seeks to demonstrate that inclusive growth can be realized by including employment, poverty reduction and equality goals into broader economic and social policies and investment strategies. It addresses the growing problem of open unemployment and persistently high levels of poverty by combining a medium- to longer-term vision and strategy with concrete proposals for immediate action. Obstacles for growth in Panama include insufficient investment, but also falling labour productivity and hence declining competitiveness in almost all sectors. Informality has been spreading rapidly during the last decade. Four out of every ten new jobs created are in the informal economy. Poverty in Panama is intimately linked to unemployment and informality as well as to structural inequalities affecting women and indigenous peoples.
19. The programme, officially launched in late 2000, carried out a series of policy studies⁷, the findings of which were debated by constituents throughout 2001. Policy dialogue resulted in the first concrete outcomes. These included the

⁷ Brú, E. and Del Cid, M. (eds.): *Panamá: políticas de empleo y trabajo decente para la década del 2000*, San José, Costa Rica, ILO, 2002. Egger, P.: *Globalization and decent work: Options for Panama*, Working Paper No. 3, Policy Integration Department, Geneva, 2002.

initiation of a US\$200 million employment-intensive infrastructure investment programme. An agreement was also reached on the basket of goods to be used as the basis for the minimum wage determination. A series of other policy areas are still being discussed. These include the extension of social protection to the informal economy; measures to increase productivity at enterprise and sectoral levels; programmes to promote gender equality; and equity among peasant and indigenous communities. The programme will continue to assist the constituents in the coming years with reaching consensus on these subjects and implementing the corresponding policies and programmes.

20. The programme has been successful in fostering national ownership across the political spectrum at the highest level, including among employers' and workers' organizations, and also at the local level. For the first time, it has been possible to sustain a process of constructive social dialogue around a common agenda taking into account the interrelatedness of employment, wage policies, social security, equality and the complementary role of public and private investment in addressing them.
21. *Kazakhstan* is the last country to have joined the pilot programme in 2003. In this country in transition to the market economy system, the Government adopted in 2001 the "Concept of social protection of the population" as the integrated agenda for combating poverty and unemployment. Policies to manage effectively the structural reforms and to reduce their negative impact on the population are the development challenges. Consultations with the Government, social partners and a broad range of stakeholders have laid down an initial platform for the DWPP in Kazakhstan. This platform adopts an integrated approach to social protection by linking social assistance strategies, employment promotion and socially responsible enterprise restructuring. Tripartite dialogue and operational programmes focusing on local economic development support policy action. The programme also includes a decent work statistical indicators survey aimed at providing a common baseline for activities to be initiated under the DWPP framework.

2.2 Responses to globalization

22. Facing up to the challenges of globalization is the main determinant of policy priorities in a number of countries. Integrating a decent work dimension into these frameworks was chosen by the tripartite constituents in Denmark, Panama, Bangladesh and Morocco as the overall goal of the DWPP. In these countries, the programme focuses essentially on the national responses to globalization and shows the value of an integrated decent work agenda to develop a multi-component and mutually coherent platform addressing coherence of economic and social policy-making.

23. *Denmark* was selected as the illustration of a success story for promoting a high road to economic flexibility and performance and realization of decent work at the same time. It exemplifies how policies can achieve both economic and social efficiency. Flexibility, equality, security and broad social participation were explicit policy goals. Their combination allowed the national economy to remain open to world markets by strengthening the capacity to adjust rapidly to the changing global situation and cushioning the negative effects of external economic shocks.
24. By examining a series of policy issues, the Denmark study⁸ shows that, what are often stated as incompatible trade-offs can be managed through an appropriate policy mix. For example, it demonstrates that large income transfers and, in particular, a high level of unemployment benefits need not act as a disincentive to gainful employment, when combined with an extensive labour market policy that promotes rights and obligations. It also shows that flexibility need not be at the expense of security; rather the two can go hand in hand. Finally, it demonstrates that there are ways of making the labour market flexible without dismantling social security.
25. In sum, a positive interaction has been secured in Denmark between a controlled and well-timed macroeconomic policy and active labour market policies to ensure flexibility and employability. The policy mix included a combination of employment promotion with income security for those unable to work or to find work, extensive social protection and access to low-cost social services enabling men and women to take up employment, and a policy of wage restraint based on the coordination of a decentralized wage bargaining system. Strong employers' and workers' organizations and continuous dialogue with the Government at both national and local levels sustain this policy mix.
26. In *Morocco*, the social partners have decided to focus the DWPP on the restructuring of the Textile and Clothing (TC) sector. The sector is considered a vital industry for the country's development. A major export earner and highly labour intensive, the TC sector represented 42% of total industrial employment in 2000, 71% of which were women. The sector is facing serious challenges internally and externally. Internally, the social climate was clearly an antagonistic one with confrontation between employers and workers leading to strikes and enterprise closures. Externally, the entering into force of the free-trade zone with the European Union, the end of the Multi-Fibre Arrangement (MFA) and other free-trade agreements had increased the pressure on the competitive edge of the Moroccan TC sector.

