



TWELFTH ITEM ON THE AGENDA

**Report of the Committee on Employment  
and Social Policy**

***Contents***

	<i>Page</i>
I. Active labour market policies .....	1
II. Implementation of the Global Employment Agenda: An update.....	7
A review of the ILO decent work pilot programme.....	7
III. HIV/AIDS and the Decent Work Agenda: Responding to need .....	16
IV. The Global Social Trust pilot project: A status review.....	20

1. The Committee met on 13 and 14 November 2003. Ambassador Umer, representative of the Government of Pakistan, was Chairperson. The Employer and Worker Vice-Chairpersons were Mr. Tabani and Mr. Patel, respectively.

## I. Active labour market policies (Second item on the agenda)

2. A representative of the Director-General (Mr. Auer, Chief of Employment Analysis and Research, Employment Sector) presented the paper on active labour market policies (ALMPs).<sup>1</sup>
3. Mr. Auer recalled that the Committee had chosen this topic at the March 2003 session of the Governing Body, as a first step in reporting on the implementation of the Global Employment Agenda (GEA). In defining ALMPs and how they differed from passive LMPs (PLMPs), he pointed out that in PLMPs the money was spent passively, meaning that benefit recipients were not obliged to participate in job training or work schemes, although active job search was frequently a condition for receiving benefits. This differed from ALMPs where income protection was coupled with labour market integration through supply-side measures, such as job training, as well as demand-side measures, such as the creation of public works programmes. The paper under discussion concerned ALMPs, wage policy and collective bargaining since all maintained the same general goals of supply and demand adjustment. Furthermore, ALMPs were also an important element of social dialogue and often a negotiating point. Nevertheless, ALMPs had evolved as a specific set of policies centred on shifting workers into new jobs. He specified the four principal objectives of ALMPs: (1) employment creation – both direct creation through public work schemes and wage subsidies, as well as indirect through the improvement of people's skills; (2) security in change, which addresses the increasing instability in labour markets and the recognition that the costs of this increasing instability should not be borne just by workers, but rather necessitates the creation of a safety net; (3) equity, the need for ALMPs to address vulnerable groups such as youths, women, disabled workers and older workers; and (4) poverty reduction, the recognition of the need to work out of poverty, that the poor should not just be provided with an income, but also with a job.
4. Although all countries used ALMPs, it was often only during crisis times. Evaluations of their impact gave a mixed, but slightly positive picture. ALMPs had to address new as well as old challenges. This included the need to find work for youths entering the labour market, which was a particularly pressing issue for developing countries, as well as the need to develop programmes for older workers, an important policy concern of developed countries. He noted that a pressing overall concern of ALMPs was to help job reallocation in unstable labour markets, thus directly addressing the socio-economic dimension of globalization. ALMPs could play a more important and permanent role in managing change. In order to do this, it was necessary to overcome the barriers of principles, financing and organization. He recommended that ALMPs be made more active, that productive and decent work or training should be a condition of benefit receipt, but that workfare should be avoided. He also recommended that donors should be aligned to finance ALMPs in developing countries. There was a need for innovation regarding the institutions and labour market intermediaries necessary for successfully implementing ALMPs. Finally, he recommended that social dialogue be enhanced to develop ALMPs that could provide work-based security for workers.

<sup>1</sup> GB.288/ESP/2.

5. The Chairperson informed the Committee that Mr. Niles, the Employer Vice-Chairperson, could not attend as he had been hospitalized. He requested the Office to convey to Mr. Niles the best wishes of the Committee for a speedy recovery. Mr. Tabani had been nominated to represent the Employers.
6. The Employer Vice-Chairperson thanked the Office for its work and was pleased to note that implementation of the GEA had begun. He mentioned two joint employer-worker initiatives, on HIV/AIDS and on youth employment, that he believed were relevant to the ESP Committee and for the advancement of the GEA. To implement the GEA, it was necessary for papers to focus on the practical elements of the policies and avoid theoretical debates. In particular, concrete examples of country experiences and lessons learned were useful. Regarding the paper before the Committee, he thanked the Office for providing background information on the history of ALMPs, and for stating how they differ from PLMPs. In devising ALMPs, national governments needed to make it easier for businesses to hire people through lower taxation and labour costs and by increasing businesses' flexibility in reacting to changes in the business cycle. ALMPs would be most efficient if they were introduced as a comprehensive package of reforms regarding work flexibility, the reform of unemployment and related benefit systems, and the encouragement of entrepreneurship. Furthermore, governments must develop databases on employment, should improve education systems for skill development, should strengthen labour market information systems and should enhance the diffusion of technological know-how. He was pleased that the paper addressed the demographic challenge of an ageing labour force and stressed the importance of youth employment. He asked for clarification regarding the statement concerning a levy for a more permanent labour market policy framework. In conclusion, he stressed the need for discussions to be focused on practical, experience-based information that could be used for implementation of the GEA.
7. The Worker Vice-Chairperson indicated his group's agreement with many of the observations and conclusions given in the paper. In particular, he agreed that policy intervention could improve the capacity of a country to deal with the effects of globalization and technological change and that ALMPs were important for guaranteeing security in change, but were also a contributor to "shaping" change, not simply accepting it or adapting to it. Nevertheless, ALMPs alone were not enough to provide this security or this shaping of change. Other elements of the GEA were needed as well, in particular policies that address the demand side of the labour market, especially in an environment of low economic growth rates. It was equally important to coordinate collective bargaining and wage policies with ALMPs. The Workers would like future Office work on ALMPs to focus more on the needs of developing countries, and a major focus should be on the demand side of the labour market given the problem of inadequate demand in developing countries. Otherwise, ALMPs might be substituting one set of workers for another. For this reason, the mix of macroeconomic, industrial and labour market policies was crucial. He also noted the importance of having ALMPs address youth employment as well as discrimination against vulnerable groups. This should be in the framework of "decent work for young people", not sub-standard wages, or reductions in rights for young people. He welcomed the Office's attempt to elucidate the wage-employment relationship, particularly the personal and economic functions that wages play. However, in his view this relationship was more complex than described in the paper. He asked the Office to examine trends in real unit labour costs over the recent decades as well as shifts in factor shares. He also suggested that the Committee could benefit from learning about the Office's work on minimum wages. He noted the conclusion in the paper that "set at the right level in relation to the average wage, minimum wages are not detrimental to employment and have a positive impact on poverty". He agreed with the thrust of future Office work on ALMPs, but recommended four additional areas: (1) collective bargaining and the level (enterprise, sectoral, national, regional and global) best suited for the pursuit of decent work; (2) the necessary institutional and legislative framework needed to

promote collective bargaining outcomes that are consistent with decent work; (3) the impact of minimum wages on employment, decent work and economic welfare; and (4) the integration and adjustment of wage, tax and welfare policies to promote decent work and economic efficiency in a global economy. The Employer Vice-Chairperson had described the role of the Committee as a “guidance committee”, and he supported the concept. He noted that future papers on elements of the GEA by the Office would benefit from including a concept section, a section setting out ILO and country experiences and a section discussing possible future directions. He proposed that the Office provide a brief update paper to the November 2004 session of the Committee on the extent to which ILO work had been reshaped and progressed to reflect the views of the Committee, and encouraged the Office to consult with the ILO constituents in the drafting of the paper.

