



# Decent Work in South-East Asia and the Pacific

## 2nd South-East Asia and the Pacific Subregional Tripartite Forum on Decent Work

5 - 8 April 2005, Melbourne, Australia



International Labour Office



**Australia**

**Fiji**

**Indonesia**

**Kiribati**

**New Zealand**

**Papua New Guinea**

**Philippines**

**Samoa**

**Solomon Islands**

**Timor Leste**

**Vanuatu**

# DECENT WORK IN SOUTH-EAST ASIA AND THE PACIFIC

*2<sup>nd</sup> South-East Asia and the Pacific  
Subregional Tripartite Forum on Decent Work  
Melbourne, Australia  
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International Labour Office

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# Preface

We live in turbulent times. Our homes are shattered by earthquakes, our coasts are devastated by tsunamis, and our economies and societies must adapt to accelerating globalization. In this era of sudden change and profound transformation, we must learn from one another – and partner with one another. And we must remain committed to our values and convictions with regard to Decent Work and Fair Globalization.

The concept of Decent Work has guided the activities of the ILO since it was endorsed at the International Labour Conference in 1999. Decent Work reverberates with our long-standing concern with social justice, which has inspired the ILO since its foundation in the past century and continues to inspire us as we confront the 21<sup>st</sup> century's social, economic, and developmental convulsions. Decent Work integrates the need to promote and realize labour standards and fundamental principles and rights at work with the need to provide the greatest possible number of people with adequate employment and income opportunities, help protect them and their families, and ensure that they have voice and representation.

At the first subregional Forum on Decent Work in 2003 in Auckland, the ILO constituents from South-East Asia and the Pacific emphasized the relevance of Decent Work as a strategic framework for ILO operations and urged member States in the region to develop and implement national plans of action for Decent Work. These plans of action constitute the key operational tool used by the ILO and its constituents to promote Decent Work consistent with national circumstances and local needs. This has been an important process of learning and adaptation for all concerned – a learning process that will continue in Melbourne.

I encourage participants to take this occasion to reflect on the work of the ILO with an open mind. In this era of globalization and rapid flux, the Office needs the advice and guidance of its tripartite constituents more than ever. It is in this context that I eagerly anticipate the results of this second Subregional Forum on Decent Work. The outputs at Melbourne will help us draw lessons and strengthen subregional cooperation and partnerships as we continue to move towards Decent Work. Later this year, the 14<sup>th</sup> Asian Regional Meeting will provide another valuable opportunity to consolidate and broaden our knowledge about Decent Work policies and programmes.

I welcome the tripartite delegation of Samoa to this Forum. I appreciate their readiness to engage with other constituents in the spirit of social dialogue and tripartism. We look forward to welcoming their official membership in ILO at the next International labour Conference and commencing our work in that country.

I also welcome those members of ILO, Kiribati, Solomon Islands, Timor Leste and Vanuatu, which joined the Organization in recent years. Their interest and engagement validates our work in the subregion and motivates us to build on our past accomplishments. The ILO will make its best effort to help these new member States benefit from the range of services of the Organization. The Melbourne Forum features a special session focusing on these countries, with particular reference to strengthening collaboration and partnership. I consider this element an important output of the Forum.

Finally, I commend the Government and the employers' and workers' organizations of Australia for their support and hospitality in hosting this second subregional Forum.

Australia has been a member of the ILO since 1919 and a strong advocate of ILO values throughout the years.

I wish you full success in your discussion and deliberations.

Shinichi Hasegawa  
Regional Director  
ILO Regional Office for Asia and the Pacific  
Bangkok  
March 2005

# Introduction

## Background

In October 2003, the tripartite delegations of ten ILO Member States in South East Asia and the Pacific met in Auckland, New Zealand to discuss their National Plans of Action for Decent Work.<sup>1</sup> That forum, the first of its kind, led to closer cooperation between the ILO and governments, employers' and workers' organizations. Outputs of that forum have:

- Provided direction and guidance for the work of the ILO and its constituents on the ground;
- Improved advocacy for and greater visibility of ILO issues and approaches in policy debates at national and regional levels; and
- Stimulated the preparation and updating of Decent Work national action plans and programmes.

Overall, the meeting helped promote and consolidate the Decent Work Agenda across the sub-region.

In order to build on this important progress, the *2<sup>nd</sup> Subregional Tripartite Forum on Decent Work in South East Asia and the Pacific* will be held in Melbourne, Australia on 5-8 April 2005. The Forum was organized pursuant to the conclusions of participants at the Auckland meeting that the tripartite delegations should meet to consider national plans of action for decent work prior to the 14th Asian Regional Meeting to be held in Busan, Republic of Korea, in October 2005 (see the Conclusions of the Auckland Forum in the Annex).

A Special Session for the tripartite delegations of member States that joined the Organization recently, or that are about to join, will be held on 4 April (Kiribati, Samoa, Solomon Islands, Timor Leste and Vanuatu). The objective will be to make delegates more familiar with the ILO and enhance their capability to contribute to the development of the Decent Work agenda in their own countries.

The Forum will take into consideration the broader context of the region and the impact of globalization. Globalization creates both opportunities and threats, and adjustments in economic and social policies and institutions are required in order to respond to changing conditions. Unanticipated shocks such as the tragic December 2004 tsunami, SARS, bird flu and the HIV/AIDS pandemic have negatively impacted the jobs and livelihoods of people in the subregion. The subregion is also characterized by unemployment, longstanding deficits in social protection, widespread informal economic activities, and high poverty rates. These and related economic and social factors create major policy challenges for governments and employers' and workers' organizations.

The Melbourne Forum will cover both of the dual roles of the Decent Work agenda: (a) to provide a strategic framework for coherent economic and social policies to achieve the ILO's fundamental goals, and (b) to

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<sup>1</sup> The ten countries are: Australia, Fiji, Indonesia, Kiribati, New Zealand, Papua New Guinea, Philippines, Solomon Islands, Timor Leste and Vanuatu. The ILO is providing assistance to these countries through its Subregional Office (SRO) for South-East Asia and the Pacific based in Manila.

provide a programming and benchmarking tool to guide ILO operations. Participants will discuss ways in which the Decent Work agenda can be made more responsive to ILO constituents' priorities and help identify concrete initiatives to address critical development concerns for the region. Other points of likely discussion, as identified at Auckland and in the Office's consultations with constituents in the region, include:

- The appropriate role of the ILO in responding to major crises;
- The pressing need to build capacities of tripartite partners as they cope with the challenges of globalization;
- The need for workplace initiatives that effectively address the HIV/AIDS pandemic; and
- The need for integrated national approaches to improving occupational and safety and health (OSH) across the subregion.

Additional concerns and priorities will be identified by the participants themselves.

## This Report

This report provides a point of departure for the Melbourne Forum.

Chapter 1 reviews broad trends affecting the world of work in the subregion, with special attention to the most urgent decent work gaps and ILO approaches to address them. Chapter 2 describes national-level ILO responses that are helping constituents to effectively promote the subregional decent work agenda.<sup>2</sup> The chapter also examines progress towards Decent Work action plans in each member State. Chapter 3 focuses on key ILO regional and subregional initiatives, while Chapter 4 synthesizes key issues that delegates may wish to take into consideration as they develop recommendations for improving advocacy and practical programmes for Decent Work in the subregion.

The report is supplemented by five briefing papers covering issues of special interest for Forum participants: (a) *Decent Work as a National Goal: The Experience of the Decent Work Pilot Programme*; (b) *The ILO Integrated Response to the Tsunami Disaster in Indonesia*; (c) *The Impact of Globalization on the Pacific Islands*; (d) *HIV/AIDS and the World of Work in South-East Asia and the Pacific*; and (e) *Decent Work – Safe Work: The Challenges of Promoting Occupational Safety and Health*.

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<sup>2</sup> The chapter does not cover the whole of the work of the ILO given that a comprehensive report is being prepared for the forthcoming 14<sup>th</sup> Asian Regional Meeting.

# Chapter 1

## Challenges to Decent Work in South-East Asia and the Pacific

Decent Work - the promotion of opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity – is the overarching objective of the ILO. Decent Work is at the heart of social progress. It is a means to achieve equitable, sustainable and inclusive development.

To achieve Decent Work the ILO works in four main areas:

1. Promoting and realizing standards, fundamental principles and rights at work;
2. Creating greater opportunities for women and men to secure decent and productive employment and income;
3. Enhancing the coverage and effectiveness of social protection for all; and
4. Strengthening tripartism and social dialogue.

This chapter identifies and discusses the main deficits, gaps and exclusions that people in the region suffer in each of these areas and how they are being addressed by the ILO.

### Fundamental Principles and Rights at Work

There is considerable variation across the subregion in the types of legal and policy frameworks, structures, and processes that affect labour and employment. Higher-income countries such as Australia and New Zealand have relatively mature systems, while other countries have less developed legal and policy frameworks. There is considerable diversity in the Pacific Islands, which tend to have pluralistic systems based primarily on traditional laws and practices. The challenge is to promote the international labour standards (ILS) in a manner consistent with the national contexts and customary practices of each country. The ILS, particularly the fundamental principles and rights, provide the core of a broad-based approach to sustainable and equitable development in the subregion that cuts across the multilateral system.

All ILO member states are obligated to respect and promote the fundamental principles and rights, as embodied in eight core Conventions. Fiji, Indonesia, and Papua New Guinea have ratified all the fundamental Conventions, with the Philippines considering following suit. Table 1 summarizes the status of ratification across the subregion.

**Table 1: Ratification Status, Fundamental Conventions in the Subregion**

	Forced Labour		Freedom of association		Discrimination		Child Labour	
	C. 29	C. 105	C. 87	C. 98	C. 100	C. 111	C. 138	C.182
Australia	02/01/1932	07/06/1960	28/02/1973	28/02/1973	10/12/1974	15/06/1973	-	-
Fiji	19/04/1974	19/04/1974	17/04/2002	19/04/1974	17/04/2002	17/04/2002	03/01/2003	17/04/2002
Indonesia	12/06/1950	07/06/1999	09/06/1998	15/07/1957	11/08/1958	07/06/1999	07/06/1999	28/03/2000
Kiribati	03/02/2000	03/02/2000	03/02/2000	03/02/2000	-	-	-	-
New Zealand	29/03/1938	14/06/1968	-	09/06/2003	03/06/1983	03/06/1983	-	14/06/2001
Papua New Guinea	01/05/1976	01/05/1976	02/06/2000	01/05/1976	02/06/2000	02/06/2000	02/06/2000	02/06/2000
Philippines	-	17/11/1960	29/12/1953	29/12/1953	29/12/1953	17/11/1960	04/06/1998	28/11/2000
Solomon Islands	06/08/1985	-	-	-	-	-	-	-
Democratic Republic of Timor Leste	-	-	-	-	-	-	-	-
Vanuatu	-	-	-	-	-	-	-	-

The overall number of ratified conventions varies by country. Australia and New Zealand, charter ILO members, have ratified the most conventions, while Timor Leste and Vanuatu, the newest members, have yet to ratify any. Other countries lie in between: Indonesia (17 ratified, all in force), Fiji (25 ratified, 22 in force), Kiribati (4 Conventions, all in force), Papua New Guinea (26 ratified, 24 in force), Philippines (31 ratified, 29 in force), and Solomon Islands (14 ratified, all in force). Table 2 provides more detail.

**Table 2: Year of ILO Membership and Number of Ratifications**

Countries	Year of ILO Membership	No. of Conventions Ratified
Australia	1919	<b>58 Conventions ratified (47 in force)</b>
New Zealand	1919	<b>59 Conventions ratified (50 in force)</b>
Philippines	1948	<b>31 Conventions ratified (29 in force)</b>
Indonesia	1950	<b>17 Conventions ratified and in force</b>
Fiji	1974	<b>25 Conventions ratified (22 in force)</b>
Papua New Guinea	1976	<b>26 Conventions ratified (24 in force)</b>
Solomon Islands	1984	<b>14 Conventions ratified and in force</b>
Kiribati	2000	<b>4 Conventions ratified and in force</b>
Timor Leste	2003	<b>0 Conventions ratified</b>
Vanuatu	2003	<b>0 Conventions ratified</b>

There have been four new ratifications since the Auckland meeting: Australia (Occupational Safety and Health Convention No. 155), Fiji (Vocational Rehabilitation and Employment-Disabled Persons No. 159), Indonesia (Labour Inspection Convention No. 81) and the Philippines (Social Security (Seafarers) Convention (Revised) No. 165). Available information suggests that the Philippines is moving towards ratification of the Forced Labour Convention No. 29, the Migration for Employment Convention (Revised) No. 97, and the Migrant Workers (Supplementary Provisions) Convention No. 143.

Table 3 summarizes progress on priority Conventions concerning tripartite consultation, labour administration, and employment policy (i.e., Tripartite Consultation No. 144, Labour Inspection No. 81, Labour Inspection (Agriculture) No. 129, and Employment Policy No. 122).

**Table 3: Ratification Status Priority Conventions in the Subregion**

	Employment	Labour Inspection		Tripartite Consultation
	C. 122	C. 81	C. 129	C. 144
Australia	12/11/1969	24/06/1975	-	11/06/1979
Fiji	-	-	-	18/05/1998
Indonesia	-	29/01/2004	-	17/10/1990
Kiribati	-	-	-	-
New Zealand	15/07/1965	30/11/1959	-	05/06/1987
Papua New Guinea	01/05/1976	-	-	-
Philippines	13/01/1976	-	-	10/06/1991
Solomon Islands	-	06/08/1985	-	-
Democratic Republic of Timor Leste	-	-	-	-
Vanuatu	-	-	-	-

ILO assistance in the subregion focuses on supporting ratification and application of Conventions in law and practice. Newer member states (e.g., Timor Leste, Vanuatu) may require special assistance in implementing the ILO Declaration on Fundamental Principles and Rights at Work. The ILO promotes the annual Global Reports under the Declaration, including assisting member states regarding principles and rights, helping clarify country positions on key issues, and developing appropriate responses. In order to support such advocacy, the ILO Sub-regional Office for South-East Asia and the Pacific (SRO) supports programmes that strengthen constituent capacity to organize their own consultative processes.