⁸ Egger, P. and Sengenberger, W. (eds.): *Decent work in Denmark: Employment, social efficiency and economic security*, Geneva (2003), International Labour Office.

27. The analytic studies of the sector carried out in the framework of the DWPP revealed the heterogeneity of the sector which included organized enterprises as well as numerous units in the informal economy. The former was leading in the export sector while the latter geared towards the domestic market and generated most of the employment. Decent work deficits ranged from illegal recruitment to precarious type of employments, inadequate social protection coverage, poor working conditions, inefficient management and limited social dialogue practices. Wages were often lower than the legal minimum wage and women suffered from wage discrimination. Employers on the other hand were faced with increasing pressures caused by the seasonality of exports, conditions imposed by the buyers, unpredictability of market access and increased competition from other producers and countries.
28. The value added of the DWPP was to convince the social partners to integrate a social dimension to the restructuring and upgrading strategies for the sector. The social dimension was not added on as a balancing factor to the economic restructuring, but rather as a contributing factor to better performance and competitiveness of the TC sector. This was based on the premises that the relocation of the garment and textile market segments in the global market depended on a complex set of criteria which included increasingly the social factors. Good management-employee relationship is increasingly a determinant of the capability of enterprises to produce “just in time” quality products and to adapt rapidly to the market needs. Social labelling and the proliferation of voluntary initiatives are significant factors in access to markets. For all these reasons, a decent work strategy as productive factor was adopted leading not only to improved conditions of work but also improved competitiveness in the rapidly changing global market.
29. Through an extended process of social dialogue amongst the government, employers and workers’ organizations in the TC sector, the social partners in Morocco solemnly adopted in December 2003 the “National Tripartite Action Plan to promote the competitiveness of the Textile and Clothing Industries through the promotion of decent work”. This marked the framework for a voluntary social partnership and commitment of all parties concerned to upgrade the TC sector. The Action Plan includes a range of policy reform initiatives and practical activities in the following areas: strengthening of consultation, negotiation and conflict settlement mechanisms; consolidation of social dialogue; improvement of the TC sector image at both national and international levels; dialogue with principal international buyers; tangible social protection improvements in the TC sector; integration of a gender dimension at the levels of professional organizations and enterprises; human resources development; productivity and working conditions; and child labour.

30. In *Bangladesh*, the DWPP focuses on a range of national concerns with respect to responding to the globalization challenge. The national poverty reduction strategy has underscored “managing the risks and uncertainties posed by the changing global economic environment” and “confronting the new tensions in the wake of multi-fibre arrangement withdrawal” as among its major challenges. In a series of consultative meetings held in 2003 and culminated in the National Policy Dialogue on Globalization, Decent Work and Poverty Reduction (April 2004), the government and employers and workers organizations have decided on the following priority areas: (i) enhancing global competitiveness while expanding employment and promoting decent work; (ii) managing overseas employment better to ensure Bangladeshis of good quality overseas jobs; (iii) spreading the benefits of globalization and growth to the poor by strengthening the employment objectives of the PRSP and developing a national social protection strategy; (iv) reinforcing the voice and organizations of workers in the informal economy; and (v) measuring decent work progress by developing indicators suitable for Bangladesh.
31. On the first priority, the termination of the Multi-Fibre Arrangement in January 2005 has brought to the fore, the pressures of improving global competitiveness and productivity on the one hand and the need to monitor and cushion the adverse impact on jobs and income security. The export oriented Ready-Made Garments (RMG) sector employs an estimated 1.5 to 1.8 million persons of whom about 90 per cent are women. The Government has drawn up a Post-MFA Action Plan (PMFAP) which places heavy emphasis on improving product quality, technology and custom reforms. The social dimensions have received little attention to date. Through the DWPP, the social partners with the support of ILO are working to promote an approach to RMG industry upgrading which integrates the social and economic dimensions of globalization. Efforts are being made to generate resources from the donor community to support a “social and economic observatory” of changes in the RMG industry including the decent work dimension during the first two years of the post-MFA period.
32. Bangladesh is a good example of the interaction between poverty reduction strategies and the national responses to globalization as the overall policy framework. While the partial evidence suggests a positive overall impact of globalization trends on poverty reduction, through stimulation of demand, incomes and growth, the impact on employment is mitigated. Questions are raised with respect to policy implications. What are the preconditions to take advantage of globalization? If trade liberalisation results in reallocation of resources from inefficient sectors towards more efficient ones – the loss of employment and output in some activities is inevitable and inherent to the globalisation process. This shift does not take place at once but in recurrent