8. The representative of the Government of Ecuador, speaking on behalf of the Group of Latin American and Caribbean States (GRULAC), thanked the Office for a document that gave valuable insight into the possibilities and limitations of ALMPs. However, the discussion of activation policies in the paper focused on the experience of the European Union, and comparative data on active versus passive labour market policy spending was not provided for developing countries, although this would be useful for policy formulation. The paper did point out that ALMPs were used disproportionately less in developing as opposed to developed countries, although developing countries could most benefit from them. She felt it would be useful if future Office work on ALMPs addressed the issues of why ALMPs were used less in developing countries, and whether there were any other limitations to their implementation besides financing. She recommended that the Office looked into the experience of developing countries in using ALMPs and how they were integrated with other country policies for economic and social development. Finally, she recommended that the issue of how ALMPs could be used to formalize the informal economy be addressed.
9. The representative of the Government of India, speaking on behalf of the Asia and Pacific group, welcomed the Office’s research into ALMPs, acknowledging that these policies form the strategies for tackling unemployment, underemployment and poverty. He stated that these policies help directly by increasing job possibilities and indirectly by creating training programmes that improve employability. In developing countries there was a large gap between jobs available and the large number of jobseekers. He commended the paper’s assertion of a need to examine different regions with different criteria, and called for a comprehensive cooperative effort.
10. The representative of the Government of France, speaking on behalf of Austria, Belgium, Canada, Denmark, Germany, Italy, Luxembourg, the Netherlands, New Zealand, Portugal, Sweden, Switzerland and the United Kingdom, welcomed the paper and its consideration of the diversity of country situations. He expressed support for the four main objectives. In view of the importance of active labour market policies for employment-intensive growth, the objectives should be integrated into a larger context of social and economic policies. He regretted that the subject of investment in education and training was not sufficiently mentioned in the paper as it was a key element to promote employment, but understood that skills and training would be discussed as a separate core element of the GEA in subsequent sessions. He welcomed the gender-based approach and stressed the focus on special programmes for vulnerable groups, emphasizing the importance of the link between social dialogue, labour market institutions and active labour market policies. He requested more information from the Office on current and planned activities with regard to social dialogue and labour market policies. While endorsing the proposed conclusions and recommendations, he suggested that the Office should facilitate the comparison of experiences of various countries with regard to the implementation and the impact of these policies on specific groups and sectors. The Office should also create in-house synergy

effects among its different activities in order to contribute to the implementation of the proposed recommendations.

- 11.** The representative of the United States thanked the Office for its paper, which differentiated passive and active labour market policies focusing on disadvantaged job searchers. However, he noted that the paper did not adequately address the issue of timing, in particular it did not challenge the assumption that services offered during a job search, before a new job begins, were the best help to job searchers. Incentives to start jobs more quickly might produce better results, and training programmes pursued after starting work, rather than before, could be more advantageous. Research should focus on policy adjustments to make that possible.
- 12.** The representative of the Government of Japan supported the statements made by the representatives of the Governments of France and India. He recalled that due to changes in industrial structure and in the age structure there were many labour market mismatches and that active labour market policies were a crucial reply to them. Various successful active labour market policies had been implemented in Japan, which could provide useful lessons to other countries, such as programmes for vulnerable groups such as youth (e.g. new graduates, those in the probation period), women (awareness campaign against discrimination), older people (postpone retirement age, promote re-employment) and disabled people (hiring rate), policies to limit the dismissal of workers in case of a firm's downsizing, the creation of specialized matching agencies, and others. These programmes increased employment rates as well as equity. He also noted that the employment insurance programme in Japan included programmes for enhancing the skills of employed workers.
- 13.** The representative of the Government of Barbados supported the statement that had been made on behalf of GRULAC welcoming the Office paper. It came at an opportune time, as Barbados was currently reforming its social security system, including its unemployment benefit system, employment services and vocational training schemes. He stressed that it was important to clarify the difference between active and passive labour market policies. With regard to efficient ways of delivering active labour market policies, local delivery mechanisms and the adaptation of those policies to local requirements were vital for their success.
- 14.** The representative of the Government of New Zealand endorsed the comments made by France, the Asia and Pacific group, and GRULAC, and stressed the importance of evaluation mechanisms related to active labour market policies. She noted that this seemed to be a difficult task when comparing different countries. There was a need for clear common evaluation and monitoring guidelines to identify which programmes were a success or failure among countries with different social and economic contexts. New Zealand, where active labour market policies represented a significant area of public investment, would be delighted to share its experiences regarding the evaluation of labour market programmes with the Office.
- 15.** The representative of the Government of the United Kingdom endorsed the comments made by the representative of the Government of France, but noted that in the paper there was an overemphasis on definition. The distinction between active and passive labour market policies was often not clear-cut in practice, and these policies were often difficult to separate. He referred to an example of a United Kingdom programme combining elements of passive and active labour market policies. In the United Kingdom, active labour market policies should not only cope with unemployment, but also try to move inactive people closer to the labour market. He concurred with the statement in the Office paper that countries were very different and thus needed different solutions to labour market

concerns. Active labour market policies aimed at supporting the labour market needed to adapt to change.

16. The representative of the Government of South Africa thanked the Office for this useful paper. He explained that South Africa sought to find an appropriate balance between labour market efficiency and worker security. An evaluation of active labour market policies should not only be limited to economic aspects, but also include social aspects. Active labour market policies would need a specific design in order to contribute to tackling poverty. He stressed the importance of labour market information systems and the crucial role of labour market intermediaries, which should receive more support. Active labour market policies needed to be coordinated with macro policies to become efficient.
17. The representative of the Government of China, referring to the remarks made by the representative of the Government of India on behalf of the Asia and Pacific group, emphasized that active labour market policies were a strategic task for economic and social development. They were an effective way to fight against poverty through the reduction of unemployment. Active labour markets were not a quick-fix solution, but a more sustained effort by the social partners and the government to achieve security, change and labour market inclusion. He hoped that the Office would continue its research and promote the exchange of experience in active labour market policies among countries.
18. The representative of the Government of Argentina stated that the paper was rather modest with regard to the various activities that had been carried out in his country. Argentina had recently hosted two important events, a seminar on decent work in crisis and a regional conference on employment. Both events were helpful for the preparation of the upcoming regional conference of MERCOSUR. He noted that the Presidents of Argentina and Brazil had already agreed on a definition of employment, which included not only productive employment, but also social cohesion, meaning the dignity of the worker and the protection of his/her family.
19. The representative of the Government of Cameroon congratulated the Office on the paper and welcomed its recommendations. He stressed the importance of the informal economy for employment in Africa and recommended that active labour market policies might also serve to slowly integrate informal activities into the formal economy. Besides the proposals contained in the paper, he mentioned the importance of fiscal and regulatory incentives and the need to enhance its social status to improve employment in the informal economy. His country had had some interesting experiences in this regard.
20. The representative of the Government of Mexico, supporting the statement made on behalf of GRULAC, fully endorsed the paper. She suggested that active labour market policies should be integrated into larger economic and social objectives. Various current active labour market programmes in Mexico could provide lessons to other countries: support to SMEs, training programmes for vulnerable groups, as well as matching and information systems. She stressed the importance of social dialogue, also at the local level and including non-traditional social actors (universities, etc.) to guarantee the success of active labour market policies.
21. The representative of the Government of Italy supported the statement made by the representative of the Government of France and endorsed the position of the Office. He mentioned various demand- and supply-side active labour market programmes recently implemented by Italy, such as public investment in southern Italy, education and training programmes. He hoped that the Office would carry out further research on the practical experience of labour market policies, focusing on youth, older people, disabled people and the role of social dialogue.