The situation regarding ratification of conventions covering occupational safety and health (OSH) issues deserves attention. Currently only Australia has ratified the Occupational Safety and Health Convention No. 155. Conventions dealing with specific OSH concerns have been ratified only by Indonesia (Hygiene (Commerce and Offices) Convention No. 120) and Philippines (Safety and Health in Mines Convention No. 176).

Considering the importance of seafarers in the subregion, it is expected that the promotion of Convention 185 on Seafarers' Identity Documents (Revised) will become more important in the future.

ILO supports its constituent members in meeting reporting obligations, a role that is particularly important for newer member States. Annual reporting of unratified fundamental Conventions has been satisfactory, with the exception of Solomon Islands, which has never reported, and Vanuatu in 2004. The ILO has also prepared reports on series of changes needed in labour legislation in line with ratified conventions in Kiribati, Papua New Guinea, Timor Leste and Vanuatu.

ILO helps formulate national policies and laws on labour and employment concerns and drafts reports on country-level efforts to apply ratified Conventions. The Office's technical cooperation programmes address priority issues such as basic principles, protecting domestic workers from the risks of forced labour and trafficking, and eliminating the worst forms of child labour. Short-term technical cooperation activities include training, capacity building seminars, advocacy activities for ILS, and strategy and policy work supporting further ratifications and implementation of ratified conventions.

## Employment

In their conclusions to the Auckland Forum in 2003, the participants acknowledged that *“one of the pre-eminent challenges for all members in the subregion is creating and maintaining economies that generate sustainable economic and jobs growth”* (see Annex).

Employment trends in the subregion are mainly shaped by globalization, which has a large impact on labour markets, industrial relations, labour standards, poverty and growth, regional integration, foreign investment, migration, and aid flows.

The impact of globalization on employment varies by country. While countries such as Indonesia and the Philippines have benefited from engagement in global markets, rapid industrial restructuring and decreased foreign direct investment have taken a toll on labour markets. Global production networks are rapidly shifting to China and other fast-growing areas of Asia. The impact is clear in the textiles and garment industry in the Philippines, where employment has fallen from an estimated one million jobs in the early 1990s to less than half a million today. This has been offset to some extent by increased employment in call centres and export-oriented electronics assembly, but that shift has been problematic for workers. The impact on the Indonesian textile and garment industry is reflected in the 400,000 jobs currently identified as being at risk. Jobs, particularly of women, are also at risk in the garment industry in Fiji.

Another reflection of the importance of globalization was the detrimental impact of the Asian financial crisis. While Australia and New Zealand have moved towards macroeconomic stability, countries such as Indonesia and the Philippines have recovered more slowly. The South Pacific islands, which lie at the margins of globalization, were particularly hard hit by the crisis and have yet to fully recover.

Persistently high population growth rates continue to exert pressure on labour markets. Large numbers of people in the agricultural sector are unemployed or underemployed, while the informal sector is growing. Between 1999 and 2003, about 300,000 formal sector jobs were lost in the Philippines, according to estimates by the country's employers' confederation, while the informal sector grew by 2 million jobs. In Indonesia, formal sector employment has fallen steadily since 2000 and dropped by more than a million jobs in 2003. In short, good jobs with adequate social protection are decreasing while less productive jobs with little or no social protection are increasing. Related concerns include the steady increase in youth working in the informal sector and accelerating massive migration, largely from rural to urban areas. All of these trends constitute threats to Decent Work.

Generating sustainable employment and livelihood opportunities requires a judicious combination of economic, social, and policy interventions at different levels. The ILO advocates for employment-friendly growth strategies; stimulates entrepreneurship; and engages in social dialogue on issues affecting employment.

In response to the outputs of the Auckland meeting, the Office has strengthened its employment generation activities in the subregion. New attention has been given to better understand the employment and labour implications of globalization, with a view to influencing national policies and encouraging socially responsible sectoral restructuring programmes.

#### **Box 1: The Social Dimension of Globalization in the Philippines**

While globalization is often described in economic terms, the social dimensions are equally important. This was emphasized in the report on *A Fair Globalization: Creating Opportunities for All*, issued in 2004 by the World Commission on the Social Dimension of Globalization established by the ILO (see [www.ilo.org/wcsdg](http://www.ilo.org/wcsdg)). Governments, employers, workers, and multilateral institutions need to develop a broader understanding of these social dimensions, especially as related to the human impact in the workplace. The 2nd High Level National Policy Dialogue on the Social Dimension of Globalization in the Philippines, held in Manila in December 2004, concluded that a successful response to globalization requires building up the competitiveness of local firms and workers; investing in education and training; strengthening institutions; and developing innovative policies that support more equitable labour markets. Participants discussed alternative advocacy initiatives and policy responses in areas such as employment generation, skills development, sectoral restructuring, and local economic development. Findings of the forum were integrated into the draft Philippine's Common Agenda for Decent Work (2005-2007), prompting common initiatives by the tripartite partners.

The Office has employed different approaches reflecting the labour market circumstances and dynamics in each country. Some examples include:

- Developing labour-intensive infrastructure development programmes that provide relief to unemployed and underemployed workers in rural sectors across the region.
- Supporting micro, small and medium-sized enterprises
- Partnering with government agencies and employers' and workers' organizations to implement programmes that enhance productivity and competitiveness of small firms and their employees.
- Adapting entrepreneurship training modules such as "Start and Improve Your Business" (SIYB) to local conditions, including translation into local languages and disseminating as widely as possible.
- Emphasizing youth employment (particularly important given the young age of the labour force in most nations in the subregion)

Supporting skills development to improve opportunities for women and men is another important element for improving the employment situation in the subregion. Specific proposed activities include:

- Policy reform initiatives, especially with regard to vocational education and training policy and skills development (particularly in Indonesia and the Pacific countries)
- Lifelong learning programmes

- Community-based training to support poverty reduction in rural areas, including entrepreneurship and microfinance components
- Competency-based training to continue work already started in Indonesia and Philippines

## Social Protection for All

**Occupational Safety and Health (OSH).** Occupational safety and health is a recurring concern in countries throughout the subregion, as noted in the conclusions to the Auckland Forum. Some of the most daunting challenges include:

- Much higher fatal and non-fatal accident rates in developing countries than in industrialized countries.
- Work-related accidents and illnesses in primary industries such as farming, fishing, logging, mining and construction.
- Fatalities from lack of safety and exposure to hazardous substances, attributable in part to low literacy, poor labelling and poor training on safety procedures among workers in the informal economy
- Musculoskeletal disorders linked to poor ergonomic practices, damaging quality of life and productivity on the job
- Lack of OSH data and data collection systems
- Inadequate resources and training for labour inspectors

These challenges are greatly increased by the large size of the informal economy, with its many unskilled labourers and migrant workers, who have little if any knowledge of OSH risks. The lack of traditional tripartite structures in the informal economy and the lack of labour inspection visits and advice only make matters worse.

Based on a recently adopted global strategy, the ILO supports development of a management systems approach to OSH at both national and enterprise levels.<sup>3</sup> National programmes and strategies need to be developed that progressively improve OSH standards in each country. Developing such programmes requires (a) reviewing the occupational safety and health situation in each country, (b) summarizing data on existing national occupational safety and health systems, and (c) designing appropriate systems based on that analysis. Such national systems provide the infrastructure for implementing programmes.

Effective social dialogue is essential for ensuring widespread agreement on and commitment to these national programmes and strategies. Experiences and good practice can also be exchanged through tripartite collaboration, with all parties becoming better informed about effective approaches to reducing work-related accidents and ill-health. Collaboration across the subregion is invaluable in promoting a wider understanding of the issues involved and disseminating accurate information to tripartite partners.

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<sup>3</sup> See separate briefing paper on OSH

**Social Protection for Women and Men.** Improving social security and protection for workers was identified as a constituent priority in the conclusions of the Auckland Forum. Since that time, the ILO has supported constituents as they have promoted gender equality. For example, sexual harassment hinders equal employment opportunity and treatment and undermines workplace productivity and worker morale. The ILO works with its constituents to promote that terms and conditions of work that are equitable for all workers and workplaces that are free of sexual harassment.

**HIV/AIDS.** HIV/AIDS represents a major development challenge in the countries throughout the subregion.<sup>4</sup> HIV/AIDS threatens basic human rights of workers and has a profound impact on human life and on the employment and labour market. At the individual level, discrimination against and stigmatization of people living with HIV/AIDS threaten fundamental principles and rights at work and undermine preventive and health care interventions. At the level of the economy, the pandemic reduces the labour pool, attenuates valuable skills and experience, and decreases productivity. The cumulative impact at the firm level is reduced profits, and at the national level a decreased level of investment. Although prevalence levels remain relatively low, recent surveillance data signal a potentially rapid spread of HIV/AIDS.

#### Box 2: HIV/AIDS in the Context of Decent Work

The global HIV/AIDS epidemic is an emerging crisis in the subregion. The majority of those who contract HIV are adults between 15 and 49 years of age – the most productive workers. HIV/AIDS reduces the supply of labour and undermines the livelihood of millions of workers and those who depend on them. The loss of skills and experience in the workforce threatens productivity and diminishes the capacity of national economies to deliver goods and services on a sustainable basis. Fundamental principles and rights at work are undermined through discrimination against those affected. The informal economy - employing well over half of the subregion's workers - is particularly vulnerable to the epidemic because of its reliance on human resources. The well-being of future generations is threatened, as children are orphaned, forced to leave school to care for sick family members, or work as child labourers. This reduces work opportunities for young people, impoverishes the stock of human capital and makes it harder to achieve sustainable development.

The Decent Work Agenda provides a strategic approach for addressing HIV/AIDS in the subregion. Core ILO activities for poverty reduction and gender equality help create conditions that are favourable to HIV prevention and mitigation. Such activities need to be supplemented and reinforced by an intensified programme of advocacy, research and policy analysis, technical cooperation, and capacity building. The SRO is now seeking to (a) integrate HIV/AIDS issues into ILO's existing structures and ongoing work in the subregion, and (b) identify and implement programmes targeting high-risk populations for reasons linked to occupational status, gender, or lack of social protection and respect for rights.

**Social security.** Social safety nets remain inadequate in many countries in the subregion. The percentage of labour force covered by national social security schemes is 16 per cent in Indonesia, 28 per cent in the Philippines, and 65 per cent in Fiji. Lack of social security coverage is largely concentrated in the informal economy, where a disproportionate number of workers are women. Extending social security coverage to excluded populations, especially those working in the informal economy, is a global priority for ILO as part of its objective to ensure that all people have decent work.

<sup>4</sup> See separate briefing paper on HIV/AIDS.

**Migrant workers.** There are estimated to be more than 86 million international migrant workers globally, with a large number of those living in the subregion. Migrant workers tend to be concentrated in sectors less attractive to host country workers. Migrant workers often have limited legal rights and face discrimination, xenophobia, greater risk to their safety and health, and forced labour. They lack even the most basic social security and health insurance. Among the most vulnerable groups are women domestic workers, migrant workers in irregular status, and trafficked persons. In the context of globalization, cross-border movements of workers seeking employment is expected to continue to increase. ILO recognizes the urgent need to ensure the rights of migrants, as reflected in ILO Conventions on Migration for Employment, Migrant Workers (Supplementary Provisions), and the protection of rights of migrant workers and their families. The plan of action adopted at the International Labour Conference in June 2004 provides a unique platform for programmes to ensure that migrant workers are covered by the provisions of international labour standards, while benefiting from applicable national labour and social laws.

## Social Dialogue and Tripartism

“*Social dialogue*” includes negotiations, consultations, and information exchanges about economic and social policy issues among representatives of governments, employers and workers. Higher quality social dialogue in the subregion has contributed to more cooperative labour-management relations based on mutual understanding and trust. These positive developments reflect a growing awareness among both labour and management that adversarial posturing based on perceived differences in interests and ideologies is counterproductive. Given increased competition associated with globalization and economic integration, labour and management need to work closely together to maintain competitiveness and protect the interests of all parties. The continuing challenge facing the ILO is how to effectively build capacities of social partners to help them deepen social dialogue.

*Employers’ organizations* face increasing pressure as they respond to the challenges of globalization, which in part explains the increased emphasis on advocacy and policy lobbying of recent years. However, many employers’ organizations are ill-equipped to respond effectively due to inadequate financial resources, and human resource constraints. Such employers’ organizations need greater managerial and technical capacities to fulfil their mandate, including enhanced capacities for strategic planning and setting realistic, results-based objectives.

The nature of ILO assistance to employers’ organizations varies by country, depending on such factors as level of integration of the national economy into global markets, socioeconomic factors, and organizational format and capacities. However, there are also certain commonalities in ILO’s approach, including the following general areas of emphasis:

- National competitiveness and productivity, especially in manufacturing industries facing competition from the Asian continental economies, often involving support for enterprise restructuring and enhancing access to markets;
- Labour market flexibility, especially with regard to legislation and regulations supporting competitive business environments;
- Social responsibility of the private sector in a manner appropriate to local conditions;

- Organizational capacity building, in particular strengthening EOs' role in policy dialogue and delivering demand-driven services to sustain their operations.

Capacity building initiatives are vitally important for *workers' organizations*, particularly in the Pacific islands. Workers' organizations need to enhance their capacities if they are to effectively shape policy-making at national, regional and international levels, particularly as related to globalization and industrial restructuring. Recognizing these needs, ILO supports training programs in leadership, negotiation skills, and collective bargaining.