waves. Therefore, important policy considerations are how a public pro poor policy can maximize taking advantage of the positive opportunities and what instruments can provide effective social protection during economic downturns such as the one unfolding with the end of MFA.

33. In the countries that have chosen to focus on building decent work into responses to globalization, the following needs in terms of methodologies, tools, policy advice and public debate have emerged:

- (a) the development of a methodology that can assist countries in analysing the social impact of the globalization process at different levels but also provide them with tools to forecast direction of future investments, restructuring, skills needed, etc;
- (b) the development of a credible decent work approach to respond to the concerns for enhanced productivity and economic flexibility of vital sectors to face global competition while improving conditions of work, skills training (linkages with work on the Global Compact; national responses to voluntary codes of conduct imposed selectively by multinational corporations);
- (c) the development of national capacities for an integrated management of change and uncertainties brought about by the globalization process which would accompany the unavoidable restructuring with innovative social protection schemes for the workers particularly affected (such as women in the RMG sector in Bangladesh);
- (d) comprehensive and integrated action on decent work at the local level that aims at empowering local communities and local economies to take advantage from the benefits of the globalization process;
- (e) management of the migration flows to maximize benefits and enforce minimum protection of workers;
- (f) deepening and extending the national dialogues to facilitate a broad “social partnership” at the national level that will involve a “consensus” amongst a broad range of stakeholders on coherence of economic and social policies to manage an effective policy response to globalization;
- (g) establishing closer linkages between the national and international agenda and actions for a fair globalization for example in the discussions on increased access to markets or proposals for an international solidarity fund to provide social protection for affected groups of population.

2.3 Democratization and fundamental rights

34. *Bahrain*, one of the six Gulf Cooperation Council States, provides yet another specific example where the decent work agenda is primarily linked to the country's democratization process set in motion since 2001. The goal of the DWPP in Bahrain has been to integrate the fundamental rights especially freedom of association as an essential component of the democratization process and to link the political process with the economic priorities that would facilitate the transition from an oil-based economy to a diversified economic and financial centre. The value-added of the DWPP has been to advocate for a coherent and integrated policy agenda that combined political and economic reforms from a labour market perspective. The current labour market reform intends to tackle the difficult question of the unemployment of nationals while the country is relying on foreign labour for as much as 60 percent of its labour force. The DWPP in Bahrain provides an opportunity, for the first time in the sub-region, to facilitate nascent tripartite social dialogue on structural reforms that involve strategic choices, and to bring the views of social partners closer through informed and documented policy debate.

III. Key lessons of the Decent Work Pilot Programme (DWPP)

35. Practical experience in integrating a coherent decent work agenda into policy frameworks in different political and socio-economic contexts is rich in lessons. These lessons relate to the content of policy debate around the issues of *policy coherence* and *policy space*. There are also lessons to be drawn with respect to the processes and institutions that promote and sustain decent work as national goal. While the pilot country programmes are in progress, in conformity with their own timeline and national process, the good practices and lessons of this experience are being documented. By the end of 2005, these will constitute the knowledge-base to support and inform similar initiatives in other countries. The experience and knowledge is being and will continue to be shared with constituents and ILO staff (at HQ and in the field) through all means of dissemination. Discussions are planned at the GB, ILC, Regional Meetings, seminars and workshops as well as through internet and websites. Hereunder are some key lessons discussed succinctly.