22. Ms. Horvatic (Employer member) stated that ALMPs needed to be coordinated with broader economic policies since by themselves they were not sufficient to create jobs. She mentioned the experience of her country, Croatia, in introducing a policy to reduce unemployment, focusing on young people, women and displaced workers. Although employers were offered a reduction in social security contributions if they hired these workers, the policy failed to generate jobs as it was not a coordinated policy action that addressed the other pressing labour market issues, such as developing a positive entrepreneurial climate, increasing labour market flexibility and reducing administrative barriers to conducting business. The social partners should be involved in the design and implementation of ALMPs.
23. Mr. N. Cho (Employer member) stated that labour market policies needed a proper coordination among related areas to be successful. Moreover, the private sector should be further involved in the implementation of active labour market policies as it was crucial to the creation of employment demand. Due to budget constraints, most newly created jobs in the public sector were bound to be temporary ones, relatively insecure and of low quality. It was equally important to create a better business environment. A thorough evaluation of the effectiveness of active labour market policies as well as a stronger involvement of the social partners in all phases of the execution of those policies would be vital for their good functioning.
24. Mr. Anand (Employer member) pointed out that the ministries of planning and finance should not only be sensitized, but also persuaded to consider employment issues as a priority when allocating their resources, as ministries of labour and the ILO only had limited options to efficiently implement active labour market policies. Not only Afghanistan, beneficiary of a large entrepreneurship revitalization programme, but the whole hilly subregion between Pakistan, Nepal and Myanmar was a danger to stability because of the high level of rural poverty and lack of development. He called on the ILO to carry out more research and coordinate subregional activities to promote sustainable rural employment in this sensitive part of the world.
25. The Chairperson thanked the Committee for their enriching contributions and summarized the statements and the requests for clarification made by the Committee members.
26. In his response to the Committee, Mr. Auer explained that the Office paper was just a first step in exploring the topic and that the Office would present a comparison of concrete cases and experiences on a future occasion. The ILO's Programme on conditions of work and employment was currently working on the importance of wage policies, and he would discuss the topic of the link between wage policy and active labour market policies with that branch. Financial reasons were only one aspect of the limited use of active labour market policies in developing countries. Many countries also lacked the capacity to organize work, a conditionality contained in many programmes. There was a need to innovate the organization of active programmes. He agreed that policy integration and coordination should not only be strengthened among ministries, but also within the ILO. The ILO had already created the framework for this with the decent work concept and the creation of the Policy Integration Department. In his understanding, several speakers had called for a stronger involvement of the social partners in active labour market policies and for more support from the Office in strengthening the capacity of the social partners to do so. He agreed with the representative of the Government of the United States that in-job training was an important active labour market policy, which was somewhat missing in the presented paper.
27. The Worker Vice-Chairperson reviewed some of the issues raised by the previous speakers, such as combining general training with customized training as well as the policies mentioned by the representative of the Government of Japan on company

contingency plans for laid-off workers and the fund to promote the hiring of disabled workers. He acknowledged that a wage discussion would have to involve other parts of the Office and welcomed the undertaking by Mr. Auer to facilitate a presentation of the ILO work on minimum wages to the Committee. He supported the proposal by the Governments of France (on behalf of 13 countries) and the United States to review the Office work on the labour market and the proposal to strengthen ALMPs and social dialogue. While recognizing the difficulties at government ministerial levels, he felt that policy integration between ALMPs and macroeconomic policy should start at the ILO. He indicated that the Workers would like to see core element 4 of the GEA, on macroeconomic policy, as the next policy issue to be addressed by the Committee, and repeated his request for a brief update on ALMPs at the November 2004 session. Finally, he noted that calls for lower wages and lower taxes were controversial, and may lead to a missed opportunity for broad consensus on the GEA and ALMPs.

28. The Employer Vice-Chairperson endorsed the proposal made by the Workers regarding core element 4 of the GEA, including the role of investment in the promotion of ALMPs.
29. A representative of the Director-General (Mr. Hultin, Executive Director, Employment Sector) thanked the Committee for a fruitful discussion. The guidance received would be used to adjust, where necessary, both ongoing and new activities. The debate also pointed to areas where further guidance could be developed through a collaborative process between the Social Dialogue Sector and the Employment Sector.
30. The Employer Vice-Chairperson reiterated his request for clarification from the Office regarding paragraph 57.
31. Mr. Auer explained that there was a need to finance work-based social safety nets, which could be undertaken by local, national and international donors. He asserted that although the paper did not precisely define a “levy”, it should preferably not be based on wage cost, especially if non-wage labour costs were already high. More innovative approaches could be sought. Referring to the case of Brazil, he indicated that the levy there went into a fund which financed not only ALMPs but also training and development programmes. Financing was undeniably an important target for ALMPs.
32. The Committee took note of the Office paper.

## **II. Implementation of the Global Employment Agenda: An update** (First item on the agenda)

### **A review of the ILO decent work pilot programme** (Fifth item on the agenda)

33. The Chairperson informed the Committee that as agreed by the Officers, items 1 and 5 were to be discussed jointly, commencing with the presentation of agenda item 1, followed by the presentation of agenda item 5. He drew attention to two errors in the box in paragraph 7 of the French version of GB.288/ESP/1(Rev.): the job summits in Nigeria and Ghana had not yet taken place, and the regional event for constituents from countries in the African Union was still in the planning stage.

34. A representative of the Director-General (Mr. Amjad, Director for Policy Planning, Employment Sector) introduced the Office paper.<sup>2</sup> The paper was a response to the Committee's request in March 2003 to regularly report on individual countries' efforts in implementing the Global Employment Agenda. Drawing particularly on the individual country experiences of Ghana, the Islamic Republic of Iran and Pakistan, and bearing in mind the short period of time since the adoption of the Agenda, several key points were worth mentioning. First, the implementation of the GEA needed to build on experience and learning by doing. Second, the GEA, as the employment pillar of decent work, contributed to promoting decent work and developing synergies between its main pillars. Third, the major challenge for the GEA was to position employment as a central means for working out of poverty and achieving decent work. The real value added of the GEA would be to provide an analytical framework and tools for placing employment at the heart of economic and social policy-making. Additionally, the GEA identified social dialogue, decent work as a productive factor, and overcoming discrimination in the labour market as cross-cutting themes. The main conclusions of the paper before the Committee were: (1) the need to sensitize ministries of finance and planning to the feasibility of incorporating employment concerns in policy-making; (2) the importance of sound analytical work to underpin ILO's policy advisory services; (3) ensuring the active involvement of the social partners in developing policies and institutions; and (4) political commitment at all levels to undertake comprehensive employment policy reviews under the GEA framework.
35. A representative of the Director-General (Mr. Rodgers, Director of the Policy Integration Department) introduced the second Office paper<sup>3</sup> under this agenda item. He recalled that the decent work pilot programme had been established in October 2000 in order to explore ways in which the decent work concept could be used at country level. It was an important element of the Office's efforts to demonstrate the value of integration and show that decent work was more than the sum of its parts. The programme introduced a new approach to integration in policy dialogue and for ILO action. It was founded on close cooperation with the constituents and national ownership, drawing on all four strategic objectives of decent work and on Office-wide technical support. The experience in the eight countries in Africa, the Arab States, Asia, Europe and Latin America which participated in the programme to date, was very positive. It succeeded in embedding the Decent Work Agenda into high-level national policy priorities and adapting it to national needs. He highlighted the different entry points in the respective countries, but emphasized that they always led up to the integration of the components of decent work. Key outcomes so far included raising the profile of ILO constituents in the national policy arenas, where they had become convenors of broad debates on social and economic policies. The country programmes were a way of building shared commitment around an integrated framework by making the linkages between policy issues apparent and facilitating consensus building through social dialogue. It had also become clear that the national agendas could and needed to be linked to local development on the one hand, and to the international level on the other, a point well illustrated by the restructuring of the garment industry in the pilot programme in Morocco. Lessons had also been learnt about ways to strengthen the Office-wide support to country programmes through better planning of resources, increased synergies across technical sectors, further action-oriented research on optimum policy mixes, and extensive capacity building across the Office. The Office intended to consolidate and complete the country programmes within the agreed time frame and to use the lessons of the pilot experience to develop strategies and tools to respond to the increasing demands from constituents in all regions for integrated policy frameworks for decent work. This was an Office-wide effort.