There is also an urgent need to focus greater attention on organizing workers in the informal economy and the agricultural sector. Rural workers, plantation workers, fisherfolk, and vulnerable women workers all lack appropriate representation.

### Box 3: Trade Unions and the Indonesia PRSP Process

Since September 2003, Indonesia trade unions have actively participated in the national Poverty Reduction Strategy Paper (PRSP) process. The formation of an informal trade union network on the PRSP brought together the major trade unions to produce their own position paper. In April 2004, trade unions in the regions/provinces participated in the regional PRSP process. The ILO Bureau for Workers' Activities (ACTRAV) and the ILO Department for Social Dialogue contributed to the regional trade union's PRSP capacity building workshops. ACTRAV produced a training manual that was used in the capacity building workshop, which was intended to: (a) strengthen trade union capacity vis-à-vis labour issues and poverty reduction strategies; (b) teach trade unions how to identify and prioritise labour-related poverty reduction measures; and (iii) work with trade unions to help them influence the policy development process. As the government of Indonesia continues to refine its PRSP, trade unions at national and regional level will have many more opportunities to contribute to this important process. The trade unions should be able to use the knowledge and experience acquired in the PRSP capacity building workshops to influence the national policy debates that impact the world of work and, in turn, their lives.

Much work remains to be done to improve the representation of women in the industrial relations bodies of ILO member nations in the subregion. Women are typically underrepresented as members and officials of trade unions, employers' organizations, and Departments of Labour. The ILO assists its constituents in identifying gender equality issues, promoting gender equality in representation and voice, and mainstreaming gender into programmes and strategies.

## Gender Equality

Many obstacles to gender equality remain across the subregion, with the broad profile being similar across countries. While women's labour force participation has increased, the quality of jobs has not been optimal. Women tend to be concentrated in jobs with low security, low pay, poor working conditions, and little bargaining power. Discrimination relegates women to a narrow range of occupations and restricts their opportunities to assume higher level positions. Women are overrepresented in the informal economy and in agriculture,

where pay, training and promotion prospects, working conditions, and social protections are inadequate. Long work hours place additional pressures on workers with family responsibilities, and particularly on female workers with primary responsibilities for child and elder care. Women remain seriously underrepresented in decision-making roles in labour institutions, and their voices often remain unheard even as important decisions affecting them are made.

The ILO addresses gender as a cross-cutting concern and continues to assist member states in developing and implementing initiatives to promote gender equality. In early 2004, the ILO Regional Director for Asia and the Pacific formally issued a Gender Equality Mainstreaming Strategy (GEMS) and toolkit. This internal strategy and tool was designed to strengthen the ILO field structure's assistance to the constituents in promoting and realizing gender equality in all ILO supported programmes and activities.

Numerous initiatives in the subregion promote gender equality. In Indonesia, constituents developed guidelines for new labour legislation supporting equal opportunity. Trade unions in the Philippines have engaged in a pay equity campaign, while a subregional ILO project is addressing the protection and empowerment of domestic workers against forced labour and trafficking in Indonesia and the Philippines. Gender issues have been mainstreamed into the Indonesia Youth employment work and the Social Security projects in the Pacific Island States, and women's participation and training programs in Papua New Guinea, have taught women how to start and manage their own businesses. These and other initiatives are highlighted at various points in the current report.

Experience shows that gender discrimination on the basis of sex is still widespread and will not vanish automatically with economic growth. Many countries with high economic growth have made limited progress towards gender equality, while other countries with lower economic growth rates have achieved greater gender equality. This suggests that it is political will and respect for the human and workers' rights of women that are the decisive factors. When such political will is present, it becomes possible to make the explicit changes in policies, institutions and practices needed for more equitable outcomes of development assistance between men and women. Delegates to the Subregional Forum on Decent Work in Southeast Asia and the Pacific in October 2003 recognized the continuing inequalities in employment and occupation and the persistence of discrimination against women in the labour force. In the conclusions to the Forum, the delegates called for targeted and mainstreamed policies and programmes to promote greater equality of opportunity and treatment in the workplace.

Many challenges remain for ILO and its partners as they seek to address gender discrimination. These include:

- Improving quality and stability of jobs for both men and women
- Ensuring labour and social protection in all major economic sectors where minimum protection does not exist and which more often than not have a large representation of women workers
- Eliminating the worst forms of labour exploitation for all children and adults
- Providing education and training opportunities for all without discrimination
- Supporting equal pay for work of equal value, equal treatment and opportunities in job promotion
- Increasing the visibility and valuation of work in the paid and unpaid sectors of the economy
- Improving gender balance in the sharing of family responsibilities
- Enhancing the voice of women in labour institutions.

# Chapter 1

## The ILO Response at the Country Level

Each country has specific decent work needs, and efforts to address those needs must take into account national circumstances and priorities. The formulation of decent work national action plans through a tripartite process has been a main instrument to develop integrated policy frameworks and practical programmes to address the most urgent decent work gaps. This chapter examines progress in implementing national decent work action plans and highlights main aspects of the work of the Office to assist its constituents under each of the four main components of Decent Work.

### INDONESIA

Indonesia, with 220 million people, accounts for over two-thirds of the subregion's population and about two-thirds of economic output among the developing countries in the subregion (i.e., excluding Australia and New Zealand). Indonesia is faced with significant economic, social, and political challenges. Poverty remains widespread, with major disparities in resources and income across the geographically dispersed archipelago. The poorest areas of Indonesia are also the focus of terrorist activity (e.g., armed separatist movements in Aceh and Papua). Significant policy reform efforts are underway and represent a key element of the country's transition to popularly-elected governments.

The Indonesia's Tripartite Action Plan on Decent Work 2002-2005 was reviewed by a Tripartite Consultative meeting in November 2004. Work on the next version of the Action Plan, to begin in 2005, will include a review of achievements to date at national and subnational level and selection of Decent Work indicators. The update will have to take into account the emergency created by the earthquake and tsunami that dramatically affected the country in December 2004.

One important development has been that the Ministry of Manpower and Transmigration has incorporated many elements of the national action plan in departmental work plans and budgets. Similarly, many elements of the national action plan are incorporated in the new Medium Term Development Plan (2006-2009) and the Poverty Reduction Strategy Paper (PRSP), including a reference to the right to employment.

While the Action Plan identified a broad range of issues, consensus was reached that the ILO should focus on four areas: (a) industrial relations, including Fundamental Principles and Rights at Work and implementation of new labour laws; (b) child and forced labour, (c) job opportunities, especially for youth, and (d) social protection for vulnerable groups, particularly in the informal economy and for migrant workers.

## Fundamental Principles and Rights at Work

The ILO Declaration technical cooperation project has supported a series of important historical reforms and activities consistent with demand articulated by tripartite constituents. The Project has promoted *freedom of association and the right to collective bargaining*. Areas of focus have included freedom of association, collective bargaining, social dialogue, tripartism, gender equality, negotiation skills, workplace consultation and cooperation, dispute resolution through mediation, labour administration, and labour inspection. The project has conducted 289 activities, 145 of which provided technical inputs (including preparing presentations and publications of activities initiated, organized, and financed by the constituents themselves). The project has served over 11,000 direct beneficiaries from seven major provinces. Participants, including 3000 women, have included trade unionists (40%), employers and international chambers (22%), government (26%), and other stakeholders (12%). During its last year, the project will consolidate and build on previous accomplishments, with a focus on capacity building and supporting implementation of labour laws (especially the law on dispute settlement)

Indonesia was the first country in Asia to ratify the ILO's core conventions on *child labour*. The country has also developed a National Plan of Action for the Elimination of the Worst Forms of Child Labour. An ILO-IPEC project supporting that Action Plan was launched in early 2004. The project operates in seven provinces and involves extensive collaboration among government, employers, trade unions and NGOs. More than 40 action programmes are being implemented to support education, strengthen livelihoods, and build sustainable local political commitment to help children complete their schooling and avoid exploitative child labour. The project promotes policy reform and progressive programme frameworks to combat child labour. Recent developments have included:

- The National Medium Term Development Plan (2004-09) was amended to refer to the need to implement the National Plan of Action on the Elimination of the Worst Forms of Child Labour.
- Indonesia's PRSP incorporated an objective of preventing exploitation and the worst forms of child labour, including identifying targets and indicators of reduced child labour.
- The United Nations Development Assistance Framework 2006-2010 has as a target to ensure that Indonesia's policy environment supports elimination of the worst forms of child labour.

In 2004, Indonesia adopted a National Action Plan on Human Rights (2004-2009). Under the leadership of the Ministry of Justice and Human Rights (MJHR), national and regional committees are mainstreaming human rights principles into national and regional laws and regulations. The ILO, in collaboration with the Ministry of Manpower and Transmigration, has assisted MJHR officials in implementing the Action Plan, including providing initial training on the fundamental principles and rights at work, labour legislation, and enforcement mechanisms.

## Employment

The ILO *youth employment* programme supports Indonesia's vision, articulated in the National Plan of Action (IYEAP), for young men and women to fully realise their potential through productive work. The programme, through the Indonesia Youth Employment Network, stimulates partnerships to share information and knowledge and advocate for action to address youth employment issues. Gender issues in Indonesia, and

recognition that young women are more disadvantaged, are addressed through specific interventions and mainstreamed in the programme.

At the provincial level, the programme provides technical support for the development of provincial youth employment strategies in pilot areas. Entrepreneurship and enterprise training, competency based skills development in the wood furniture industry and local level partnerships to assist disadvantaged youth in the informal economy are also in place.

*Training* is another area of concern. Development of core skills, training of trainers and skills upgrading have been key priorities of Indonesia's national skills qualification system. The ILO has provided technical and financial support for vocational training. Two workshops on competency-based training were conducted in East Java, a pilot province for the area-based decent work programme. At the national level, a workshop to raise awareness on vocational training policy was held particularly to socialize the present vocational training policy with policy makers and stakeholders. The new ILO Human Resources Development Recommendation No. 195 was presented and used as a guide in the reform process. Further, a national training workshop on the competency-based approach for national training centres of excellence was conducted in 2004, with materials in Bahasa Indonesia.

The ILO works with the country's employers' organization (APINDO) to extend services and membership to *women entrepreneurs*. APINDO has worked with an association of women entrepreneurs to assess the challenges faced by Indonesian entrepreneurs and to identify barriers that women face in establishing and developing their businesses.

In 2003, Indonesia passed legislation supporting *equality of opportunity and treatment* in employment. Since that time, the Indonesia Ministry of Manpower and Transmigration has (a) established a Task Force and Technical Working Group on Equal Employment Opportunity, (b) built capacity to implement the principles of non-discrimination through weekly seminars, and (c) developed guidelines for implementing EEO in the workplace. Departmental budgetary resources were used to further the work, with assistance from ILO. Ongoing activities include database development, training of labour inspectors, and training activities in the private sector. These efforts to translate law into practice reflect a real commitment to the application of the fundamental principle of non-discrimination in Indonesia.

## Getting People Back to Work after the Earthquake and Tsunami in Indonesia

The earthquake and tsunami that swamped the northern and western coastal areas of Sumatra in December 2004 was the worst natural disaster in Indonesia's history. The ILO response was immediate.<sup>5</sup>

- The ILO cooperated with the Ministry of Manpower and Transmigration to put in place an emergency employment service centre in Banda Aceh. That centre provides women and men in Aceh access to improved job brokering, placement and information services, and entrepreneurship and skills training courses.
- Existing ILO programmes such as the Youth Employment Network and the Forced Labour/Trafficking Project were expanded to cover the disaster area. The ILO-IPEC Project on the Elimination of Child

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<sup>5</sup> See separate briefing paper on the ILO Jakarta Integrated Response to the Tsunami disaster

Labour was extended to provide support for families in keeping children in school and to prevent exploitation of children in hazardous reconstruction and rehabilitation work.

- Support programmes have been launched to help social partners rebuild their organizations and provide emergency services to members. With the trade unions, work has started on rebuilding their capacity and office in Banda Aceh, financing a planning workshop and participation in SYB courses for members, and elaborating micro-enterprise projects. With APINDO, a joint survey is underway with their 320 members in the province to understand their needs and to develop strategies for rebuilding businesses.
- Resources were mobilized to support an integrated programme for submission to the main donor agencies covering the critical areas to rebuild and sustain the livelihoods of people in Aceh.
- Finally the ILO collaborated with the Bureau of National Development Planning (Bappenas) and the World Bank on a technical report on Reconstruction. The ILO Chapter - *Getting People Back to Work* - emphasized the vital importance of employment creation and sustainable livelihood as both a strategic focus and benchmark for the reconstruction effort.

## Social protection

Increased social protection for vulnerable groups, particularly workers in the informal economy and migrant workers, remains a high priority. After an extensive consultation process, a new bill on the national *social security* system was passed in October 2004. ILO's technical assistance project "Restructuring the Social Security System in Indonesia" (2001-2002) was instrumental in preparing this law (the SJSN Act), which represents a major milestone in the development of a sound social security system. Pending the issuance of implementing rules in a Presidential Regulation, there is a need for immediate technical assistance to support (a) development of a short- to mid-term implementation plan, (b) design of key social security programmes, (c) capacity building, and (d) planning ahead to include workers in the informal economy.

The Manpower Act enacted in 2003 stipulates that all enterprises in all sectors should establish their *occupational safety and health* management system at the workplace. The ILO is helping ensure greater coordination among the different ministries involved and is assisting its tripartite partners in implementing the new regulations on OSH.

The Tripartite Declaration to Combat *HIV/AIDS* in the World of Work was signed in February 2003, engaging the tripartite partners to work together to sustain promote workplace prevention programmes, under a tripartite framework, following and the principles of the ILO Code of Practice on HIV/AIDS and the World of Work. New legislation was adopted in 2004 to help control the spread of the virus at the workplace through training and education and prevent discriminatory practices.