3.1 Embedding decent work in national macro-policy priorities

36. Generally, the experience has been very positive in capturing key priorities at the country level at a given point in time. The approach adopted has proven to be flexible enough to adapt to different contexts, and relevant to a wide range of policy priorities such as the poverty reduction strategy in Ghana and the Philippines, the industrial restructuring agenda in Morocco, the democratization

process in Bahrain or the recovery from crisis in Argentina. The second generation of PRSPs have become more sensitive to the decent work agenda. The multi-component action plans respond to specific needs of constituents, while the integrated feature reinforces synergies and complementarities amongst various components. Country programmes also proved to be forceful mechanisms for revealing and discussing competing objectives and what has been seen as trade-offs. In some cases, it has brought out potential contradictions and inconsistencies of action that in turn have generated further policy debate. Examples are the formality/informality debate, the revision of the reform of labour codes, labour market policies in the context of open economies and the flexi-security debate. An integrated analysis and perspective is of utmost importance for engaging effectively and critically in policy dialogue with national stakeholders and with the international institutions working and advising at the country level, including the IFIs, the UN system agencies and multi-lateral donors.

3.2 Promoting coherence of economic and social policies

37. The country programmes have gained significant levels of acceptance, visibility and support, usually at the highest levels of the political spectrum. They provide the ministries of labour with an opportunity and a platform to engage in policy debate of high-level economic and social goals, beyond their specific functional mandates. The proactive role of ministries of labour and of social partners has been key to launching integrated and interdisciplinary programmes cutting across sectoral demands. Promoting coherence of economic and social policies requires however, a significant involvement of ministries of finance, economy, planning as well as education, migration and the like. This has proven a challenge for many ministries of labour who do not enjoy the same political status and/or have limited analytic and operational capacity to play the pivotal role for embedding a decent work agenda into the economic and financial policy-making. Substantial capacity building efforts are thus necessary to enable the ministries of labour assuming and performing new and challenging roles.
38. Furthermore, promoting coherence of economic and social policies in the context of poverty reduction strategies or globalization challenges requires strong political leadership and vision as this goes against the current and usual state of affairs. Adopting and implementing decent work agenda has worked best when embedded in a strong and sustained reform agenda and a political environment that favours fundamental rights and social dialogue. Sustaining this level of commitment in the medium to longer term is a key challenge. Government changes and elections have sometimes affected the direction and pace of country programmes. It should be however born in mind that the

dividend of investing in decent work goals can only be assessed in the medium run. Without exception, a supportive policy environment has been crucial for the launch and for progress in the implementation of programmes.

39. Country experiences also bring out a number of opportunities for policy integration. Policy issues that gain when addressed constructively from an integrated perspective. Productivity and its relationship to employment, incomes and global competition is one such example and a key theme in a number of country programmes. Productivity, wage and income policies and a relationship to competitiveness in the global market are understood in many different ways by national partners and in specific contexts. Often there are cast as opposing goals. Dialogue and practical approaches are promoted in some country programmes to explore and demonstrate the positive linkages between respect for rights, improved conditions of work, increased productivity at the enterprise level, on the one hand, and employment and access to global markets, on the other. This has come to be known as “the decent work as productive factor” approach.
40. In other country programmes, advocating for inclusive growth strategies within frameworks of new poverty reduction strategies, such as PRSPs, includes an integrated decent work agenda on employment, rights and social protection, especially for youth, women, rural and informal economy workers and disadvantaged communities. Other issues that are placed at the top of the policy agendas at the country level are reform of social protection systems and of labour codes. Taken together, these provide opportunities for an integrated analysis of labour market policies that can reconcile the objectives of economic flexibility, employability and security. Effective measures to promote gender equality across the country programmes remain a key challenge. Lessons point to the need for context-specific responses and continuous monitoring of outcomes. These substantive policy issues and others are the subject of studies, discussion and action programmes at the country level. However, the experience also revealed the need for undertaking further research and analytical work at the global level to focus on some specific policy clusters. Integrated tools and resource kits are being developed on a limited number of subject matters.

3.3 Building common ground: tripartite participation and ownership

41. Social dialogue is at the core of the DWPP approach to policy integration and of the elaboration of country programmes. It is an integral part of their evolution too. Identifying the focus of each pilot programme, spelling out themes and workplans were the results of bilateral and multilateral, formal and less-formal consultations and planning sessions that have involved the

government, social partners and other relevant institutional actors in each country. These processes are strengthened through policy workshops, research, advocacy and capacity building. Stronger ownership and national commitment are key outcomes of these interactive processes of consultations.