<sup>2</sup> GB.288/ESP/1(Rev.).

<sup>3</sup> GB.288/ESP/5.

---

The substantive work required was carried out by the technical units, with the Policy Integration Department playing the role of a catalyst.

- 36.** The Employer Vice-Chairperson thanked the Office for the preparation of both documents, but suggested that future documents should be clearer and more focused, identifying areas of success and failure. Nonetheless, the two presentations had helped to provide clarity. With reference to document GB.288/ESP/1(Rev.), he emphasized the need for a complete picture of employment policies. Paragraphs 2, 3 and 4 dealing with the implementation of the GEA in the Islamic Republic of Iran, contained too much rhetoric. The lessons learnt were self-explanatory. In full agreement with paragraphs 15-18, on Pakistan, he reported on the excellent initiatives of the ILO and the Pakistani Ministry of Labour in engaging with the Ministries of Finance and Planning and including the social partners in the PRSP process, resulting in the inclusion of an important element on employment within the final draft of the PRSP. The critical question was how to proceed to the implementation of projects once donor funding had been secured. He invited individual countries to share their national experiences in implementing the GEA with the Committee. Referring to paragraph 20, he requested clarification on the origins of the “labour-based contractor association” and “association of labour-based consulting engineering firms” in Madagascar. He supported paragraphs 30-31, but felt a need to emphasize that growth was the starting point for employment generation. Now that the GEA was off the ground, the question of how to proceed with implementing the conclusions of paragraphs 30-32 arose. Regarding document GB.288/ESP/5, he commended the ILO for its pioneering country programmes. The paper provided a comprehensive review, but as the projects were still incomplete it was premature to discuss them. He appreciated the involvement of the countries concerned as this would guarantee greater success. Referring to paragraph 42, he recognized that work on decent work indicators was ongoing, albeit in a fragmentary manner, and was yet to be discussed by the Governing Body. He also requested an additional explanation of the content of the paragraph. The concluding paragraphs 45-48 were deemed to be premature, as the discussion on future directions would only be feasible once country reports had been received. With reference to both papers, he was pleased to note that the employers’ organizations in the twelve countries concerned had been satisfied with the way the Office had consulted and involved them.
- 37.** The Worker Vice-Chairperson remarked that there was significant overlap in the three programmes that support decent work at the country level, namely the Global Employment Agenda, the decent work pilot programme (DWPP) and ILO involvement in the Poverty Reduction Strategy Papers (PRSPs). The mandates of the GEA and the DWPP as set out in the two documents appeared to be the same and some countries were referred to in both documents and were also PRSP countries. Another overlapping programme was the one on youth employment. He called for coordination and integration of these programmes, through the Policy Integration Department, to ensure policy consistency, a pooling of resources to reap economies of scale and a joint learning of lessons. The Workers wanted more country-level work, not less, but it should be integrated across the Office. For future meetings of the Committee, an update covering all three programmes, potentially four, should be presented in a consolidated form. The paper should describe specific country experiences as well as report on the way the Office had integrated its support and use of resources.
- 38.** In his specific consideration of the two papers, he expressed his support for the policy lessons drawn from the implementation of the Global Employment Agenda, such as placing employment in a broader socio-economic context, incorporating employment goals in macroeconomic frameworks, ending discrimination in the labour market, localizing the agenda and building political commitment for national employment agendas in support of decent work. The latter needed to be extended to draw in not only the ministries of planning and finance, but all economic ministries. Concerning the link between

productivity and poverty, he noted that the quality of employment was an objective in its own right and that there was thus a fundamental role for public policies in improving it. Paragraphs 30 and 31 of paper GB.288/ESP/1(Rev.) lacked a clear reference to this and could be misinterpreted as saying that rising living standards were simply a function of increased productivity. The consensus reached in March stressed that decent work was a productive factor and that the sole focus on productivity was insufficient and could even have adverse consequences for jobs. He fully supported the active involvement of and support for employers' and workers' organizations in ILO country programmes. This needed to be strengthened by addressing the capacity constraints of the social partners. Both the GEA and the DWPP should have explicit provisions for capacity building of constituents and reporting requirements for this element.

- 39.** The paper on the decent work pilot programme contained a useful set of measures and policy responses to promote a wide range of elements of decent work. Relevant lessons had also been learnt in the implementation of the GEA. These experiences were useful and constituted the beginning of a "tool kit" for decent work. They should be packaged and set out clearly so that they could be used and adapted in other countries. Another important and practical contribution related to the evaluation of decent work outcomes. The Workers supported further activities on decent work statistical indicators as measures of success as referred to in document GB.288/ESP/5. In both papers, too little attention had been paid to wage policy, collective bargaining and labour standards. The "decent" part of "decent work" was too weak. This dimension should be strengthened in the country programmes and progress reported to the Committee in due course along with that concerning the three cross-cutting themes of the GEA. He requested that the Office advise the Committee on the approximate level of resources available to the three programmes, in this and the next biennium, and on the countries included in the programmes now and in the future. At future meetings, possibly in November 2004, the Committee should consider progress with respect to the development of a decent work tool kit and to statistical indicators. Finally, he noted that the country focus was helpful, but not sufficient. The GEA was not simply a series of national interventions, but had a global component. This was missing from the update paper, and should be reflected in future reports. In his conclusion, the Worker Vice-Chairperson reiterated the call for programme integration and consolidated reporting of programme delivery. He proposed that future update reports have six sections, namely programme integration and coordination; country studies including, in respect of the GEA, cross-cutting themes and common lessons learnt; regional and global work on the GEA; resource allocation to components of the various programmes; steps taken to improve the quality of ILO constituent involvement; and areas where the Committee may wish to give guidance on future directions of work.
- 40.** The representative of the Government of India, speaking on behalf of the Asia and Pacific group, conveyed his appreciation for the GEA update and the review of the decent work pilot programme. He stressed that the approach and strategies for advancing the GEA should be closely linked to the requirements of developing countries, particularly those with a large population below the poverty line and those with labour-surplus economies. Moreover, efforts of countries to generate employment needed to be supplemented by global efforts through multilateral cooperation. In this regard, foreign direct investment, according to the national laws and practice of each country, would be welcome particularly in infrastructure development, which had a multiplier effect on employment generation. Regarding the decent work pilot programme, it was the position of the Asia and Pacific group that it would contribute significantly to shaping strategies for integrating decent work into national agendas and therefore deserved full support and encouragement. He pointed out that the implementation of the decent work concept varied from country to country depending on their socio-economic conditions and other factors. The first endeavour of governments would be to provide at least some gainful activity for those living in poverty.