## Social dialogue and tripartism

In the context of an emerging participatory system, Indonesia has made huge advances in social dialogue in recent years. Indonesians now enjoy unprecedented freedom of association, a prerequisite for effective social dialogue. Tripartite consultations and social dialogue have contributed to timely passage of labour laws

on Trade Unions, Manpower Development and Protection, and Dispute Settlement. Over 75 trade union federations with numerous affiliates have sprung up to replace the single state-supported trade union centre that existed under the previous authoritarian system.

The ILO has helped Indonesia move forward with Decent Work, including through implementation of new labour laws and capacity building in labour administration, employers' organizations, and trade unions.

#### Box 4: The Changing Role of Police in Labour Disputes in Indonesia

In the past, the military and police authorities regularly intervened in labour disputes and negotiations in Indonesia. This type of intervention is becoming increasingly rare, consistent with the developing democracy and the greater recognition of human and labour rights. In this context, the Declaration Project for the Indonesian National Police has developed and delivered training programmes on fundamental principles and rights at work, emphasizing the importance of freedom of association and collective bargaining for officers, both at headquarters and provincial offices. The "training of master trainers" technique has helped achieve ownership and a wider outreach. The project also supports police in developing operational guidelines for handling labour disputes and disseminates information and education materials.

Free and independent *trade unions* have flourished in Indonesia since 1998, with at least 86 national federations active (including three major confederations). There are also about 100 national level unions and more than 15,000 plant level unions. The trade unions' and the employers' federation (APINDO) give their respective members voice in social dialogue and tripartite bodies on labour and social affairs.

Compared to the previous adversarial relationship characterized by mistrust and conflict, industrial relations in Indonesia are now characterized by a growing commitment to partnership and open communications. There is an unprecedented awareness of the need to balance productivity and enterprise on the one hand and workers' rights and welfare on the other. The new labour law on Manpower Development and Protection, for example, mandates bipartite cooperation bodies in all establishments employing twenty or more workers. Recent tripartite consultations have focused on addressing sexual harassment in the workplace. The Declaration project has worked with tripartite constituents to identify appropriate roles and actions to reduce sexual harassment in the workplace.

At the same time, many workers continue to face difficulty when they seek to organise trade unions, sometimes facing anti-union discrimination. There are continuing difficulties facing unions in their efforts to increase the level of collective bargaining, and the growth of insecure forms of employment, as well as the relocation and/or restructuring of companies, leaves many workers in a vulnerable position.

Technical cooperation activities of the ILO have had a very positive impact. Many of the people trained under various ILO activities in the past now play important roles in their unions and in industrial relations. Many of the core workers rights issues have been subsumed into the unions' regular training programme packages. There remains, however, a need to provide continuing support to strengthen the capacity of trade unions, and to develop the trade union role in building effective structures for social dialogue, both at the workplace and at government levels.

The ILO is also assisting the country national *employers' organization* (APINDO) to become more effective in achieving its policy and service objectives. APINDO is building capacity through internship programmes with ILO Jakarta. Members of the secretariat have learned to design projects and implementing monitoring and evaluation systems. As a result, APINDO secretariat has been able to submit improved project proposals for funding. Other areas in which ILO is working with the APINDO secretariat to build capacity include.

- Representing and advocating for the interests of members
- Effectively influencing legal reform
- Developing and delivering appropriate industrial relations services
- Addressing enterprise development needs of existing and potential members, including the specific needs of women entrepreneurs
- Building capacity to promote the Global Compact and socially responsible initiatives, including helping develop enterprise-level self-assessment tools for social compliance
- Developing research and advocacy capacities
- Taking a more active role in Indonesia's Corporate Social Responsibility agenda

**Table 4: TECHNICAL COOPERATION PROJECTS AND PROGRAMMES, Indonesia**

TITLE	TIME	DONOR	TOTAL BUDGET (in US\$)	STATUS
Employment Creation and Poverty Alleviation through Sustainable Rural Infrastructure	2003 - 2004	IBR	154,366	Ongoing. Coordinating Team on Rural Infrastructure Development (CTRID) now funded by Government.
Promoting and Realizing Freedom of Association and Collective Bargaining (Phase I and II)	2004 - 2005	US Department of Labour	4,000,000	Ongoing
Promoting and Realizing Fundamental Principle and Rights at Work to Indonesian National Police	2003 - 2005	US Department of Labour	500,000	Ongoing
Youth Employment: Action and Policy	2004 - 2006	Netherlands	1,308,997	Ongoing
Support to the Indonesian National Action Plan of the Worst Forms of Child Labour	2003 - 2008	US Department of Labour	4,065,000	Ongoing
Trafficking in Children in South and South-East Asia (TICSA)	2003 - 2008	US Department of Labour	regional budget	Ongoing
Child Domestic Workers Regional Programme	2003 -2008	Netherlands	regional budget	Ongoing
Mobilizing Action for the Protection of Domestic Workers from Forced Labour and Trafficking in Southeast Asia	2004 - 2006	DFID-UK	1,700,000 <sup>1</sup>	Ongoing (also covering Philippines)
Integrated Employment Strategy for Tsunami Reconstruction – Extension of the IPEC project on Worst Form of Child Labour in Aceh	2005	US Department of Labour	1,500,000	Ongoing
Employment Service for the People of Naggroe Aceh Darussalam Province (ESPAD)	2005	UNDP	125,000	Ongoing. Funding for a larger programme is being negotiated.
<b>TOTAL</b>			<b>12,503,363</b>	

## PACIFIC ISLANDS

The Pacific Island countries face major challenges to social and economic development. They are small in population and are isolated from export markets. Many island countries have experienced ethnic conflict and political instability, and many have increasingly fragile ecosystems. These factors make the island countries highly vulnerable to international economic shocks.

The ILO provides technical cooperation supporting policy and labour law reform, employment creation, greater coverage of social security, and industrial relations. Special attention is given to the need to promote greater gender equality. In this context, social dialogue is an important vehicle for identifying challenges, building consensus among constituents, and improving labour markets and working conditions.

Some of ILO's recent achievements in the Pacific include ratification of eight core conventions; review of labour legislations; studies on discrimination in employment and occupation; job creation and skills development programmes; programmes to fight HIV/AIDS, and a new major subregional programme to improve the coverage and efficiency of the social security systems of Fiji, Kiribati, Samoa, Solomon Islands and Vanuatu (see Chapter 3). Specific support has also been given to enhancing awareness and helping the formulation of decent work national frameworks or plans of action in Kiribati, Fiji, Papua New Guinea and Solomon Islands. Similar work is starting in the other countries in the Pacific.

Globalization is a common concern. While its economic and social impact has been mixed,<sup>6</sup> there are new opportunities that may ultimately benefit workers. Modern technology, and in particular digital communications and the internet, creates the potential to draw the countries and peoples of the Pacific closer together and integrate them more firmly into the wider world. ILO has supported the Pacific Island Countries Trade Agreement (PICTA) (dealing with free trade among Pacific countries) and the Pacific Agreement on Closer Economic Relations (dealing with free trade with Australia and New Zealand). Labour markets are also becoming fluid, and increasingly workers from the Pacific Islands are moving abroad to look for job opportunities.

## FIJI

The population of the Fiji Islands is just over 880,000, with an annual growth rate of 1.4 per cent. Fiji is endowed with forest, mineral, and fish resources and is one of the most developed Pacific island economies, although there is still a large subsistence sector. GDP per capita was around US\$ 5800 in 2003, with about one-fourth of the population living in poverty.

A growing tourist industry and sugar exports are primary sources of foreign exchange. Sugar processing accounts for one-third of industrial activity. Exports, which represent about 12% of GDP (2002), include sugar, garments, gold, timber and fish, exported primarily to Australia, the United Kingdom, and the United States. Long-term problems include low investment, uncertain land ownership rights, and the government's limited capacity for fiscal and budgetary management. Nevertheless, short-term economic prospects are positive as a result of an improved political climate and the growing influx of tourists.

Fiji's Decent Work national action plan has been developed with extensive tripartite consultation and social dialogue. Government ministries, employers' organizations, and workers' organizations collaborated closely in preparing Fiji's first draft in 2003. Plans are now to finalize the plan in early 2005. A high-level Tripartite Peak Body, made up of 16 Ministries, is reviewing and providing policy guidance to the plan, as well as guiding the employment-intensive and income-generating human resource development project.

<sup>6</sup> See separate briefing paper on The Impact of Globalization in the South Pacific

Fiji has a long tradition of tripartism and social dialogue. Social dialogue played a key role in the country's ratification of seven of the eight ILO core Conventions under the ILO Declaration. The tripartite Labour Advisory Board is regularly consulted on all labour and social issues. The Government and the social partners have agreed on the vital importance of revising the Industrial Relations Bill and are currently engaged in dialogue to reach consensus on proposed amendments. Institutions such as the National Training and Productivity Authority and the Fiji National Provident Fund have tripartite governing councils that manage their affairs and provide policy and operational guidance.

However, difficult industrial relations in Fiji remain to be resolved. The emergence of a rival trade union centre and Fiji Chamber of Commerce has placed pressure on the Fiji Trade Union Congress and the Fiji Employers Forum. Since the revision of the Occupational Safety and Health Act, the tripartite partners have faced the difficult task of improving management and administration of workers' compensation scheme. The social partners are also aware of the emerging issue of HIV/AIDS and its potential impact on the tourism industry.

An Integrated Human Resource Development Programme for Employment Promotion was developed with ILO assistance. The programme has generated 3,800 jobs and is considered a model for job creation in the informal sector in Fiji. ILO constituents are actively participating and the Government has been contributing about US\$1 million per year over the last four years. In collaboration with the government, a pilot scheme called "Walking out of Poverty" is also in operation to find income generating opportunities for people living in poverty.

## KIRIBATI

Kiribati is a remote country made up of 33 scattered coral atolls. Kiribati's GDP per capita is around \$800. Kiribati has few natural resources. Copra and fish represent the bulk of production and exports. The economy has fluctuated widely in recent years. Economic development is constrained by a shortage of skilled workers, weak infrastructure, and remoteness from international markets. Tourism is a relatively small sector but important sector. Between 3,000 and 4,000 visitors a year provide more than one-fifth of GDP. The financial sector remains at an early stage of development, and efforts to boost the private sector are in their infancy. Kiribati receives financial assistance amounting to a significant share of its GDP. Remittances from overseas workers account for more than US\$ 7.5 million annually. Japan is by far the leading market for Kiribati's exports (75%), while major import partners are Australia and Fiji.

Kiribati's Decent Work National Action Plan was prepared in 2003 and is reflected in the National Strategy Paper (2004). A Technical Working Group made up of representatives from the tripartite partners is finalizing the DWCP, the final draft of which will be endorsed by a National Advisory Committee on Decent Work, reviewed by the Attorney General, and submitted to the Cabinet for approval.

Kiribati's decent work framework identifies four main priorities: industrial relations and good governance; youth employment; HIV/AIDS; and vocational training policy development and establishing trade testing and certification standards

One challenge is that Government of Kiribati has limited capacity for implementing labour market policies and decent work programmes. The Ministry of Labour and Human Resource Development is understaffed and

experiences high rates of staff turnover. This has posed challenges in embedding the goals and concept of Decent Work and in developing and implementing the national plan.

However, there are also signs of progress. Over the last year-and-a-half, the Ministry of Labour organized workshops on (a) Decent Work for Chief Councillors of the outer islands, and (b) Labour Law Review and Improving Organizational Performance in the Outer Islands. In July 2004, the ILO launched a project to improve coverage and efficiency of social security systems in five countries in the Pacific, including Kiribati. The ILO also collaborated with the Government to assess the strengths and weaknesses of the Labour Division of the Ministry of Labour and Human Resource Development (MLHRD) and presented recommendations to improve structure, processes, and performance. The Government, in an effort to mobilize resources, also prepared a project proposal on Industrial Relations and Good Governance for distribution to the donor community.

ILO organized HIV/AIDS workplace policy training programme for government and employers' and workers' organizations. Following the training, a National Plan of Action was developed to promote appropriate HIV/AIDS policies in the workplace.

Job creation in the informal sector remains a major challenge. The Government, in cooperation with the ILO, has prepared a concept note for supporting youth employment. This process has included meeting with the Asian Development Bank in October 2004 to identify opportunities for developing a program of assistance.

## PAPUA NEW GUINEA

Papua New Guinea (PNG), the largest of the Pacific Islands, encompasses more than 600 islands. Population is over 5.5 million, with annual growth of 2.3%. GDP per capita is \$2200, making PNG a "lower-middle income country." However, PNG is characterized by great inequality, and about 2 million people live in poverty.

Agriculture provides a subsistence livelihood for the large majority of the population. While PNG has a rich natural resource base, exploitation has been hampered by rugged terrain and the associated high costs of developing infrastructure. Mineral deposits, which include oil, copper, and gold, account for 72% of export earnings. In response to faltering economic performance over the recent years, the Government has worked to restore integrity to state institutions, stabilize the national budget, privatize public enterprises where appropriate, and ensure peace.

ILO activities in the country are structured around the programme on "Structural Adjustment at Minimum Social Cost." The programme has been referred to the National Tripartite Consultative Council, comprised of all Ministers and social partners, and a Cabinet-level official has been appointed to oversee the progress in the Decent Work agenda. This programme will dovetail with the Decent Work National Action Plan for which a comprehensive draft white paper on "Poverty Alleviation and Decent Work" has been prepared.

The Start and Improve Your Business (SIYB) project is the main ILO programme in the country. The project has worked with the government's Small Business Development Corporation (SBDC) to establish a pool of trainers providing skills training country-wide. The emphasis has been on helping entrepreneurs start and grow small businesses. Given major and enduring disparities between women and men on social and economic outcomes, the project has sought to promote gender equality in its activities, promoting greater participation of women as both trainers and trainees, and modifying course materials for gender sensitivity. Recently, the

SBDC has entered into partnership with the women's entrepreneur network, providing office space and services and helping build internal capacities.