42. There are other significant lessons on how discussions and debate around a multicomponent and integrated country programme can facilitate the initiation of social dialogue, for example in Bahrain. In other instances, social dialogue promoted common understanding and consensus on key policy themes. Morocco is a case in point. Organizing informed discussions on the social determinants of competitiveness of the Moroccan textile and garment industry was a key factor in bringing the views of social partners closer together. Through this process, not only did the social partners re-establish dialogue, but they entered into social partnership for the reform of the textile sector. Interest has been expressed in introducing a similar methodology in other sectors of the economy.
43. The importance of tripartite consultations and active dialogue for achieving improved policy coherence and coordination cannot be overemphasized. However the lessons of the DWPP point to the limited capacity of social partners in a number of domains such as the impact analysis of globalization, macro-economic policy frameworks or the informal economy. The practical implication is the need for extensive advocacy and capacity-building efforts to promote policy integration at the country level. Developing approaches tailor-made to specific national conditions and sectoral priorities places important demands on the Office, especially the field structure and the Bureaux for Employers' and Workers' Activities. The engagement of ILO constituents in all stages of work has, in some cases, also given rise to difficulties related to their absorptive capacity. The pace of implementation and the timeframe of operations had to be adjusted accordingly. The positive outcomes and lessons of the pilot programme on social dialogue are built into the follow-up action intended to give effect to the resolution concerning tripartism and social dialogue adopted by the 90th Session of the International Labour Conference in June 2002.

3.4 Connecting national and international agendas

44. Promoting decent work as a national goal and as a global goal are the two sides of the same coin. Indeed, the discussion of policy space and policy coherence at the country level reveals more than ever, the effect of international policies such as trade, migration, and financial mechanisms, on the margin of manoeuvre for policy-making at the national level in economic and social domains. Similarly, it has been argued that often the policy space is misused

and that the reforms need to be initiated first at the country level, to take advantage of opportunities. The Report of the World Commission on the Social Dimension of Globalization advocated that “globalization begins at home”⁹. The interaction between the national and international development agendas is a recurring theme in tripartite discussions in the context of the PRSP in Ghana or policy debates to face up to globalization in Bangladesh or for the restructuring of export industries in Morocco. The DWPP experience clearly shows that integrating the decent work agenda in regional and international policy debate should go hand in hand with national policy discussions. Opportunities should also be seized to introduce decent work issues in the policy agendas of the subregional economic groupings and regional organizations.

3.5 Linking national goals with local development

45. Another key lesson of the DWPP is the significance of local level action, as a necessary and complementary dimension to the decent work policy agenda. Local economic and social development frameworks in the context of decentralization policies and local governance provide a real opportunity to give a practical resonance to the decent work agenda closer to its beneficiaries on the ground. Action at this level can be more specific and, hence, effective. This approach is a key component in the DWPP in Ghana, the Philippines and Kazakhstan. The value-added of the decent work agenda to the local economic development concept has been to enrich the economic considerations with rights and social values in a way that is most useful at the local level. One concrete outcome of the pilot programme is a Local Development and Decent Work (LDDW) Resource Kit for use by local decision-makers. The purpose of the Resource Kit is to add value to national and local planning frameworks taking into account local governance contexts and structures. It addresses two key challenges that confront local decision-makers, local governments, communities and their organizations, namely: (i) the need to address poverty, social exclusion and problems of work more explicitly and deliberately in local development strategies and (ii) the need for local, regional and national planning frameworks to converge more closely to ensure coherence and integration among priorities, strategies, and programmes. The resource kit will be completed by the end of 2005. The DWPP experience in Ghana, Philippines and Kazakhstan is used to generate broader debate in expanding the local development approach to encompass ILO values and decent work agenda.

⁹ A fair globalization: Creating opportunities for all, World Commission on the Social Dimension of Globalization, ILO, Geneva, 2004.