- 41.** The representative of the Government of France, speaking on behalf of the IMEC group of countries, welcomed the document on the GEA and endorsed the conclusions proposed in paragraphs 30 and 31. The examples presented in the report had shown that the GEA was a good framework for integrating the problems of employment into Poverty Reduction Strategy Papers. These examples also indicated that the effectiveness of programmes rested on the capacity of labour ministries and the social partners as well as on better cooperation with ministries in charge of economic policies, finance and PRSPs. IMEC therefore proposed that ILO technical cooperation should place greater emphasis on the institutional strengthening of the social partners and on the development of their capacity in economic analyses. IMEC also urged the Office to continue its efforts to forge cooperation with the UNDP, the World Bank and other international organizations. He regretted that the report gave little information on the regional dimension of the GEA, except for the reference to the Jobs for Africa programme. While underlining their interest in the country approach, he observed that there was a veritable patchwork of ILO approaches and programmes in each country, and stressed the need for a coordinated approach and unity of actions. Finally, he asked that future Powerpoint presentations be provided, if not in several languages simultaneously, in a different language on a rotating basis.
- 42.** The representative of the Government of China welcomed the action that had taken place in some countries to implement the GEA. He informed the Committee that China was actively involved in pursuing the Agenda in cooperation with the Office. Referring to the localization of the GEA, he pointed out that good results could be achieved when the Agenda was aligned with specific local conditions and when local and foreign experts together provided an integrated perspective.
- 43.** The representative of the Government of Ecuador, speaking on behalf of GRULAC, thanked the Office for the illustrative examples presented in document GB.288/ESP/1(Rev.) and recognized that the GEA was one of the key elements of decent work. Noting the absence of any reference to social security in the report, she underscored the importance of access to social security and social expenditure as one of the principal elements for achieving decent work, and also particularly for generating employment. She expressed her Government's desire to know more about experiences and best practices in low-income countries, especially those in the Andean and Central America subregions, on which the report had been silent. When adapting the GEA in member States, she considered it imperative to include social – not only tripartite – dialogue, as a mechanism to integrate the needs and views of various segments of the population, especially vulnerable groups.
- 44.** The representative of the Government of Barbados supported the conclusions of the GEA report. She endorsed the approach of the decent work pilot programme referred to in paragraph 7 of document GB.288/ESP/5, pointing out that it ensured the relevance of decent work action plans to the needs of the country and support from its social partners. Citing the relevance of lessons from Denmark to Barbados, she stated that lessons from the decent work programmes would be useful for ways forward, specifically in the face of globalization and trade liberalization. She requested support in helping the Caribbean to design country-specific decent work indicators, assess decent work deficits, and for future action in line with paragraph 47.
- 45.** The representative of the Government of the Philippines, noting that her country was one of the first to make “decent and productive employment” an explicit objective of the national development plan, explained how the Department of Labor was mainstreaming decent work in all its programmes. Decent work needed to be a shared development objective that required obligations and contributions from across government agencies and social partners, from local to national levels. The decent work pilot programme had played

an important role in national policy integration, by providing tripartite partners with a platform for elaborating a common agenda, by assisting the development of a decent work-based labour index, and by developing practical tools that local planners and decision-makers could use to pursue decent work objectives.

46. The representative of the Government of Bulgaria expressed appreciation for the GEA as a key element for achieving decent work, and recalled the support expressed by several Eastern and Central European countries at the 286th Session of the Governing Body. Noting the considerable differences in labour supply and demand among regions within Bulgaria, she attached exceptional importance to the localization of the GEA and the development of regional employment strategies. The national employment plan of Bulgaria for 2003, for example, had a regional dimension that sought a territorial balance of programmes. In this regard, she requested the Office for more information about the Local Economic Development Programme (LED) approach. While local actions were important, these should go together with national strategy, such as the medium-term and long-term employment strategies of Bulgaria.
47. The representative of the Government of the United States complimented the Office on the presentation of the country case studies in document GB.288/ESP/1(Rev.). The analytical framework linked key employment concerns at the country level with the main elements of the GEA. He fully supported the IMEC statement, in particular the importance of local conditions. Referring to the experience of Madagascar with rural roads construction using labour-based technology, he wondered why equipment-based technology continued to be widely used in spite of the job benefits and low cost of labour-based technology.
48. The representative of the Government of New Zealand informed the Committee that her Government had hosted a forum, in October 2003, for tripartite representatives from the East Asia and Pacific subregion to assess progress in developing decent work national plans of action. Forums such as this provided valuable opportunities for sharing ideas and experiences as to how to put into effect the decent work concept at country level. The forum had identified main themes that were important for developing decent work action plans: integrating the plan with other existing policies and programmes; national ownership and commitment; ongoing consultations and tripartite partnership; allowing the plan to evolve, be flexible and to re-prioritize; the need for the plan to transcend changes in government. She looked forward to updating the Office on the progress of New Zealand with respect to its decent work plan, and urged the other member countries to elaborate their respective plans of action.
49. Mr. Oshiomhole (Worker member) expressed his appreciation for the emphasis placed on job creation in the GEA. He wondered how governments could be encouraged to go beyond the stated support of the GEA toward practical implementation and results and to avoid other policy measures (such as structural adjustment) that destroyed jobs. In many countries, governments encouraged worker and employer participation in debates and policy formulation. Yet improvements in social dialogue were still necessary. He also questioned how countries could measure the real effects of decent work policy implementation. Would one be able realistically to measure whether or not policies had negative effects such as job loss and increased poverty?
50. The representative of the Government of the Islamic Republic of Iran thanked the Office for putting such significant issues on the agenda and endorsed the statement made by the Asia and Pacific group. His country, through a synergy of all ministries and government organizations, hoped to incorporate the decent work goals into the content of the fourth five-year plan and aimed at establishing employment as a central issue in its economic and social policy-making. In order to achieve the goals, however, a number of structural changes would have to take place. His Government was determined to enhance social

protection and social dialogue as the main elements of employment growth. He highlighted several areas where progress had been made toward the implementation of the GEA through ILO technical assistance, specifically in areas of macroeconomic policy, active labour market policies, removing barriers to women's access to the labour market and establishing training centres. Further guidance would be needed from the Office to explore the effects on employment of trade liberalization necessary to join the WTO. He also expressed the need for ILO technical guidelines on the promotion of competitiveness and productivity in order to keep small and medium-sized enterprises sustainable.

- 51.** The representative of the Government of Argentina supported the statements made in paragraph 12 of document GB.288/ESP/1(Rev.) concerning the comparative study in Argentina, Brazil and Mexico. Several activities in connection with the study were already under way. He expressed his appreciation of the ILO-sponsored programme aimed to address the Argentine financial crisis as well as the ILO participation in the recent national employment conference. Regarding decent work, he supported the Workers' position on the need for a measure to quantify the implementation of decent work initiatives. He wondered how success could be measured. It was important to ensure that workers' rights were fully respected, to avoid a situation where decent work contributed to the consolidation of dignified inequality. Decent work should be a tool for the improvement of the social situation of workers. Argentina and Brazil had taken on this challenge in the Consensus of Buenos Aires, which established that employment policies should promote social cohesion and should contribute to greater dignity of workers and their families. This constituted fundamental commitment to the notion of social cohesion as an integral part of decent work.
- 52.** Mr. Sidorov (Worker member) drew the attention of the Committee to a linguistic problem in the Russian version of document GB.288/ESP/5, where the Russian term for "destitution" was used instead of "poverty". This translation error had implications when it came to formulating appropriate policies. He therefore urged the Office to make the necessary correction.
- 53.** The representative of the Government of South Africa welcomed the report on the implementation of the GEA and agreed that although only a few countries could be included in the report at this time, important lessons could still be gained from the review of their experiences. In this connection he raised three points: first, he emphasized that institutionalized social dialogue would be necessary to ensure national commitment to the implementation process; second, he advocated linking employment goals in an economic policy framework; and third, he stated his support of the paper's emphasis on the need for political commitment to the development of a national employment agenda. In recognition of this need, his Government had committed itself to implementing policies that met the goals of creating more and better jobs. He encouraged the Office to continue its work on assessing implementation experiences of the GEA and called on all social partners to ensure that the proposals of the GEA were implemented. With regard to document GB.288/ESP/5, he stressed the importance of monitoring and evaluating progress toward implementation of the decent work goals. Technical support from the Office in developing the tools for measuring implementation success would be welcome as would be further work on the development of decent work indicators and technical assistance in institutionalizing the measurement of such indicators. Finally, he recommended that the objectives of the Decent Work Agenda be fully integrated into the labour force.
- 54.** Mr. Wojcik (Worker member) supported the statement made by the Worker Vice-Chairperson. Referring to the localization of the GEA, he indicated that in some regions in his country, Poland, massive bankruptcy in the textile industry had resulted in unemployment rates exceeding 30 per cent. He disagreed with the optimistic assessment of the implementation of the GEA in Poland referred to in paragraphs 24-26. It was unclear

what the follow-up would be. He urged the Office to provide more information on how a country could obtain concrete results from the implementation of the GEA.

