



Recent times have been most challenging for those who seek productive and decent employment. It has been difficult in most countries to create enough jobs to keep all those available and willing to work employed. Global unemployment reached almost 202 million in 2013 of which 74 million are young women and men. For an increasing segment of workers, the quality of employment has also suffered with the proliferation of more insecure forms of work. Some 356 million workers lived with their families on less than \$1.25 a day in 2014.

These issues have taken a prominent place on the agenda of the International Labour Organization. And the ILO has been increasingly called upon to provide technical support and policy advice to governments, employers and workers wanting to explore ways to overcome these challenges.

In so doing, the ILO brings its own brand of advice, drawing on the expertise of specialists in various fields and on the values of social justice and social dialogue. This unique combination truly sets the ILO's work apart and lends it strength. For in the end, the success of economic policies is never simply based on having the 'right' recipes. It also depends on the 'reality checks' provided by policy makers, employers and workers and the consensus that can be built.

The social partners and other stakeholders have often been marginalized in discussions about employment policies. However in recent years, the desire on the part of many governments to provide meaningful answers to the employment crisis has facilitated the involvement of trade unions. It is up to trade unions to step up and take the challenge.

The guide that you have in your hands has been written precisely to inform such a process. It will help equip trade unions with the basic tools and arguments to participate in policy discussions. It does not pretend to be an exhaustive coverage of all issues, but aims rather to ensure the minimal level of economic literacy necessary to engage fruitfully in those discussions.

There are three important premises behind the arguments in this guide. One is that reaching the objective of full and productive employment means mobilizing all of the policy levers: not only labour market policies and regulations, but also fiscal, monetary, industrial, trade and social policies.

Another is that employment should be an explicit target for economic policy makers. Recent history has shown that 'going for growth' is simply not enough. Policies have to be gauged for their employment quality potential.

A final premise is that there are no 'magic bullet' solutions out there. Economic policy-making is the art of the possible, as it has been said about politics. It has to respond to specific (and often difficult) national circumstances, with means that are almost always insufficient. Every policy choice has its own set of costs and benefits, of winners and losers. This is precisely why the process has to be guided by informed and serious social dialogue.

We hope that this guide will help to improve trade unions' input into the policy-making process. This in turn will greatly improve the quality of the process itself.

The guide was written by: Eléonore d'Achon, Claire Harasty and Pierre Laliberté of the ILO. Miranda Kwong drafted parts of the chapter on the role of trade unions in the policy cycle, Janine Berg, Laura Schmid and Mareike Theisling contributed to the chapter on labour market institutions and Tariq Haq to the chapter on macroeconomic policies. Mohamed Gassana and Mohammed Mwamadzingo provided expert advice on the conception of the guide. Experts in the ILO country offices and in Geneva provided extremely useful comments on an earlier version. Jean Ndenzako and Pong-Sul Ahn contributed country-specific material to enrich the examples provided. Sally McBeth of Clear Language and Design thoroughly edited the manuscript in plain language and CM-Design worked on the layout. The overall coordination of the work was provided by Claire Harasty.

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## NATIONAL EMPLOYMENT POLICIES

### A guide for workers' organisations

## About this guide

The International Labour Organization (ILO) has prepared this guide for trade unions that are engaging, together with other key stakeholders, in the formulation of national employment policies. It is a complement to the ILO's more general Guide for the formulation of national employment policies (ILO: 2012). This guide has a focus on trade unions in developing countries. It is part of a comprehensive training package for trade unionists who want to play a more effective role in the employment policy-making process.

The key to a successful national policy is social dialogue. When countries arrive at a common platform through broad-based consultations and informed debate, all of the actors involved feel ownership of the policy and are more likely to help implement it and watch carefully as it is put into practice.

In the last several years, trade unions in many countries have gained experience in national policy making. Lessons have been learned from these experiences on how to play a much more active role in setting national employment priorities.

National employment policy-making is a complex business. This guide introduces the theories, concepts and processes that go into it. We hope it will enable trade unions to see where they can participate and where they still need to build up expertise and capacity so that they can be credible and effective players.



The guide is in six parts:

1

**Part 1** explains what national employment policies are and looks at the current context that has brought employment back on top of national and international agendas. It explains how the ILO developed its approach to effective engagement in the policy process.

2

**Part 2** talks about what it means for trade unions to have this new role as a key stakeholder. It describes the social structures and conditions for dialogue that need to be in place in a country for trade unions to successfully contribute to a national employment policy.

3

**Part 3** is a detailed, stage-by-stage description of the national employment policy-making process. There are seven stages: preparation, issue identification, formulation, adoption, action planning, implementation, and monitoring and evaluating. Trade unions need to strengthen their ability to participate in all stages of the policy cycle. Part 3 provides some practical suggestions on how to handle the most challenging aspects of employment policy development. It details the possible ways that trade unions can engage at each of the stages.

4

Part 4 introduces the basics of collecting and analysing labour market data – essential skills for trade unions that want to be credible and informed stakeholders. It explains where to find good data and when trade unions might want to collect it themselves. It explains labour force concepts and the indicators we use to measure them. Trade unions need to be able to interpret employment numbers so that they can make policy arguments and monitor policy results.

**Parts 4 to 7** present key issues that trade unions may want to see embedded in national employment policies. We show how they can argue and defend their positions on these topics.

5

**Part 5** arms trade unionists with the main elements of debate around economic policy. The choice of public policies is influenced by theory and analysis. We look at macroeconomics, the study of the economy as a whole, and how policies at this level can influence the creation of decent jobs. We explain and look at the impact of monetary policy, exchange rate policy, and fiscal policy. We discuss why and how it is important for trade unions to influence these macroeconomic policies, as well as policies in particular sectors.

6

**Part 6** talks about the informal economy – that area of the labour market that is largely unregulated, where workers are unprotected and often exploited. Trade unions should be equipped and ready to engage in discussions about national policy responses to the informal economy. These policy responses should be embedded in every social and economic policy. We also talk about the ways that organized trade unions in many countries are helping informal workers to bring their voices to the table.

7

**Part 7** discusses the role of labour institutions – the rules, practices and policies that affect how the labour market works. We focus on two important labour market institutions – employment protection legislation and minimum wages. We look at the theoretical arguments for and against them and at what the research says. We also look at the linkages between employment and social protection systems, such as social security, pension plans and unemployment benefits. Our key message is that national employment policies and social protection systems have to be closely linked. Trade unions need to be able to argue for these connections in policy design in order to frame solutions grounded in long-term, sustainable, employment-centred growth.

8

**Part 8** is a glossary or list of key words that we use in this guide, with reminders about what they mean. These words appear in blue the first time you see them.

This guide is by no means the final word on employment policy development. Each workers' organization has its own practical experience of what works well and what does not. And practical experience is not static: each piece of policy work is an opportunity to refine the approach.

There are concrete examples and case studies all through the guide, showing what trade unions around the world are doing to further national employment policies in their countries, and what they have learned from their experiences. There are lists of references, tools and resources at the end of each part of the guide.