*HIV/AIDS* is an emerging concern given that PNG has the highest HIV infection rate among Pacific island countries. There have been rapid increases in new cases among women attending antenatal clinics and seeking treatment for other sexually transmitted infections in Port Moresby. The risk is magnified by the high levels of sexual activity, very low condom use, and little awareness of HIV/AIDS among the public. The country faces a severe epidemic if corrective action is not taken. The ILO has assisted the National AIDS Council in implementing the HIV/AIDS policy at the workplace and develop tool kits to be used by ILO constituents.

PNG has also been assisted in the review of its *labour legislation* and in the development of occupational safety and health policy. The first draft of legislative changes has been submitted to the Government.

PNG's record on *social dialogue* has been mixed. Although PNG created an autonomous National Tripartite Consultative Council, it has not met regularly due to technical problems and shortage of funds. The Minimum Wage Board has not made any awards since 2000, reflecting the lack of a tripartite consensus. Industrial relations in PNG are increasingly confrontational, although there is as yet no evidence of open conflict between workers and employers.

## SAMOA

Samoa is a sparsely populated island nation (177,714 people in July 2004) that is experiencing rapid out-migration. Despite a high fertility rate, Samoa has negative population growth.

The Samoan economy is highly dependent on overseas remittances and development assistance. Two-thirds of the labour force work in agriculture and fishing. Major commodities include coconut cream, coconut oil, and copra. The decline of fish stocks is a continuing problem. The manufacturing sector primarily processes agricultural products. Tourism is expanding and now accounts for 25% of GDP; about 88,000 tourists visited the islands in 2001. Government priorities include deregulation of the financial sector, investment incentives, continued fiscal discipline, and protecting the environment.

Samoa recently applied for ILO membership, with formal membership expected to be officially announced at the June 2005 International Labour Conference. In the course of promoting membership, constituents carried out the first round of discussions regarding the decent work national action plan. The first draft will be developed in 2005 with participation of government Ministries and social partners.

The ILO is already at work in Samoa. Through the UNDP, a project has been launched to help establish the first Samoa Qualifications Authority to improve equitable access and expand opportunities for quality education for all community groups. The Authority will advise the government on all aspects of post-school education and training and play a coordinating and regulatory role.

## SOLOMON ISLANDS

The Solomon Islands include 922 islands that are home to over 500,000 people. The population is growing at a 2.7 per cent annual rate; over half of the population is under 25. The bulk of the population depends on agriculture, fishing, and forestry. Most manufactured goods and petroleum products must be imported. The islands are rich in mineral resources such as lead, zinc, nickel, and gold. The country has experienced major trauma over the last few years, related to the disintegration of law and order by mid-2003. The current situation is still difficult, given the cumulative impact of ethnic violence, failed business enterprises, and an impoverished public sector. Deliveries of crucial fuel supplies (including those for electrical generation) are sporadic. The telecommunications system is threatened by the flight of technical and maintenance staff from the country. Overall, the insurgency and economic disruption have contributed to a decline in GDP per capita of over 25% since 1991.

The Decent Work National Action Plan was prepared in 2003 and revised in 2004; it has now been referred to Parliament. In preparing the 2005 Plan, government ministries and social partners have organised two national workshops, most recently in Honaria on 14 July 2004.

Two projects, the Community Infrastructure Rehabilitation Project (CIRP) and the Solomon Islands Industries Rehabilitation and Retention Task Force Project (SI-IRRTF), have contributed to generating direct and indirect employment opportunities by means of introducing employment-intensive methods for construction and maintenance of infrastructure. An ILO expert visited the country in September 2004 to assist in launching job creation and vocational training initiatives. ILO Suva organized a workshop on awareness of HIV/AIDS for employers' and workers' organizations in November 2004. The Solomon Islands Council of Trade Union has been assisted in running workers' education programme along with a computer to strengthen their institutional capacity. The Solomon Islands Chamber of Commerce was assisted in their institutional building through implementing a study tour to Fiji by its Secretary.

## VANUATU

Vanuatu is an island economy with just over 200,000 residents; small-scale agriculture provides a living for 65 per cent of the population. Other key sectors are fishing, offshore financial services, and tourism (about 50 000 visitors in 1997).

Vanuatu's economic development is jeopardized by dependence on a few commodity exports, frequent natural disasters, and geographic isolation. GDP growth rose less than 3% on average in the 1990s. The country has experienced two major earthquakes during the last six years; the first (November 1999) generated a tsunami that caused extensive damage to the northern island of Pentecote and left thousands homeless. The second earthquake (January 2002) caused extensive damage in the capital city of Port-Vila and surrounding areas. Since 2002, the government has prioritized tourism, following by agriculture (especially livestock farming). Australia and New Zealand are the primary source of tourists and foreign aid.

Initial discussions about the formulation of a decent work national action plan have begun and constituents have identified major areas of concentration. The actual plan should be developed in 2005.

ILO activities, based on findings of a 2004 mission, will focus initially on one or two areas where impact can be achieved. The tentative entry points identified for the national plan of action are workers' compensation schemes, minimum wages and labour standards. Vanuatu was assisted in job creation initiatives with the implementation of a pilot scheme. The first report on the Labour Law Review was submitted to the constituents for their comments. In Vanuatu, as in Fiji, Kiribati, Samoa and Solomon Islands, ILO assistance has been provided under the subregional initiative on social security for the Pacific Islands countries.

**Table 5: TECHNICAL COOPERATION PROJECTS AND PROGRAMMES Pacific Island Countries**

TITLE	TIME	DONOR	TOTAL BUDGET (in US\$)	STATUS
Integrated Human Resources Development for Employment Promotion FIJ/99/002/H/0111	2003	ILO	241,878	Ongoing, with Government funding
SIYB in PNG – Institutionalization & Consolidation Phase PNG/03/02/M/AUS	2003-2006	AUSAID	798, 270	Ongoing
Employment Generation and Economic Recovery Through Rehabilitation & Maintenance of Infrastructure SOI/02/009/A/0134	2003-2004	ILO	127,000	Completed
Support to the Demobilisation & Socio-economic Integration of Ex-combatants and Vulnerable Groups SOI/01/001/A/0134	2003	ILO	7,000	Completed
Establishment of Samoa National Training Authority SAM/03/002/B/0111	2003-2005	UNDP, Samoa	51,500	Ongoing
Samoa Qualifications Authority SAM/39/28/0A/0199	2004-2005	UNDP, Samoa	252,800	Ongoing
Support to the National Response to HVI/AIDS in PNG. PNG/03/002	2003-2004	UNDP, PNG	89,000	Ongoing
Social Security in the Pacific Island Countries RAS/04/59/M/NET	2004-2006	Netherlands	1,157,700	Ongoing
Tonga National Retirement Benefit Project TON/01/001	2004-2005	UNDP, Suva	124,057	Ongoing
<b>TOTAL</b>			<b>2,849,205</b>	

## PHILIPPINES

The Philippine economy has registered positive growth rates since the 1997 Asian crisis. However, the country faces major challenges, including fiscal and budgetary deficits, inadequate public sector revenue generation, and large unemployment and underemployment. The Arroyo Administration, elected in 2004, has pledged to continue its economic reforms in the context of the country's Medium Term Philippines Development Plan (2005-2010), which calls for improving infrastructure, strengthening tax collection to bolster government revenues, furthering deregulation and privatization of the economy, enhancing the viability of the financial system, and increasing regional trade integration with the region. Major emphasis is on job creation as a key policy objective.

The first Philippine Decent Work National Action Plan was launched in May 2002 with the support of the ILO Decent Work Pilot Programme and the active involvement of the tripartite partners. Since the start, the Plan has been fully owned by the social partners. The National Tripartite Advisory Committee and the Tripartite Technical Working Group on Decent Work were deeply involved in the design, implementation, evaluation, and review of the plan and its programmes.

Presently, the Technical Working Group is reviewing the Decent Work National Action Plan to realign it with the new priorities set by the National Medium Term Development Plan 2005-2010. The plan has evolved into a draft Common Agenda for Decent Work, which sets a list of priorities for common action by the ILO and its constituents over the 2005-2007 period. The Common Agenda is expected to be endorsed by the National Tripartite Advisory Committee in March 2005.

### Fundamental Principles and Rights at Work

The Philippines has ratified 31 Conventions, including seven of the eight core Conventions on Fundamental Principles and Rights. The procedure for the ratification of the eighth core Convention (regarding forced labour) is well advanced. While the country's labour laws and regulations are in line with ratified ILO standards, some inconsistencies remain. In addition, national labour standards may not be uniformly enforced, especially in the informal sector.

The Philippines is moving towards a more systematic and better structured consideration on ILO Conventions, including taking steps toward a National Policy on international labour standards. The Tripartite Industrial Peace Council (TIPC) will host a conference on issues with broad participation from various sectors. The conference will focus initially on ratification of ILO Conventions.

The Philippines has a strong interest in ILO maritime standards, reflecting the fact that Filipinos constitute 20 per cent of global seafarers. The Philippines is actively participating in drafting the consolidated maritime convention seeking to merge 60 ILO instruments related to the maritime sector. Internationally, the Philippines chaired a working group at the ILO preparatory conference in September 2003. At national level, the country has undergone a national consultative process examining the implications of the consolidated maritime Convention in law and practice. These activities enhance the prospects for timely ratification and implementation of the consolidated maritime Convention. The ILO has provided technical support, including sponsoring briefings on key Conventions.

ILO's global report entitled *Time for Equality* fuelled a tripartite dialogue about obstacles to equality between Filipino men and women. Following the tripartite launch of the Global Report, a research study was conducted focusing on discrimination in its various dimensions (i.e., gender, age, disability, HIV/AIDS, sexuality, informal sector employment, union membership, indigenous peoples). The study took into consideration relevant policy and legislation, while also covering employment practices. The study identified model initiatives and provided a strong platform for further action promoting equality of employment opportunities. Findings of the study also provide useful inputs for the National Programme of Action for DW for the Philippines, currently being updated to 2004-2010.

The ILO has provided technical and financial assistance in tripartite capacity building supporting implementation of new labour standards in the Philippines. These efforts contributed to the recent adoption of a *Labour Standards Enforcement Framework* that includes three modalities: (a) self-assessment for establishments with more than 200 workers and unionized establishments with Certified Collective Bargaining Agreements; (b) inspection by labour inspectors for workplaces with 10 to 199 workers; and (c) advisory services for workplaces with fewer than 10 workers and those registered as Barangay Micro-Business Enterprises (BMBEs). This framework essentially delegates labour inspection for large establishments with collective bargaining agreements to workers' and employers' organizations or to other government agencies and certified professional organizations. One major advantage is that the approach allows the limited number of labour inspectors to focus on enforcing labour standards in small and medium sized establishments.

The problem of *working children* remains a serious one, with over 4 million children at work; of these children, an estimated 2.4 million are engaged in hazardous or worst forms of work. Following the Philippines' ratification of ILO Convention 182, the goal of eliminating the worst forms of child labor has become a national development priority. To this end, the National Program against Child Labor has as its goal to reduce by 75% the worst forms of child labor by 2015. The ILO-IPEC, through the Philippine Time Bound Program on the elimination of the worst forms of child labor, provides technical and financial assistance. In collaboration with its social partners, the project aims to withdraw and prevent children from working in the worst forms of child labor in the National Capital Region and seven provinces. Through advocacy initiatives and promoting policy reforms, the project has contributed to (a) the enactment of Republic Act 9231 (the Anti-Child Labor Law), (b) mainstreaming child labor issues and concerns in the education sector, e.g., the EFA National Action Plan, and (c) inclusion of working children in the national statistics through the Labor Force Survey. ILO-IPEC contributes to the national efforts for the development of Mindanao through the country program to help reintegrate children who have been affected by armed conflict in the Autonomous Region of Muslim Mindanao (ARMM).

## Employment

Employment creation is a clear national priority. The ILO is assisting the government and the social partners in understanding the implications of globalization and implementing concerted adjustment strategies in critical sectors such as textiles and garment. The ILO has also introduced and adapted to the Philippines the "Start and Improve Your Business (SIYB)" programme to contribute to economic growth in general, and the creation of more and better jobs in micro and small enterprises in particular. National and local authorities have been trained in adopting local resources-based infrastructure investment programmes particularly in poor rural areas. Special emphasis has been given to youth employment, by means of policy analysis, advocacy and support to youth networks and business foundations. The Office is also exploring the potential of local-level employment creation initiatives.

**Box 5: Promoting Decent Work at Local Level in the Philippines**

The Philippines committed to devolution of many government functions to Local Government Units (LGUs) in 1991. The LGUs, which include about 80 provinces, 90 cities, 1500 local municipalities, and 45,000 *barangays*, represent the basic units of a multi-tiered governance pyramid. Each LGU is headed by an elected chief executive and has a local executive body and its own budget for local development projects. Institutionalized mechanisms for local stakeholder participation (local development councils) play a key role. In this devolved system, a wide range of public sector functions are administered at local level, including many areas of interest to the ILO. Examples include industrial policy, employment conditions, livelihood generation, microfinance, entrepreneurship, and skills development. The ILO supports numerous technical cooperation projects in the Philippines that rely heavily on linkages and cooperation with local communities and local authorities. For example, the INFRES project trains officials of local municipalities in infrastructural rural agricultural planning methodologies. ILO supported development of the *Local Development and Decent Work Toolkit*, a useful tool that helps LGUs formulate and implement social and economic development strategies that integrate decent work elements.