- 55.** Ms. Karikari Anang (Employer member) agreed that Ghana was a good example of how the GEA could be operationalized through a decent work pilot programme. The tripartite structure of the pilot programme had enabled constituents collectively to influence national policy-making. All constituents had benefited from capacity building. As part of the DWPP, the Ghana Employers' Association had undertaken an assessment of productivity, particularly in the informal economy. The Trades Union Congress of Ghana was looking at the determinants of income and wages with the aim of ensuring transfers of living wages. These were very timely, as the President had called for a national debate about productivity and wages. She emphasized the need for the sustainability of impact and the importance of completing the pilot programme.
- 56.** The representative of the Government of Pakistan welcomed the documents. He pointed to the poor employment and poverty conditions in Pakistan and stated that although the situation had stabilized, much more work remained to be done. He expressed his appreciation of the assistance given by the Office in tackling the unemployment problem within the framework of the GEA. Numerous components of the GEA were being implemented, for example the initiation of programmes to encourage employment-intensive growth by means of supportive policy measures, such as for the housing sector. He also expressed his appreciation of the Office contribution to making employment a central goal in poverty reduction strategies, to be reflected in the next PRSP. The active participation of all the social partners in the development of employment policies would be an important step forward, and he hoped that through increased social dialogue and debate, consensus would be built and labour market policies adopted. He hoped to see a sustained implementation of the GEA and decent work ideals by all relevant government agencies.
- 57.** The representative of the Government of Mexico referred to the comparative study of Argentina, Brazil and Mexico initiated within the GEA framework. Her Government was committed to placing employment at the heart of its employment policies. Moreover, the objectives of the country's New Labour Culture matched the ILO's decent work objectives, for example in promoting the training of workers, decent wages, etc. The study commissioned by the Office presented an opportunity to adopt a new approach to decent work. The development of decent work indicators should not be used in order to assess the political situation of a country, nor should they be used to make statements of international comparison until a time when standard methodologies were safely in place. Indicators could still be useful, however, if they took national circumstances into account.
- 58.** The Employer Vice-Chairperson supported calls for the proper evaluation of DWPP to establish the degree of their effectiveness in the countries concerned. He reiterated the need to discuss the decent work indicators at the Governing Body. Recognizing commonalities between the GEA, DWPP and PRSP programmes, he agreed with the sentiments of the Worker Vice-Chairperson that work should be better coordinated to avoid overlap. He asserted that this work should be done within the Employment Sector of the Office, without the Governing Body micromanaging its work; there was no need to report on detailed funding levels, as there were other committees in charge of that. As an example of a useful evaluation, he referred to document GB.288/PFA/11 on the Evaluation of the InFocus Programme on Boosting Employment through Small Enterprise Development.
- 59.** The Worker Vice-Chairperson noted that now that the implementation phase of the GEA had been reached, a previously unidentified need for coordination and integration had emerged. The issue of resource allocation was essential to determining whether spending was appropriately targeted. He identified with the comments of the representative of the Government of France on behalf of the IMEC group dealing with strengthening the

economic policy capacity of the social partners and labour ministries, and expressed a desire to see the direct material support for and involvement of the social partners in some countries, such as Ghana, replicated. He wished to see stronger focus on global and regional dimensions, as well as a greater emphasis on the quality of employment as alluded to by the representatives of the Governments of Argentina and Bulgaria. Referring to the Employer Vice-Chairperson's comments, he noted that micromanagement was indeed undesirable; for the Committee to play a guidance role, it would require a knowledge of resource allocation and the macro-impact that it entailed. The Worker Vice-Chairperson pointed out that the Policy Integration Department was set up precisely to coordinate work; it should therefore integrate the work of all the sectors. The Workers' proposal did not entail the Employment or any other sector not doing work, but instead called for cohesion in the work across the Office. He requested a more structured agenda and set of papers for the future, and reaffirmed the notion of developing a tool kit and a decent work statistical indicator and scorecard. Finally, he emphasized the urgency to move forward given the worldwide problems of unemployment and underemployment.

- 60.** The Chairperson thanked the participants for the good discussion, concrete suggestions, and interesting but unresolved debate on the assessment of programmes. In summarizing the key questions raised, he pointed to specific queries that would need to be addressed by the Office.
- 61.** In his response to the discussion, Mr. Rodgers agreed with the way the Workers' Vice-Chairperson had expressed the challenge of integrated ILO work at the country level. It implied far-reaching change in the working methods of the Office, but progress was being made as illustrated by the work of the GEA, the DWPP and ILO involvement in the PRSPs. The latter two programmes were broader in coverage and coordinated by the same unit in the Office. They could be reported on jointly in the future. The GEA was often an entry point and a major component of the DWPP as reflected in the active participation of the Employment Sector in all country programmes. Both programmes could contribute tools to the kit that had been suggested. He also welcomed the call for a systematic evaluation once the programmes were more advanced. Work on the global and regional dimensions of the problems faced in the countries was under way but not reported in the papers before the Committee. Unambiguous information about the resources involved was difficult to provide at the moment because of the multiple sources and objectives of the contributions. This should be easier once the Integrated Resource Information System (IRIS) was operational. Finally, he pointed out that a French version of the Powerpoint presentation was available for distribution.
- 62.** A representative of the Director-General (Ms. Berar-Awad, Director of the National Policy Group, Policy Integration Department) pointed out that the questions of quality of employment and of the link between labour standards and economic performance figured prominently in several pilot programmes. A tool kit was already being prepared for decent work in local economic development and a broader one would be compiled before the end of the programme. Several initiatives were in progress concerning the development of decent work indicators and the Office would report on these at the time chosen by the Governing Body. Capacity building was a key outcome of the pilot programme. The time and resources required had perhaps been underestimated at the outset. A more systematic programme was under way. Finally, she informed the Committee that a meeting on decent work strategies at the country level in the Caribbean subregion was planned for February 2004.
- 63.** In his response to the discussion, Mr. Amjad emphasized that the GEA had a national as well as an international dimension, which was equally important, but perhaps not adequately reflected in the report. In this context he recalled the ILO's cooperation with the United Nations and the World Bank within the Youth Employment Network, and other

international alliances with UNESCO and UNDP. He agreed that the aspect of investment promotion needed further analysis. The Decent Work Agenda provided the main framework for the ILO to demonstrate its values and its comparative advantage. Referring to the cross-cutting principles of the GEA – decent work as a productive factor, the role of social dialogue and the elimination of discrimination – he stressed the interlinkages between the GEA and the Decent Work Agenda. Regarding the Employer Vice-Chairperson’s query concerning “labour-based contractor association” and the “association of labour-based consulting engineering firms” as mentioned in GB.288/ESP/1(Rev.), paragraph 20, it had been the small and micro-enterprises themselves that had set up these associations, with the Office helping to provide the necessary links to existing industrial organizations. Referring to the perceived underreporting of the regional dimension, he briefed the Committee on the status of the Jobs for Africa programme. In response to the query by the representative of the Government of the United States on the veracity of the claim of greater profitability of labour-based techniques, he referred to possible market distortions or market failures and said that specific circumstances – managerial costs, hidden costs of larger firms, etc. – may have been determining elements.

64. Mr. Hultin fully concurred with the response given by Mr. Rodgers on the issue of resources. Financial reporting was difficult in view of the involvement of many parts of the Office both at headquarters and in the regions, and he hoped that IRIS would make this easier in the future. He expressed appreciation for what he considered a learning process emanating both from the reporting itself and from the reactions given in the Committee, which reflected national realities. The Office would take these reactions into account and adjust its activities and its reporting accordingly. Finally, with regard to future implementation of the GEA at the national level, he emphasized that the ILO was a demand-driven Organization and invited the constituents to indicate to the Office the areas and activities where future cooperation was needed.