3.6 Monitoring indicators

46. Measuring and monitoring progress towards decent work require information and suitable indicators. The Office has developed a set of statistical indicators, for which data exist in many countries, to be used as guides to identifying decent work priorities¹⁰. These indicators can also be assessed in different national contexts and used as a basis for formulating more accurate and/or country-specific indicators of decent work. The ILO is currently extending technical assistance to countries in reviewing existing statistical systems such as labour force surveys, and identifying ways by which these could generate sufficient data for measuring decent work.

47. Within the above framework, country programmes have adopted three approaches to the development of decent work indicators:

(a) Fact-finding and review of existing statistical databases were completed in Ghana, the Philippines and in Bangladesh. This approach aims at assessing the availability of data for the proposed indicators and the possibility of collecting additional data in order to improve on existing statistical instruments. It also seeks to identify possible alternative indicators appropriate to the national statistical and development context;

(b) Design of country-specific decent work indicators: constituents have emphasized that indicators for measuring progress or setting benchmarks should be those that are appropriate to their respective national contexts and priorities. This forms part of the Bangladesh and Philippines country programmes;

(c) In addition, specific surveys have been carried out in different country contexts and on specific topics as a way of benchmarking the initial status such as on local development and the informal economy in Ghana.

IV. Follow-up action and future directions: moving from the Decent Work Pilot Programme (DWPP) to Decent Work Country Programming (DWCP)

48. The DWPP experience is yielding equally important lessons with respect to the process of elaboration of country priorities and programmes. The DWPP approach has evolved over time, learning from what worked best under given conditions. In general, overambitious plans with too many priorities have run into absorptive capacity problems both at the level of constituents as well as

¹⁰ Anker R. et al: *Measuring decent work with statistical indicators*, Working Paper No. 2, Policy Integration Department, ILO, Geneva, 2002.

with respect to the Office support. Time and efforts needed for advocacy and building capacities on an integrated approach to decent work should be properly planned and budgeted. Decent work programmes at the country level should be considered as living frameworks that are developed and reviewed with the changing national context and circumstances. Some of the key lessons with respect to the process, institutional and programming aspects of the DWPP and related experiences are highlighted hereunder. These are being documented in greater detail.

4.1 The DWPP approach

49. Typically, the operational approach developed included the following steps at the country level: (i) advocacy and information sharing on the concept of decent work to build a common understanding; (ii) a policy and programme review exercise with national stakeholders to identify policy priorities in the country and to decide on the best approach for integrating a decent work agenda within that framework; (iii) extended tripartite consultations to agree on the entry points of the country programme; (iv) preparation of specific action plans around those entry points including responsibilities for implementation and resource mobilization. Following that, ILO provides its technical support in selected areas within the available expertise and resources.

50. The emphasis laid on various components and the sequencing of action vary considerably from one country to another, in response to opportunities for policy reform and action. It should also be noted that country programmes are flexible frameworks that evolve over time and a snapshot of activities at any given moment may not give a complete picture. Most programmes started with a basic consensus of focused action that has expanded and branched out as consensus and dialogue progressed and as specific areas of action were defined and added to the implementation plan.

4.2 Analysis and policy oriented research at the country level

51. All along the above-mentioned process, national studies, benchmark surveys and sector reviews are undertaken and used as the basis for social dialogue. Constituents' priorities and perceptions of national realities are supported by research and information collection to build consensus on the focus and entry points of the DWPP. Discussion on the priorities of poverty reduction, fighting underemployment and precarious jobs, promoting fundamental rights, upgrading the informal economy and improving the competitiveness of vital sectors for the national economy in the global market are facilitated by collection of reliable data and their appropriate interpretation and communication at the country level.

4.3 Institutional aspects

52. Promoting consistency and coordination of economic and social policy-making is at the heart of the decent work agenda. Putting it into practice is a real challenge. The country programmes provide a window of opportunity for engaging policy-makers in the economic arena in the policy dialogue on decent work. While the conveners and focal points for the DWPP country programme are the ministries of labour, the country platforms are usually designed in a way to reach out to and involve other ministries in the definition and implementation of the country programme. Tripartite committees are formed bringing together all partners around the DWPP, with broad membership from ministries, employers' and workers' organizations. The tripartite committees have put in place methods for consulting and involving women's organizations, academia and other significant development institutions at the country level. A case-by-case approach is adopted with respect to the institutional mechanism aiming at efficiency and avoiding duplication. In some instances, ad hoc steering committees or national advisory committees are set up, in other instances existing and functioning tripartite bodies take up the responsibility of DWPP. Opportunities are seized, whenever possible, to bring the debate on decent work within the work of other national institutions such as national commissions on poverty reduction or economic investment boards, cabinet meetings and parliaments, etc. The coordination mechanisms that function effectively and on a sustainable basis are one of the most important dimensions for achieving coherence of economic and social policies.