**Box 6: Skills Development for Vulnerable Groups in Conflict-Affected Areas**

The Training for Rural Economic Empowerment (TREE) project focuses on skills development in the Autonomous Region of Muslim Mindanao (ARMM), an area that has been affected by separatist conflict and that has the highest poverty rates in the Philippines. TREE supports community-based training, entrepreneurship development, and microfinance activities. Target populations include socially and economically disadvantaged groups, including rural women, disadvantaged young adults, and people with disabilities. The project has achieved impressive results: 80% of trainees are utilizing their skills to generate income; graduates report a 28% increase in income post-training; and 16 community groups have been created to mobilize financial and other resources for target groups. The donor, the United States Department of Labour, recently evaluated the project, with the favourable findings leading to a recommendation to extend and expand the project.

The UN Multi-donor Project on Community Enterprise and Entrepreneurship Development (PROCEED) project, which ended in July 2004, addressed skills deficits among the working poor as a tool for poverty reduction. The project supported community-based training, entrepreneurship development, and micro-finance activities. The project included an experimental component providing credit support for microfinance initiatives in Muslim communities in both the ARMM and non-ARMM areas in Mindanao.

A National Tripartite Workshop was held in December 2004 to develop a common action plan for promoting lifelong learning, linked to meeting HRD priorities in the context of Decent Work.

An ongoing research study to improve and validate core work competencies is being conducted in collaboration with the Technical Education and Skills Development Authority (TESDA). Such competencies cut across occupational sectors, and include problem solving, communication skills, and initiative. This work is leading to definitions of the competencies that are crucial in securing a job, retaining employment, and adapting to changing labour market circumstances.

### Box 7: Building Capacities among Indigenous Peoples in the Philippines

ILO's INDISCO Programme and Project to Promote ILO Policy on Indigenous and Tribal Peoples serves the needs of the Philippines' estimated 12-13 million indigenous peoples (about 18% of the population). Workers in these groups are among the poorest and most disadvantaged groups in the country, with high rates of unemployment, underemployment, and poverty. Working primarily in the informal economy, the great majority lack a meaningful voice in social dialogue and have inadequate social protection. The INDISCO Programme's pilot projects have improved the policy framework for promoting the rights of indigenous peoples. The secret to INDISCO's success has been its consistent focus at community level. Interventions have stressed community-owned participatory approaches and capacity building to help indigenous peoples take a lead role in their own development processes. The emphasis is on using sustainable, indigenous knowledge systems and practices. The programme has supported common production facilities, basic community services (e.g. potable water systems), community savings and credit facilities to support micro and small enterprises, and cooperatives that create jobs and income opportunities. Capacity building activities have helped indigenous peoples address child labour problems in their own communities.

## Social protection

The ILO supports capacity building to improve the governance and sustainability of national *social security* systems and develop progressive policies in social protection financing. Through its STEP project, in particular, the ILO supports health micro-insurance schemes for women workers in the informal economy, including through capacity building in administrative and social marketing areas. ILO also supports efforts to strengthen the linkages with the national social health insurance scheme and to ensure access for women seeking maternity care or having reproductive health concerns.

*Workers with family responsibilities* often face challenges in employment that other workers do not. Refusal or termination of employment on the basis of workers' family situation or responsibilities compromises the ability of many workers, and particularly women, to obtain decent work. ILO has supported various activities addressing this issue, including (a) a study of the challenges Filipino families face in reconciling work and family responsibilities, (b) identification of good practices and case studies on gender sensitive policies and programmes at local level, and (c) outreach to the informal economy, in which many women toil beyond the reach of labour law, employment protection schemes, or industrial relations bodies.

## Social dialogue

In the Philippines, tripartism and social dialogue are firmly established in law and practice. National, regional, and sectoral tripartite institutions actively participate in the design, implementation, and evaluation of economic and social policies and programmes. The Tripartite Industrial Peace Council (TIPC) is the apex national institution for discussions regarding national policies and laws and their implementation. Tripartite decision-making bodies include the National Labour Relations Council, the Training and Skills Development Authority (TESDA), Social Security Commission, Employees Compensation Commission, Philippine Health Insurance Corporation, and the Philippine Overseas Employment Administration. At sector level, the Banking, Sugar

and Hotel and Restaurants Industrial Tripartite Councils are important tripartite bodies that deliberate upon and formulate economic and social policies for industry-wide application. Tripartite industrial peace committees are active at regional level, and minimum wage awards are based on recommendations made by the Regional Tripartite Wages and Productivity Boards.

Social dialogue has contributed to the adoption of a fast-track dispute settlement procedure and a labour standards enforcement framework. Conciliation, mediation, and voluntary modes of dispute resolution are given precedence over compulsory arbitration. The *Philippine Labour Code* is being revised on the basis of widespread consultations with the social partners, although the proposed amendments have yet to be enacted. The ILO has actively supported all these initiatives.

In late 2004 the country faced a fiscal crisis. The government and the social partners worked closely with other major societal stakeholders to forge a *Social Accord for Industrial Peace and Stability*. The Accord included mutual commitments to work together to address problems of productivity, competitiveness and industrial peace, as well as to ensure compliance with labour and social standards. The Social Accord committed workers to desist from strikes and other forms of industrial action, except as a last resort; in turn, employers agreed to not lay off or retrench workers unless absolutely necessary. A Special Fund was created to provide immediate assistance to workers affected by retrenchment, including re-training facilities.

*Labour-management councils* (LMCs), another vehicle for social dialogue, are increasingly active in the Philippines. The LMCs, present in both unionized and non-unionized enterprises, are problem-solving bodies comprised of representatives of workers and employers. Their focus is on resolving workplace issues and conflict before it escalates into major grievances or disputes. LMCs have (a) helped avert many strikes, (b) enhanced the productivity of enterprises, and (c) promoted better labour-management relations. The ILO's support for LMCs has been acknowledged by the Philippine government and the social partners.

Since the Auckland meeting, ILO has continued to support the country's *employers' organization* (ECOP) in (a) strengthening its capacity to develop and deliver training and other revenue-generating services, (b) improving the effectiveness of the advocacy function of the Board, (c) promoting enterprise development and providing SME-specific services; and (d) building capacity to promote socially responsible behaviour by employers. ILO has supported ECOP and its fraternal business associations in organizing an Employers' Summit for Employment and Industrial Relations. In the aftermath of the Summit, ECOP led advocacy efforts encouraging employers to sign the Social Accord on Industrial Peace and Stability committing them to exercise utmost restraint in retrenching employees, suspending operations, or using unfair labour practices such as lockouts. ILO actively supports ECOP's corporate social responsibility (CSR) programmes and activities in the area of CSR. Practical tools are being developed to help managers and entrepreneurs promote equal employment opportunities, protect fundamental principles and rights at work, and adopt family and child-friendly practices.

There are four large officially registered *trade union* centres in the Philippines. Almost 70 national trade unions and/or industrial federations and thousands of plant level unions, both in the private and public sectors are registered. The rate of unionized workers is estimated at about 30 per cent of the wage and salary workers. However, trade union membership has been declining significantly in recent years. The bigger federations are looking at ways to organise new groups of workers like workers in the informal economy, women, rural workers and other informal groups. The ILO through its decent work agenda has been assisting trade union centres in these innovative initiatives. For instance, supported by the ILO, the Trade Union Congress of the Philippines has launched a project to train organisers, union volunteers and community-based union support groups who concentrated their efforts in organising workers in EPZ and special economic zones. Thousands of workers in different companies, most of them women, have been organised. Another example is the Employment and Entrepreneurship Development Service set up by the Federation of Free Workers (FFW), a facility for displaced workers due to retrenchments, redundancy, company closures and corporate restructuring.

**Table 6: TECHNICAL COOPERATION PROJECTS AND PROGRAMMES, Philippines**

TITLE	TIME	DONOR	TOTAL BUDGET (in US\$)	STATUS
Extending Micro-health Insurance Schemes for Women in the Informal Economy	2003-2004	Royal Norwegian Government	185,000	Nearing completion
Training for Rural Economic Empowerment	2004- 2006	US Department of Labour	1,500,000	Ongoing
Technical Assistance in Infrastructure for Rural Productivity Enhancement Sector (INFRES Project)	2003- 2005	Asian Development Bank	200,000	Ongoing
Mobilizing Action for the Protection of Domestic Workers from Forced Labour and Trafficking	2004-2006	DFID-UK	1,700,000	Ongoing (also covering Indonesia)
ILO -INDISCO Programme and Convention No. 169 Project: <ul style="list-style-type: none"> <li>• Promoting the Rights and Reducing Poverty of Indigenous and Tribal Peoples</li> <li>• Development and Publication of Case Studies in Support of the Implementation of the Indigenous Peoples Rights Act (IPRA)</li> <li>• ILO-Embassy of Finland Collaboration in Support of Indigenous Peoples Community Development Projects</li> <li>• INDISCO-IPEC Pilot Project: Testing Indigenous Community- Driven Education (and Livelihood Development) against Child Labour</li> </ul>	2004-2005	DANIDA	40,000	Ongoing
	2004-2005	UNDP-NZAI	151,200	Ongoing
	2004 (Renewable in 2005)	Government of Finland	60,000	Ongoing
	2004		24,700	Completed
Supporting the Time-Bound Program on the Elimination of the Worst Forms of Child Labour in the Republic of the Philippines	2002 - 2006	US Department of Labour	5,199,198	Ongoing
Prevention and Reintegration of Children Involved in Armed Conflict: The Philippine Component	2003 - 2006	US Department of Labour	390,000	Ongoing
Promoting Youth Employment in the Philippines: Policy and Action	2005 - 2007	CIDA	970,000	Being finalized
<b>TOTAL</b>			<b>9,570,098</b>	

## TIMOR LESTE

A small country with a population of approximately one million, Timor Leste gained independence in 2002. The country faces tremendous challenges as it tries to rebuild infrastructure, strengthen an infant civil administration, provide basic services to the population, and generate jobs for young people entering the workforce. With the assistance of the UN Transitional Administration and the UN Mission support, notable progress has been made within a short period of time, particularly in terms of stability, security, and reconstruction of infrastructure. Currently, employment creation is a top priority. As many as 15,000 young people enter the labour market each year, more than the economy can currently absorb into gainful employment. This problem may become even worse in the future because of rapid increases in population.

Timor Leste became a member of the ILO in 2003 but has not as yet ratified any Conventions. Preparations are underway to do so and the ILO has been assisting in the process, including through information and advice on ratification, main provisions of the Conventions, reporting obligations, and roles and responsibilities of the constituents. As a result of these collaborative efforts, ratification of some core Conventions is expected in 2005.

In general, ILO support is aligned with the Government's development strategy and focuses on: (a) putting in place basic legal structures and building capacity; (b) alleviating poverty through skills training and gainful employment - through an important new project, see box 8; (c) building capacities of constituents; (d) setting up the industrial relations system; and (e) promoting social dialogue.

### Box 8: Skills Training for Gainful Employment in Timor Leste

The ILO-supported Skills Training for Gainful Employment Programme (STAGE) helps reduce poverty and promote economic growth. Implemented in close cooperation with the Secretariat of State for Labour and Solidarity (SSLS), the project builds capacity to deliver demand-driven enterprise and skills training. Following an Inception Mission jointly organized by the ILO Offices of Manila and Jakarta in November 2004, a Programme Work Plan was prepared. From the beginning, the STAGE project employed innovative approaches, including directly recruiting national specialists under standard local conditions and contracts. The project has helped build capacity at District Employment Centres and has helped those centres rationalize their organisational structures. The Unit for Microenterprise Promotion provides community-level training to help the District Employment Centres develop their own initiatives and business plans. Training materials are now being prepared to support community-level programs that include skills training, business training, enterprise creation, and community development. STAGE is also developing methodologies for rapid market assessments that can be used by entrepreneurs at community level. This local market assessment approach avoids bottlenecks related to data processing that lead to delays in the preparation of traditional survey reports. Overall, the STAGE project provides a good example of an integrated approach to skills training involving close coordination among local institutions.

Tripartism and social dialogue are rapidly emerging. The Labour Code has created important tripartite institutions (National Labour Board, Minimum Wages Board, and Labour Relations Board), constituting the cornerstones of a viable industrial relations system. The challenge is to strengthen implementation machinery, build the capacity of the constituents, train staff, and help in formulating and/or improving upon operational procedures

and guidelines. Under its SIMPLAR project, ILO has provided technical assistance and trained Board members, officials of the Secretariat of State for Labor and Solidarity (SSLS), and the constituents. SIMPLAR aims to strengthen industrial institutions – including labour inspection services and tripartite dispute resolution mechanisms - and promote harmonious industrial relations through social dialogue.

**Table 7: TECHNICAL COOPERATION PROJECTS AND PROGRAMMES, Timor Leste**

TITLE	TIME	DONOR	TOTAL BUDGET (in US\$)	STATUS
Strengthening Labour Relations (SIMPLAR)	2002 -2005	US Department of Labor	756,170	Ongoing
Skills Training for Gainful Employment Programme (STAGE)	2004 - 2009	EU, UNDP ILO	6,649,665	Ongoing
Integrated Employment Generation Programme	2004 - 2009	ILO	400,000	Ongoing- activities have been integrated to STAGE work
Pilot Project for boosting Employment through Infrastructure Programme	2004 - 2005	ILO	30,000	Ongoing
Support to Implementation of Decent Work Country Programme	2004 -2005	ILO	30,000	Ongoing
<b>TOTAL</b>			<b>7,865,835</b>	

## AUSTRALIA

Australia has been a member of the ILO since 1919 and its contribution to the ILO budget in 2005 was in excess of AU\$6million. Australia has ratified 58 of the ILO's 185 Conventions, 47 of which are in force. Conventions ratified include six of the eight fundamental Conventions.

Australia is a stable, democratic society with a skilled workforce and a strong, competitive economy. Australia's workforce of approximately 10 million is highly trained. Many senior managers and technical staff have international experience, while almost half of Australia's workforce has university, trade or diploma qualifications.