65. The Committee took note of the Office paper.

### **III. HIV/AIDS and the Decent Work Agenda: Responding to need (Third item on the agenda)**

66. The Employer Vice-Chairperson took the Chair.

67. A representative of the Director-General (Mr. Lisk, Director, ILO Programme on HIV/AIDS and the World of Work) introduced the Office paper.<sup>4</sup> It had been three years since the Office established a global programme on HIV/AIDS and the world of work, in response to a resolution at the 88th Session of the International Labour Conference in June 2000. The paper provided insights into the programme in terms of three dimensions: (1) its relevance to the Decent Work Agenda; (2) its response to the needs of the tripartite constituents and other stakeholders; and (3) its contribution to the global response to the HIV/AIDS epidemic. The HIV/AIDS epidemic threatened every aspect of the Decent Work Agenda and the four strategic objectives of the Organization as the majority of the 42 million people infected were workers in their productive prime. The Decent Work Agenda could not be achieved unless there was a provision for incorporating HIV/AIDS concerns into the decent work country programmes. The ILO/AIDS programme was based on a two-pronged approach: (1) mainstreaming HIV/AIDS concerns into all major ILO programmes and activities; (2) strengthening the capacity of constituents to contribute

<sup>4</sup> GB.288/ESP/3.

effectively to national strategies and action plans to combat HIV/AIDS. He commended the support of the constituents in translating the ILO code of practice on HIV/AIDS and the world of work into 30 languages, which meant it could be applied in some 60 countries. He also referred to existing partnerships between the programme and the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Business Coalition on HIV/AIDS, the Global Compact and others, and the role of the ILO as a co-sponsor of UNAIDS. Finally, he underlined the financial support received from several donor agencies, which was crucial for implementing technical cooperation activities in this field.

- 68.** The Worker Vice-Chairperson emphasized that HIV/AIDS was an issue going to the very heart of the labour force. The Workers therefore welcomed the paper and its primary assumptions, namely that HIV/AIDS threatened every aspect of the Decent Work Agenda. The ILO code of practice had been helpful, but it was now time to move from awareness raising to action. The programme should now move from the pilot phase to wider regional and national coverage. He hoped that the ILO would be proactive vis-à-vis the revision of labour laws with a view to ending discrimination due to HIV/AIDS. The involvement of employers' and workers' organizations in drafting concrete policies and plans at the workplace was most useful. In future, more resources would need to be allocated to this work in the ILO's programme and budget. He suggested looking into ways to align donor priorities accordingly. There might also be value in drawing on the example of IPEC. In addition, work to strengthen the institutional capacity of public health systems was required. The issue of access to affordable drugs was something that trade unions, employers and labour ministries were forced to deal with. He requested that workers' organizations be actively involved in all ILO programmes, and that donors note the important role that these organizations could play. ILO/AIDS should reinforce its outreach to other units of the Office, such as the Social Security Department, the Bureau for Gender Equality and SafeWork. He enquired whether an audit had been conducted on mainstreaming HIV/AIDS concerns throughout the Office. He informed the Committee that a global trade union campaign would be launched in December 2003, focusing on disseminating best practice and building partnerships. The ICFTU/IOE commitment was also very relevant in this regard. In citing best practice initiatives in South Africa, he highlighted the importance of collective bargaining and tripartite social dialogue in achieving improvements for those affected by HIV/AIDS. The Workers felt that the issue of an instrument on HIV/AIDS referred to in paragraph 24 warranted further discussion within the group. It was more important at this point in time to concentrate on practical steps, and to use opportunities such as the forthcoming African Regional Meeting to forge tripartite partnerships.
- 69.** The Chairperson associated himself with the remarks made by the Worker Vice-Chairperson regarding the important role of employers' and workers' organizations.
- 70.** Ms Karikari Anang (Employer member, speaking on behalf of the Employer Vice-Chairperson) commended the Office for the paper and the work done in the field of HIV/AIDS. HIV/AIDS caused heavy loss of human and financial resources and was hence a cause of as much concern for employers as for workers. The joint IOE/ICFTU commitment referred to by the Worker Vice-Chairperson would be put into practice shortly. The question was now how to integrate all the ongoing work and make best use of the limited resources. She expressed support for the work done in multinational enterprises and with respect to the provision of care and support for HIV/AIDS infected employees at the workplace, and hoped that the Office could further support efforts to improve workplace policies. The way forward was to better focus the programme and to firmly establish it as a tripartite concern.
- 71.** The representative of the Government of India, speaking on behalf of the Asia and Pacific group, concurred with the Office's view that HIV/AIDS was a threat to workers' rights,

development, enterprise performance and gender equality. He welcomed the initiative taken by the Office in implementing the code of practice as a guiding tool for governments, employers, workers and other stakeholders to develop workplace policies and programmes. The ILO had an important role to play in assisting its member States through training and advisory services.

- 72.** The representative of the Government of Canada expressed her satisfaction with the ILO being a co-sponsor of UNAIDS. She welcomed the commitment and contributions of the social partners to address HIV/AIDS but regretted to note that the paper was virtually silent on the gender dimension of HIV/AIDS, despite the fact that young women were especially vulnerable. She urged the ILO to ensure that its HIV/AIDS strategies, policies and programmes were reflective and inclusive of gender issues and their implications at the workplace. Her Government saw an important role for the ILO in ensuring a strong legislative framework at the country level so that HIV/AIDS workplace programmes were respectful of human rights and ethically sound. This would impact on prohibiting the practice of mandatory HIV testing and would provide a framework to address discrimination and stigmatization. Specific programmes to meet the needs of HIV-positive pregnant women should be envisaged, as the workplace can provide a conduit for pregnant women to access primary health services otherwise difficult to access. Finally, she suggested that the Office give consideration to the role of the workplace as part of a response to drug-related HIV/AIDS infection.
- 73.** The Worker-Vice Chairperson took the Chair.
- 74.** The representative of the Government of Barbados, speaking on behalf of the CARICOM States, expressed gratitude to the Office and the donor countries for responding to the needs of the Caribbean countries, and welcomed the recent initiative in Guyana. She looked forward to the lessons learnt from this pilot programme which would benefit not only the wider Caribbean but also other developing countries. Her country had used the code of practice to launch a national code, which was now part of the Social Partnership Agreement. Referring to paragraph 22 of the paper, she emphasized that a decent work deficit also contributed to HIV/AIDS as it exposed workers to situations that put them at risk. She urged the Office to continue building strategic alliances and to integrate HIV/AIDS concerns into all other relevant activities, in particular the decent work programme.
- 75.** The representative of the Government of the United States appreciated the work done on HIV/AIDS. He noted with interest that paragraph 11 of the document highlighted two specific goals from the 2001 United Nations General Assembly Special Session on HIV/AIDS. He urged the Office to maintain a strategic focus on achieving these objectives in order to have maximum impact on HIV/AIDS-related efforts and expressed concern that the priority areas listed in paragraph 22 of the paper might dilute the strategic focus. He recommended that the Office maintain its strategic focus on workplace prevention programmes and on legal and political frameworks to protect workers' rights.
- 76.** The representative of Government of Malawi supported the workplace strategies the Office had taken. His country had already drafted a national HIV/AIDS workplace policy, which was awaiting Cabinet approval, and he thanked the United States Department of Labor for its generous contribution to this process. Further resources were now needed in support of Malawi's efforts to have an AIDS-free workplace through the implementation of the draft policy, and he hoped that his country would also be able to access funding from the OPEC Fund for International Development. He urged the Office to consider extending proposed pilot programmes in Guyana, Niger and the United Republic of Tanzania on co-investment and care to other developing countries and to strengthen its internal capacity to explore new ways of fighting the epidemic.