4.4 Partnerships, coherence and coordination

53. Country programmes are open agendas that invite cooperation and partnerships with a number of other international organizations of the United Nations system and donors at the country level. They facilitate the integration of decent work objectives into current national frameworks such as the United Nations Development Assistance Framework (UNDAF), Poverty Reduction Strategy Papers (PRSPs) or the Millennium Development Goals (MDGs). The systematic introduction of DWCP (Decent Work Country Programmes) will facilitate ILO's participation in and influence over these frameworks. It should be said however that the objectives of harmonization, coherence and coordination amongst numerous and multiple frameworks advocated by the international community, are yet to be realized in all countries. In spite of that, there are significant good practices developing in different regions.

4.5 Integrated ILO technical support and development of new tools

54. The pilot programme permitted testing of new modalities of work in the Office around an integrated and coherent framework, bringing together contributions from all relevant units, both in the regions and at headquarters. It worked in coordination with other major Office initiatives such as the Global Employment Agenda, InFocus programmes and other initiatives in the technical sectors. Different units in the regions and at headquarters undertake a great deal of national-level policy advisory and research work in pursuance of each of the ILO's four strategic objectives. There was less experience however in putting these different elements together in a consistent and coherent way, so as to build a distinctive decent work approach. As mentioned in the introduction, the DWPP supports the implementation of country programmes as defined at the field level, through a coordinated and collaborative mechanism. This collaborative scheme includes the field offices that are at the forefront of the initiative, it draws on technical expertise from all concerned technical units and programmes and is facilitated by the National Policy Group of the Policy Integration Department (INTEGRATION/NPG)¹¹. Each country programme is served by a group of field/headquarters managerial and technical staff, the size and the composition of which varies according to needs identified and the specific focus of the country programme. The DWPP is undertaken in countries with very different ILO support structures. A pragmatic approach has been taken in defining respective roles of various units from field and headquarters ensuring that adequate support is provided to programmes.

55. The DWPP experience has also revealed the need for integrated policy and capacity building tools in specific areas. Three such generic tools are under preparation: (i) a training package on "Decent work as productive factor" or how improved conditions of work and social dialogue could contribute to enhancing the productivity and competitiveness of enterprises in the global market; (ii) Decent work and local development; and (iii) Decent work and poverty reduction strategies. All these tools, guidelines and training packages draw on the four strategic components of the decent work agenda and on concrete and practical experiences of the DWPP in the field. Subjects for development of additional tools and policy briefs have also been identified.

4.6 From DWPP to DWCP

56. Since the introduction of DWCP as the latest component of ILO's Strategic Programming Framework, questions are raised as to whether this would mean replication of the DWPP experience by all member States. In our view, these

¹¹ <http://mirror/public/english/bureau/integration/> .

should not be considered as identical although the DWPP brings out important lessons for DWCP in terms of programming objectives. In fact, distinction should be made between the adoption of decent work as a national goal in member States and the DWCP which constitutes ILO's new programming tool to provide integrated technical assistance at the country level.

57. We can think in terms of three concentric circles: the first circle coincides with a higher level macro policy framework of the country concerned; the second with the national decent work agenda and the third with ILO's technical cooperation programme. The DWPP has cut across all the circles by a) facilitating the articulation of the decent work agenda at the country level; b) supporting the integration of the decent work platform into the macro policy framework; and c) mobilizing resources and expertise from the Office to provide a consistent and integrated support. As mentioned earlier, this works best in countries where the political leadership has decided to move forward the reform agenda. The same opportunities and leadership may not exist in all countries at all times and therefore the DWCP may be focusing on the level c). However, the new feature of the DWCP is to encourage scoping of development priorities and policies at the macro level, especially when new national development plans, new economic reform policies or poverty reduction strategies are being designed. A strategy for engaging in and facilitating discussion of the decent work agenda in those national frameworks should be properly worked out and budget in the DWCP. Such a decent work platform will provide the required organizing framework and legitimacy for developing ILO technical cooperation in specific fields.