### Australia's Progress on a Decent Work Action Plan

The Department of Employment and Workplace Relations (DEWR) is currently consulting with various federal government agencies, as well as State and Territory governments, the Australian Chamber of Commerce and Industry and the Australian Council of Trade Unions, regarding preparation of a Decent Work national action plan. That action plan will outline relevant government/agency policies; describe current and proposed activities that relate to the ILO's strategic objectives; and specify where these objectives are being met and where they will continue to be pursued.

Decent Work action plans are a “bottom up” approach to realising the ILO’s Decent Work agenda at the national level, that is, they are developed by the countries themselves rather than the ILO. This approach recognises that countries will respond to the Decent Work agenda differently, implementing policies and programmes that suit national conditions.

Australia’s draft action plan will reflect the range of activities across the public, private and community sectors that contribute towards achieving Decent Work Agenda objectives. The action plan will be an important tool to assist governments, workers and employers in prioritizing issues, allocating resources and assessing progress against outcomes where they are aligned with the ILO’s Decent Work programme. Once finalised, the action plan will be reviewed and updated regularly to reflect Australia’s long-term commitment to the ILO’s Decent Work agenda.

## NEW ZEALAND

New Zealand is an independent nation with a diverse, multicultural population of 4 million people. It has a competitive and resilient economy, although the economy is heavily dependent on trade, particularly in agricultural products.

New Zealand has been a member of the ILO since 1919. It has ratified 59 Conventions, including six of the eight fundamental Conventions. New Zealand is a strong supporter of the ILO Decent Work programme. Its tripartite partners contributed actively to launching the idea of Decent Work Action Plans at the ILO Asian Regional Meeting in 2001. In 2003, New Zealand hosted the first Subregional Tripartite Forum on Decent Work in South-East Asia and the Pacific at Auckland.

As Decent Work action plans are a “bottom up” approach to realising the ILO’s Decent Work agenda at the national level, the New Zealand tripartite partners have developed a working definition of decent work for the New Zealand context:

*Decent work recognises differing needs; provides satisfying and productive work; adequate income and social protection; stability for people and their families; respects peoples’ rights; allows people time for other activities; and gives people a say and an opportunity for involvement.*

### New Zealand Decent Work Action Plan (DWAP)

New Zealand is developing its Decent Work Action Plan as a dynamic planning tool. It will initially take the form of a stock-taking of existing policies, legislation and priorities, to be grouped under the four areas of Decent Work. Analysis will then be done to assess current progress and identify gaps in New Zealand’s achievement of Decent Work. The DWAP, which will capture activities across levels of Government, will be a useful tool to guide Government activities and interagency involvement and collaboration contributing to Decent Work. The DWAP will also take into account activities in the private sector and community that contribute towards Decent Work. Overall, the DWAP provides an important tool to assist the government in assessing progress and allocating resources to attain outcomes aligned with the ILO’s Decent Work programme.

In 2003, Department of Labour officials, in consultation with Business NZ and NZCTU, developed a four-stage process to develop and implement the DWAP, with the aim of presenting a finalised DWAP to the ILO Asian Regional Meeting in 2005.

## Chapter 3

# ILO Regional and Subregional Programmes

Regional and subregional integration and cooperation are increasingly important for addressing transboundary problems such as pollution, communicable diseases, international terrorism, and human trafficking. Such activities meet the demand for essential regional public goods, while taking advantage of economies of scale; this is particularly important given the limited capacity of small nations to deliver relevant public goods at national level. The ILO, as both an international and regional organization, serves its constituents by facilitating exchange and working for mutual benefit in the context of regional agreements and arrangements. As globalization accelerates, regional and subregional initiatives can be expected to become even more important.

### Partnership with the Asian Development Bank

Constituents at Auckland called on the ILO “...to strengthen cooperation with international financial institutions to further Decent Work and the observance of core labour standards,” with specific mention of the Asian Development Bank (ADB). Recognizing the opportunity for productive collaboration, the two organizations entered into a “Memorandum of Understanding Between the Asian Development Bank and the International Labour Organization” in May 2002.<sup>7</sup> This MOU takes into account the comparative advantages of the two institutions, while capitalizing on shared interests in important areas. For example, ADB’s “Poverty Reduction Strategy” and “Social Protection Strategy” are highly consistent with ILO’s “Decent Work” agenda, and ADB is fully committed to the core labour standards as integral to its work in its developing member countries.

Most prominently, ILO-ADB collaboration has involved a regional technical assistance agreement (RETA) to promote core labour standards in developing countries in which both organizations operate. This project involved an in-depth study of child labour, gender discrimination in employment, and occupational safety and health in four pilot countries (Bangladesh, Nepal, Philippines, and Thailand). Per terms of the MOU, ILO became the “executing agency” for the ADB-funded RETA, which relied on a participatory approach led by country-level committees made up of tripartite partners and civil society. Findings of the study challenged the prevailing myth that adherence to labour standards is costly. Indeed, the study documented the fact that not implementing labour standards has major adverse social and economic costs to the country. Failure to implement labour standards reinforces the vulnerability of workers, particularly the poor, while simultaneously harming long-term economic growth. In contrast, implementing labour standards contributes to human rights, economic development, and poverty reduction.

The key output of the RETA was an internal handbook containing guidelines for ADB staff seeking to incorporate labour standards into ADB operations at all phases (i.e., country programming, project design, implementation, monitoring and evaluation). The ADB Handbook has since been expanded to cover (a) other core labour standards (forced labour and freedom of association), (b) corporate social responsibility, (c) HIV/

<sup>7</sup> See <http://www.ilo.org/public/english/standards/relm/gb/docs/gb283/pdf/lils-4-2.pdf>.

AIDS, (d) discrimination on bases other than gender, and (e) employers' and workers' organizations. The ADB Handbook represents an important milestone for subregional cooperation.

The ILO-ADB partnership is still evolving. ILO and the ADB have collaborated on other projects involving labour and employment issues, taking advantage of each institution's respective comparative advantages. The ADB recognizes that ILO has expertise in such areas as employment-intensive infrastructure development, labour standards, and social security systems, and ILO experts visiting the Philippines regularly brief ADB management and staff on these and other labour-related topics. Ongoing exploratory discussions at country and subregional level are promoting cooperation in such areas as social security reform, youth and labour legislation, seafarers' identity documents, migrant workers, and human trafficking. The ILO has been invited as an observer and regularly attends annual meetings of the ADB's Board of Governors. There has also been growing mutual representation at meetings and conferences of both organizations.

## ILO-ASEAN partnership

The ASEAN economic community seeks to create a stable, prosperous region characterized by the free flow of goods and services, capital, and investment. The annual ASEAN Summit in Vientiane, Laos in 2004 emphasized the need for further regional economic integration through the ASEAN Free Trade Agreement (AFTA). There have also been trade discussions considering the possibility of expanding AFTA to include China, Japan and South Korea (ASEAN + 3). At the same time, a growing number of bilateral pacts are moving the region towards closer economic engagement, including the Economic Partnership Agreement (EPA) between Japan and the Philippines. Various other negotiations are underway to extend areas of free trade between ASEAN, Australia and New Zealand.

ASEAN dialogues typically revolve around issues such as equitable economic development, poverty reduction, and elimination of socioeconomic disparities. These concerns are somewhat broader than ILO's mandate, yet there are many complementarities. The ILO is most concerned about the social dimension of globalization and focuses on people's needs, welfare, and rights – the objectives of social justice in the ILO constitution. From the ILO perspective, the challenge is twofold: (a) to help make ASEAN fully aware of the social dimension of regional integration; and (b) to work together to realize the full potential of the new socioeconomic community. These common interests have led to an evolving relationship with ASEAN emphasizing human rights and related issues. In particular, the ILO decision has been made to continue to engage Myanmar in discussions aimed to eliminate forced labour in that country.

There are many areas in which the ILO-ASEAN partnership could be enriched (e.g., advocacy for youth employment, HIV/AIDS awareness). To this end, a Memorandum of Understanding between the ASEAN and ILO is being proposed to move forward together in promoting decent work in the region. Both organizations are committed to respecting workers' rights in the region, which implies support for ratifying the fundamental conventions. ASEAN countries ratified many of the core conventions, with Cambodia and Indonesia having ratified all.

In 2003, the 18<sup>th</sup> ASEAN Labour Ministers Meeting welcomed the report of the ILO-established World Commission on the Social Dimension of Globalization "A Fair Globalization: Creating Opportunities for All". The Ministers agreed to discuss proposals for follow up to the Report's recommendations relevant to the ASEAN regional integration. The ILO and the ASEAN Secretariat are now jointly conducting studies on the employment and labour impact of AFTA. Consultations on the results of these studies have highlighted the importance of tripartism and social dialogue involving employers, workers and government.

**Box 9: The Employment and Labour Impact of AFTA**

The ILO and the ASEAN Secretariat are jointly studying the impact of the ASEAN Free Trade Area (AFTA) on the labour and employment situation in the region. Four country case studies are being developed (Indonesia, Philippines, Thailand, and Vietnam) to (a) enhance understanding and awareness of the labour and employment implications of AFTA among tripartite constituents and other key stakeholders in ASEAN countries; and (b) identify integrated economic, labour and social policy responses for consideration by ILO/ASEAN Member States. The Indonesian study, which focused on the garment, furniture, and automotive industries, highlighted the need for investments in skills development to increase regional and global competitiveness. The Philippine study examined the textile, car assembly and IT industries. Findings identified areas in which the Philippine industries need to strengthen their competitiveness and in which the tripartite partners can support a better social and physical climate for investment.

## The ILO Programme to Improve Social Security Governance in the Pacific Islands

The ILO is currently implementing the technical assistance project (“Sub-regional initiative on social security for the Pacific island countries”) to improve the coverage and efficiency of social security systems in five Pacific Island countries (Fiji, Kiribati, Samoa, Solomon Islands, Vanuatu). Project activities are intended to (a) develop and implement national action plans for extending and improving governance of social security system, and (b) build capacity at subregional level.

Based on a gender analysis and a gender needs assessment of social security, the project will develop social security policies that are more responsive to gender-specific needs and that promote greater gender equality. In implementing this subregional project, key stakeholders will participate in an initial round of workshops to review reports and studies covering governance, gender issues, traditional systems and customs, and the informal economy. The feasibility of introducing a broad range of social security programs in each country will be assessed, with findings feeding into a final stakeholder workshop to develop national action plans for extension of social security. The final phase of the project will pursue implementation strategies of elements of the national action plans.

The project has benefited from a regional approach that has standardised project administration, minimised duplication with other donors, and promoted best practices among member countries. Opportunities exist to further promote regional efficiencies and cooperation between provident funds, particularly in the areas of information technology, communications and financial elements (including actuarial expertise).

**Box 10: Subregional Trade Union Initiative on HIV in the Workplace**

The HIV/AIDS epidemic is now spreading into the Pacific island countries, with the highest prevalence rates being observed in Papua New Guinea and Solomon Islands. Responding to the impending crisis, the South Pacific and Oceanic Council of Trade Unions (SPOCTU), with assistance from ILO, conducted a survey to assess the extent of this epidemic in Papua New Guinea, Solomon Islands, Vanuatu, New Caledonia, and Fiji. Results were discussed in October 2004 at the SPOCTU Conference in Suva, Fiji. The key message for ILO was that the tripartite approach and ILO's Code of Practice require active promotion and support by ILO in all the countries of the region. Higher levels of policy development and engagement with governments and employers can offset the weakness of unions and low levels of unionisation in the region. The ILO office in Suva was encouraged to play a more active coordinating role in promoting the tripartite approach and identifying local consultants with relevant experience.

**ILO Action to Combat Human Trafficking**

One of the most disturbing labour problems is that of human trafficking, which generally has cross-border dimensions and implications. One group whose needs have not been adequately addressed consists of domestic workers working abroad. This issue has not received the attention it deserves in global or regional forums despite the large-scale abuse against domestic workers and the deep-seated discrimination to which the victims are subjected. A regional project, "Mobilizing Action for the Protection of Domestic Workers from Forced Labour and Trafficking (DOMWORK)," addresses the needs and concerns of domestic workers in Indonesia and the Philippines.

The project focused on four action areas: (a) a law and policy framework on domestic work; (b) advocacy and research; (c) outreach and empowerment of domestic workers at national and international levels; and (d) targeted interventions to respond effectively to reports of forced and trafficking affecting domestic workers. Project activities leverage on regional and multi-sector synergies and alliances; for example, there are intrinsic synergies among ILO's DW agenda, social dialogue, trafficking, child labour, forced labour, and gender equality. In addition to its comprehensive and ambitious objectives, the project is creating momentum for a longer-term regional political commitment on minimum standards for the protection of domestic workers.

**Box 11: Promoting Entrepreneurship across Borders**

The Start Your Business/ Improve Your Business (SIYB) Project in Papua New Guinea provides a good example of how a project that was initially situated in a single country can evolve to provide cross-border support to other countries. The original project, funded by AusAid, involved the adaptation of global SIYB training materials to the PNG context. For example, training materials were simplified to better meet the needs of less educated customers (e.g., women involved in micro-enterprise, workers in forestry and fisheries). Some materials were also developed for use in distance learning for those who lived in remote areas. Recognizing the value of the PNG SIYB project, the Pacific Forum requested SBDC, the host organization, to make the fisheries training material available to Vanuatu and the Solomon Islands and to participate in capacity building in those countries. This led to the designation of International SIYB Master Trainers who are able to undertake SIYB work throughout the Pacific region. One of PNG's Master Trainers has been contracted to train SIYB trainers and assist with implementation of the SIYB programme in the earthquake and tsunami-affected areas of Aceh in Indonesia.

## Chapter 4

# Making Decent Work a Reality in South-East Asia and the Pacific

### Current Status of Decent Work in the Subregion

Decent Work National Action Plans bring increased coherence to ILO policies and programmes, and promote an integrated approach to critical issues. Most fundamentally, they help ensure that implementing decent work initiatives is demand-driven, with ILO assistance designed to help constituents serve the needs of their members.