77. The representative of the Government of France welcomed the success of practical guidelines, the efforts made to mainstream the programme across the Office, particularly in the area of social protection, and the cooperation with the WHO on the issue of access to care at the workplace. Regarding an ILO Convention on HIV/AIDS, he felt that the time was not yet ripe for this and that it would be better to integrate discrimination issues into existing anti-discrimination instruments. He called upon all constituents to increase their efforts to support the programme.
78. The representative of the Government of Mexico noted that the manual for the application of the code was quite comprehensive, and encouraged cooperation with other initiatives such as UNAIDS, the Revised HIV/AIDS and Human Rights International Guideline No. 6 of the Office of the United Nations High Commissioner for Human Rights, and the WHO's "3 by 5" strategy on antiretroviral treatment. Her country was convinced that close cooperation between the ministries of labour, finance and health was necessary to achieve the millennium objectives and the Decent Work Agenda. Finally, an ILO instrument on HIV/AIDS and the world of work could be considered for a double-discussion procedure after 2005.
79. The representative of the Government of United Kingdom fully supported the work of the programme. Referring to impact evaluation, he wondered whether the Office was planning to monitor gender differentials. He was pleased to note that the ILO was going to be involved in the WHO's "3 by 5" initiative and wondered whether involvement in the Commission on HIV/AIDS and Governance in Africa was also foreseen. His Government supported gender equality and child labour as priority areas of action and suggested that the issue of migrant workers and HIV/AIDS should also be addressed as a priority.
80. The representative of the Government of Cameroon referred to his country's efforts to prevent and combat HIV/AIDS in the public as well as in the private sector, and requested the ILO's support in these initiatives.
81. The representative of the Government of South Africa appreciated the various initiative taken by the ILO/AIDS programme on the development of workplace policies on HIV/AIDS. It was important to now move forward and to translate these initiatives into concrete workplace programmes, and to monitor and evaluate their impact. Moreover, partnerships needed to be established to avoid the duplication of resources. It was gratifying to hear that the Office was working on the development of indicators. The capacity of the social partners should be further strengthened. He suggested that the Office give serious consideration to establishing an InFocus programme or similar to consolidate work in this area.
82. Ms. Karikari Anang (Employer member) concluded that the Employers and Workers were in agreement that targeting HIV/AIDS in the workplace was a priority issue in which they had a crucial role to play, and the ILO should continue to support them to bring this to fruition.
83. In his response Mr. Lisk thanked the members for their guidance and reiterated the programme's integrated approach to mainstream HIV/AIDS in all programmes. He replied to questions from a number of speakers concerning the strategic focus of the programme, collaboration with the United Nations Commission on HIV/AIDS and Governance in Africa and migrant workers.
84. The Committee took note of the report.

#### **IV. The Global Social Trust pilot project: A status review (Fourth item on the agenda)**

- 85.** A representative of the Director-General (Ms. Kilpatrick, Senior Specialist, Social Protection Sector) introduced the Office paper.<sup>5</sup> She recalled that the Governing Body had authorized the Director-General to proceed with a pilot project on the Global Social Trust at its 285th Session in November 2002. Referring to the significant progress that had been made, she reported that the social partners in Luxembourg had made a commitment to establish a Social Trust body which would collect contributions in Luxembourg to provide funding for the pilot project in Namibia and would also provide some matching funds through its regular technical cooperation financing procedure. The Government and social partners of Namibia had agreed in principle that the funds should contribute to the establishment of a new social security benefit for survivors, many of whom would have lost their family members to AIDS. The lack of such a benefit had been identified as a main cause of poverty for many households. Once all partners had approved the details of the pilot project, the project could proceed to a formal tripartite agreement between Namibia and Luxembourg and the establishment of a tripartite advisory board. The Committee was asked to authorize its Officers to make nominations at the appropriate time for members of the advisory board. The Government of Ghana had requested assistance from the ILO to implement its new national health insurance system, a project that was not an additional pilot project but which could be scaled up to test the feasibility of the Global Social Trust concept should, for any reason, the Namibian pilot project encounter significant delays.
- 86.** Ms. Karikari Anang (Employer member) thanked the Office for the work done. She inquired about the sustainability of the project and about the activities of the project in Luxembourg. Referring to the tripartite advisory board, she suggested Namibia should not just be an observer, and that the nominations for the board should be made by the social partners and governments and then be endorsed by the Committee.
- 87.** Mr. Ito (Worker member) thanked the representative of the Director-General for the presentation. The Workers could support the propositions in paragraphs 21 and 22 of the Office paper and looked forward to the further progress of the pilot project. He endorsed the suggestion that Namibia should be a full member of the advisory board.
- 88.** The representative of the Government of the United Kingdom, speaking also on behalf of the Government of the Netherlands, thanked the Office for the work done. His Government supported the pilot project by seconding one of its officials to it. He expressed his satisfaction with the progress of the project and noted with interest the proposals for monitoring and reporting on the project, as well as on the establishment of a tripartite advisory board.
- 89.** The representative of the Government of the United States endorsed the points for decision. He recalled the recommendations made by the Meeting of Experts in May 2002 on research and evaluation, which questioned the willingness of individuals to donate and the self-sustainability of the supported social welfare system. If these questions could be answered in the affirmative, three more questions needed to be addressed: Why did individuals donate? What were the mechanisms that made the new social welfare scheme sponsored by the Global Social Trust self-sustaining? Would this mechanism have existed without the intervention of the pilot Social Trust?

<sup>5</sup> GB.288/ESP/4.

90. Ms. Kilpatrick supported the suggestion concerning the status of Namibia on the tripartite advisory board as a full member rather than as an observer. Referring to the issue of sustainability, she emphasized that one of the unique elements of the project was the very mechanism by which, from its inception, the host government made a financial commitment to take over once the pilot project was successful. The questions raised by the representative of the Government of the United States would be addressed in the monitoring and evaluation of the project. It was essential that the Social Trust represented additional resources spent on social protection, leading to an extension of coverage, rather than replacing existing provisions. She also informed the Committee that the Office was working on an information strategy for the Social Trust.
91. The Chairperson, in conclusion, invited the Committee to adopt paragraphs 21 and 22. It was so decided.
92. *The Committee noted the progress that had been made in establishing a Global Social Trust pilot project partnership between Luxembourg and Namibia.*
93. *The Committee authorized the Officers of the Committee to nominate candidates for membership of a tripartite advisory board of the project, for approval by the Director-General and the Officers of the Governing Body.*
94. A representative of the Director-General (Mr. Diop, Executive Director, Social Protection Sector) informed the Committee about the activities of the Social Protection Sector and stressed that issues dealt with by the sector were not isolated ones. He pointed out that units of the sector work with each other as well as with other sectors and that the integration of activities was a crucial element in view of the fact that all the issues the sector covered had an impact on poverty reduction, the informal economy and decent work.
95. The Worker Vice-Chairperson informed the Committee that Mr. Ito, his predecessor as Worker Vice-Chairperson on the ESP Committee, had announced his retirement from the Governing Body, on which he had served as a delegate for more than ten years. He paid tribute to Mr. Ito's dedication, commitment, knowledge and experience and wished him well for his retirement.
96. The Employer Vice-Chairperson associated himself with the previous statement and added that Mr. Ito had been one of the pillars of the Workers' group.
97. Mr. Somunu (Worker member) also associated himself with the tribute to Mr. Ito.
98. The Chairperson thanked the members for their contributions and the positive spirit of the discussions.

Geneva, 18 November 2003.

*(Signed)* Ambassador Umer,  
Chairperson of the Committee.

*Points for decision:* Paragraph 92;  
Paragraph 93.