Significant progress has been made since the first subregional Forum in Auckland in 2003, as reflected in the diverse decent work programmes described in earlier chapters of this report. National action plans developed to date reflect the unique circumstances and challenges in each constituent state. Following are a few country highlights:

- In the Philippines, the first plan was launched in 2002 and updated in February 2005; it is aligned with the country's new Medium Term Development Plan 2005-2010. The Philippines' Decent Work and National Plan of Action provides a framework for ILO's programming and prioritization for the Philippines and ensures that ILO's activities are responsive and demand-driven.
- In Indonesia, the Tripartite Action Plan on Decent Work 2002-2005 is about to be reviewed and updated to take into account the development agenda of the new government and the impact of the tsunami.
- Fiji, Kiribati, Papua New Guinea, and Solomon Islands have developed decent work action plans; in each case, the plans evolved out of previous frameworks and are now beginning to be integrated into national development strategies/plans.
- In member states that have joined the ILO more recently (Timor Leste, Samoa, Vanuatu), the process is still at an early stage. Nevertheless, progress is already being made and key themes and priorities are being identified to serve as entry points for developing a full Decent Work agenda.

Developing national action plans in the subregion has been, and continues to be, a learning process.

One of the key objectives of the Melbourne Forum is to exchange views and share best practices and information about country-level experiences. This dialogue should benefit participants and the constituencies they represent. The dialogue will be facilitated by careful consideration and discussion of country experiences to date. Source material will also include the Forum briefing paper entitled *Decent Work as a National Goal: The Experience of the Decent Work Pilot Programme*.

The Forum will also provide a valuable occasion for strengthening exchange and cooperation between the Office and its constituents and an opportunity to generate new ideas for integrated approaches and projects.

## Moving Forward

Moving forward with Decent Work in the subregion requires innovative approaches to strategic planning, resource mobilization, and programme design and management.

The Decent Work agenda is fundamentally driven by the constituents, whose effective participation in developing and implementing national action plans is essential. As was recognized at the Auckland Forum, “*robust, effective and properly resourced constituents are fundamental to properly address and progress Decent Work at the national level*”. Delegates at Auckland also recognized that the ILO plays a key role and requested that the Office continue to provide support to its tripartite constituents to strengthen their institutions and capacities to address existing and emerging issues and challenges.

### *Linkages to poverty reduction and broader development goals*

Given the multiple challenges in the subregion, decent work national action plans are increasingly important as a strategic framework within which priorities can be set and programmes effectively designed and managed. Progress is being made towards mainstreaming ILO concerns and approaches into national development plans and Poverty Reduction Strategy Papers (PRSP). In Indonesia, for example, the involvement of ILO and the social partners in the PRSP led to significant Government and World Bank funds being earmarked to promote employment and social protection policies.

There are major implications for poverty reduction in the Decent Work agenda, as recognized by the Asian Development Bank in its ongoing collaborations with the ILO and, at a broader level, by the United Nations in various forums. Advocating for the decent work agenda should also be seen in terms of the growing focus of international donors on attaining the Millennium Development Goals. At a broad level, then, the ILO should continue to build its linkages with other international agencies, including the international financial institutions, bilateral donors, and the specialized agencies of the United Nations.

### *Capacity Building*

One of the key lessons of the programmes and projects described earlier is that building the capacities of tripartite constituents is absolutely essential. This is a fundamental role of the ILO – to build capacity among constituents in specific areas to meet specific decent work objectives.

Weak institutional capacity and lack of strategic perspective may limit the engagement of tripartite partners in decent work plans and processes. With regard to employers’ organizations, capacity constraints can be understood in terms of limited capacities and resources and the lack of influence of formal employers in the informal economy. Nevertheless, these constraints can be addressed with well-thought out capacity building projects. Related constraints affect workers’ organizations, which often lack the capacities to engage in the research and policy studies or to actively participate in policy making. Building the capacity of trade unions

can play a key role in increasing their representation and voice in tripartite forums. There is also an increasing awareness that non-traditional partners and groups (child-workers, domestic workers, victims of trafficking, informal workers) are not always adequately represented. Capacity building needs are particularly acute in remote countries in the South Pacific.

### *The Importance of Measurement and Reliable Indicators*

In order to effectively promote the Decent Work agenda as an integral component of national policy frameworks and development plans, constituents and governments must be able to objectively assess progress. Such assessment should be grounded in a results-focus at the design phase, including clear specification of desired results, targets, and indicators. Further, assessing progress on Decent Work requires indicators measuring the various dimensions of the complex agenda. Analysis should clarify progress on clearly operationalized indicators and should explore relationships between social and labour market indicators and economic variables.

As constituents at Auckland noted, deficiencies in labour market information and statistics constitute a major barrier in many countries. These deficiencies in statistical reporting can be attributed in part to the traditional focus of data collection efforts on employment and unemployment in the formal sectors of the economy. While such variables are important, they are not sufficient for full evaluation or tracking progress towards Decent Work. Data on workers' rights, social protection, and social dialogue – which have not generally been available in most countries – need to be more systematically collected. The limited coverage of available data is also a concern, given that an increasing proportion of workers in Asia-Pacific developing countries are unorganized and/or works in the informal economy. Recognizing the gravity of these problems, constituents at Auckland explicitly called on ILO to support work in developing more reliable labour market data and methodologies.

The Task Force on Decent Work Indicators (TF-DWI) was set up in late 2003. Headed by the Director of the ILO Subregional Office for South-East Asia and the Pacific, the Task Force draws its members from concerned units at ILO headquarters and from the regional and sub-regional offices of ILO in Asia and the Pacific. The TF-DWI was charged with (a) establishing a regional database on Decent Work Indicators (DWI), (b) monitoring ongoing data collection, and (c) improving the quality of data. All of these are essential tasks for assisting ILO member states in the subregion in moving forward on the DW agenda. In September, 2004, the TF-DWI identified a preliminary “core set” of DWI covering the four strategic decent work goals. The selected indicators were chosen because they were already available or could be collected on a timely basis at reasonable cost in ILO member states in the region.

ILO constituents are playing important roles in this endeavour, particularly in terms of adapting the core set of DWI to their own national contexts, and helping set up data collection, reporting, and analysis systems. In Indonesia, for example, the tripartite partners have welcomed the initiative and the list of indicators in general, and in February 2005 formed a technical working group to take the work forward. The Philippines has identified a core list of 18 indicators through a tripartite consultative process in which constituents mapped reliable and available measures in the Philippines. In addition, the Philippine's National Statistics Office conducted a pilot labour force survey on Decent Work using a questionnaire containing the DWI. A report on the process and results of the survey was presented in February 2005.

### *Need to mobilize resources*

Given the magnitude and diversity of needs in member States in the subregion, and the associated complexity of the Decent Work agenda, financial resources beyond those available within the regular budget of the ILO will be required. The many priorities identified in national action plans and constituent demands for technical assistance and capacity building make it imperative for the ILO, in collaboration with its constituents, to seek additional resources.

One option that should be explored is to tap into financing from other development agencies in situations where there are complementarities. Donor agencies already directly fund ILO technical cooperation projects and may be more willing to do so in the future. In this regard, the ILO has established solid relationships with the main donor agencies over the past years. Indeed, most of the technical cooperation projects described in previous chapters are part of large global programmes receiving centralised annual or multi-annual funding allocations. However, the scope of such central resource mobilization to address specific national decent work issues is limited. Major donors are increasingly decentralizing development funding to their field offices and more decisions are made locally than ever before.

ILO offices in Asia and the Pacific are increasingly seeking local funding – and raising awareness of the decent work agenda – through advocacy, through closer cooperation with the United Nations system – and by establishing contacts with embassies and donor agencies at local level. One good example is the STAGE project in Timor Leste, which shows how local-level negotiations with donor representatives can spur new technical cooperation activities addressing important Decent Work concerns. Similarly, the DECLARATION police-training project in Indonesia was secured through regular meetings between the ILO Office and local donor representatives.

Overall, there is an untapped potential for local resource mobilization in the subregion. However, tapping into these resources will require significant investments in terms of staff time and technical resources.

Constituents themselves are also making important contributions. The ILO should intensify its collaboration with the tripartite partners and collaborate with them in formulating appeals to donors. By working at country level, more accurate analyses of national priorities can be brought to bear. These dynamics were clear in Indonesia when constituents successfully submitted a proposal to the Global Fund for Aids, Malaria and Tuberculosis, leading to a US\$5 million donor-funded programme to combat HIV/AIDS in the workplace. This type of approach requires raising awareness, adopting new modes of thinking, and changing long-entrenched attitudes. Constituents are only now becoming aware of the many opportunities that exist. The traditional perception of ILO as donor rather than partner is changing. While this will take time and will require great patience, the potential rewards are huge.

### *Decent Work Country Programmes*

Finally, in order to be better equipped to advance the decent work agenda, the ILO is evaluating ways in which it can further refine its approach, with particular emphasis on results-based management methods. Discussions are underway on the introduction of a new programming tool for ILO nation-level programmes: the Decent Work Country Programme. The Decent Work Country Programmes will provide a tool through which ILO operationalizes its commitment to the national plan in consultation with its tripartite constituents and ensures maximum impact. Such Decent Work Country Programmes are time-bound and resource-based, and should define intended outcomes. These outcomes should be the basis to programme activities and

resources, including regular and extra-budgetary resources. Country programmes are important for integrating ILO activities in the country into a coherent and relevant whole and developing work plans for ILO Specialists. The relationship between national action plans and country programmes is expected to be a main theme of discussion at the 14<sup>th</sup> Asian Regional Meeting in October 2005.

The introduction of country programmes could also contribute to identifying and mobilizing extra-budgetary resources within each country. The country programmes should provide specific outcomes that could better attract donor interest, within a framework - a set of priorities - defined in consultation with constituents. The country programmes may have the advantage that they identify concrete projects with measurable targets and which address important social concerns. Recommended programmes and projects often have obvious opportunities for collaboration between ILO and other development agencies.

# Annex

## Conclusions of the 1<sup>st</sup> South-East Asia and the Pacific Subregional Tripartite Forum on Decent Work

Auckland, New Zealand, 6-8 October 2003

1. The delegates of the South-East Asian and the Pacific Tripartite Subregional Forum on Decent Work held in Auckland, New Zealand from 6-8 October 2003 reaffirm the conclusions of the 13th ILO Asian Regional Meeting held in Bangkok, 2001.
2. The delegates welcome the progress made towards the establishment of National Plans of Action for Decent Work that integrate fundamental rights, opportunities for women and men to secure decent work, social protection and effective social dialogue. The delegates further emphasize that these plans can offer unique opportunities for tripartite planning and implementation of policies and programmes that integrate national economic and social concerns.
3. The delegates recognise that one of the pre-eminent challenges for all members in the subregion is creating and maintaining economies that generate sustainable economic and jobs growth.
4. The delegates note with satisfaction that a number of member States in the subregion have National Plans of Action for Decent Work. The delegates urge these member States to update and review these plans regularly in a tripartite process. Those member States that are in the process of developing these plans are encouraged to complete them. The delegates call upon the ILO to provide the necessary assistance to governments and social partners to develop and implement these plans.
5. The delegates recommend member States take steps to include in their National Plans of Action for Decent Work agreed timetables, sex disaggregated indicators and targets/desirable outcomes for the purposes of tripartite monitoring and evaluation. Support for the development of indicators and targets/desirable outcomes along with monitoring and evaluation procedures is the next critical phase of work requiring ILO leadership.
6. The delegates call upon member States to integrate, where possible, National Plans of Action for Decent Work with national development plans. The ILO is called upon to strengthen cooperation with international financial institutions to further Decent Work and the observance of core labour standards, in particular with the Asian Development Bank (ADB) on the basis of the existing Memorandum of Understanding (MOU).
7. The delegates note a number of recurring concerns for many member States in the subregion, which are being addressed by constituents. These include:
  - Ratification and compliance with core labour standards and labour law reform
  - Youth unemployment

- Occupational safety and health
  - HIV/AIDS
  - The informal economy
  - Agriculture and fisheries
  - Small and medium enterprises
  - Labour market information and statistics
  - Sound corporate and public governance
8. The delegates note with concern continuing inequalities in employment and occupation in the subregion and discriminatory treatment of women in the labour force. These inequalities should be addressed in the National Plans of Action for Decent Work, through a combination of targeted and mainstreamed policies and programmes.
  9. The delegates recognise that there is a pool of technical expertise in the subregion that can be accessed to support the ILO and its constituents in implementing National Plans of Action for Decent Work. The delegates recommend that the ILO makes appropriate use of this valuable resource.
  10. The delegates emphasised that the effective participation of the social partners in the development and implementation of National Plans of Action for Decent Work is essential for success. Robust, effective and properly resourced constituents are fundamental to properly address and progress Decent Work at the national level. Delegates therefore request that the ILO continue to provide support to its tripartite constituents to strengthen their institutions and capacities to address existing and emerging issues and challenges. In doing so, the delegates recommend that a broad range of delivery modes be explored, including the use of information technology (particularly web based models) and distance learning mechanisms.
  11. The delegates welcome Vanuatu and Timor-Leste as new members of the ILO and urge the ILO to provide the required assistance to promote Decent Work in these new member States.
  12. The delegates appreciated the common experiences canvassed at this Forum that have been enriched by the diversity existing in the subregion. The delegates express their appreciation to the Government of New Zealand for hosting the first South-East Asian and the Pacific Tripartite Subregional Forum on Decent Work and to ILO's Subregional Office for South-East Asia and the Pacific for conducting the Forum. Delegates would welcome further opportunities to meet, exchange experiences and consider progress in implementing National Plans of Action for Decent Work, prior to the 14th Asian Regional Meeting to be held in 2005.