

DRAFT 1\_30 NOVEMBER 2005

Title: Combating inequalities and discrimination in the world of work

Geographical coverage: Inter-regional, focused on selected countries

Lead unit/office: DECLARATION

Collaborating units: ACT/EMP, ACTRAV, GENDER, NORMES

Budget requested: \$751,970

## Background

Discrimination in employment and occupation exists everywhere in the world. Its manifestations and intensity may vary from country to country and over time, but its consequences are the same: a waste of human talents, a violation of rights, efficiency, productivity and income losses, social fragmentation and, in some instances, political destabilization.

The elimination of discrimination in employment and occupation is central to social justice and underpins the concept of decent work, which is founded on the notion of equal opportunities for all men and women who work or seek to work whether in the formal or informal economies. Discrimination is a dynamic and evolving phenomenon. Some of the most blatant forms have faded away, but many have taken more subtle and insidious forms. Globalization is adding to the challenge: the intensification of internal and external migration, unprecedented technological innovations and the transition to market economies are redefining the patterns of social stratification and social mobility. This produces new manifestations of discrimination, while reducing some old forms.

*Time for Equality at Work*, the first Global report on this subject matter discussed by the International Labor Conference in June 2003, highlighted the changing nature of discrimination at work and showed that the shift from ignorance or denial of the problem to remedial action was never straightforward nor irreversible. Hence its call on the ILO and its constituents for renewed efforts in regularly monitoring its manifestations and social and economic consequences. The Report also stressed that there is neither a “one-size-fits-all” recipe nor a definitive formula for eliminating discrimination at work. Policy responses must be country and time-specific: the patterns of inequalities and the manifestations of discrimination differ by country and over time, as do the institutions and resources available to tackle the problem. But in all instances, an integrated and phased approach is required that combines different policy interventions. While the adoption and effective enforcement of anti-discrimination law is a fundamental step, it is insufficient *per se* to eliminate discrimination. Solid statistical analysis, inclusive active labour market policies, sound enterprise-level HRD policies and committed social partners are equally important.

The Global Report also stated that the workplace was one strategic entry point to address discrimination in society at large and that its elimination was a common responsibility of governments, workers’ and employers’ organizations. During the 2003 ILC, many speakers emphasized the necessity of strengthening the capacity of trade unions and employers’ organizations to tackle discrimination within their organizations and at the workplace. The importance of creating bilateral and tripartite forums in order to agree on ways of combating discrimination was voiced. Collective bargaining was also mentioned as a means by which social partners could jointly work towards making equality a reality in the world of work.

In response to the concerns voiced by many Conference delegates, the action plan on the elimination of discrimination in employment and occupation, endorsed by the Governing Body at its November session of 2003, identifies two thematic priorities, e.g. racial/ethnic discrimination, work and development and reducing the wage gap between men and women and racial/ethnic groups. The ILO’s Programme & Budget for 2006-07 approved by the ILC instructs the ILO to assist member States with national programmes and policies to address gender, racial and ethnic discrimination. In addition, workers organizations should adopt

plans to promote gender equality, and employers and their organizations should reflect an awareness of the issue and take action on non-discrimination and equal opportunity.

The project will therefore focus on two distinct but-inter-related priorities:

1) *Racial/ethnic discrimination, work and development.* Racial or ethnic discrimination concerns indigenous and tribal peoples, people of African descent in many countries of the Americas, Asia and Europe and migrant workers as well as national workers of foreign origin throughout the world. In practical terms, it is often difficult to determine if discrimination against migrant workers arises because of their nationality or due to the colour of their skin or attributed religion. Equally difficult is to establish if nationals of foreign extraction are victims of discrimination because of their appearance or because they are perceived to be foreigners. Members of these groups are often found among the working poor and in the informal economy or in precarious forms of employment. Unemployment rates, especially long-term unemployment, tend to be higher among them than mainstream groups. Women face further disadvantages because of the combined effect of their gender and ethnic affiliation. The failure to integrate them in more advantageous conditions in the world of work is proving detrimental to economic growth, poverty reduction and social cohesion.

2) *Reducing the earnings gap between men and women and racial/ethnic groups.* Significant earning gaps between sexes and racial/ethnic groups is a stubborn feature of labour markets worldwide and an obstacle towards the achievement of decent work. This is partly due to the fact that women, migrant workers and members of subordinated racial or ethnic groups are disproportionately represented at the bottom of the pay structure because of lower productivity and skill levels. But even when they move into wider ranging and better paid jobs they tend to earn less than mainstream group with equivalent education or work experience. This shows that, while in some cases, differences in educational attainments or relevant work qualifications may be the main cause of the earning differentials, in other instances direct or indirect discrimination may be a more plausible explanation. This points to the need for a coherent and integrated strategy that address labour supply constraints, biases in labour demand as well as in wage-fixing systems, including collective bargaining. In June 2004 ILO's constituents reiterated their commitment towards addressing the gender pay gap as a key component of any strategy aimed at achieving gender equality in the labour market with the adoption of the Resolution on gender equality, pay equity and maternity protection.

## **Strategy**

The project will rely on a two-pronged strategy of research and knowledge development on the one hand, and awareness-raising and training on the other. In the research stage a restricted number of countries will be selected based on interest expressed by constituents. Concentrated awareness-raising and training activities will be conducted in two or three countries, chosen from those where research has been carried out.

### *Knowledge development*

Project interventions will begin with research. Substantial gaps in the knowledge base regarding discrimination in the workplace and the labour market exist in most developing countries. It is vital that the ILO, its member States, and constituents have a better understanding of the size, scope, and characteristics of the problem before being able to address it.

This research will be carried out on selected topics in several countries. On the macro level, issues such as the labour market status of women, migrants, and racial and ethnic minorities will be carried out. This will include examining how different forms of discrimination manifest themselves. Knowledge will be built on national- and sectoral-level earnings, as well as the impact of economic opening and economic restructuring on the earnings gap among various groups in specific sectors.

Research will also assist member States on how to overcome discrimination at the micro level, by examining such topics such as active labour market policies, vocational training, employment generation schemes, and employment services.

#### *Awareness-raising and capacity-building*

The second major component of the project will focus on awareness-raising, training, and providing practical tools for relevant government agencies, employers, workers, and their organizations in order to address discrimination at different levels. All constituents need to have a clear understanding of the definition of discrimination, how it manifests itself in their particular country and how to address it. From among the countries where research will be conducted, two or three will be selected for additional work. This will target, for example, development of tools and capacity building for labour inspectors, so that they can identify the problem in the workplace, and work with employers using a promotional (non-sanctions based) approach to addressing it. Work will be carried out with trade unions to help develop plans to ensure that they have the capacity to take gender, race, and ethnicity into account in both their internal policies, and in advocating for particular national and enterprise-level policies, and in their collective bargaining with the employer.

#### Immediate Objectives

- 1) Promote equal opportunities at the workplace and within trade unions and employers' organization, with an emphasis on racial/ethnic discrimination, including against migrant workers.
- 2) Contribute to the reduction in the earnings gap between for men and women workers and migrant and national workers.

#### Major Outputs:

1. Research completed in several countries to identify and analyse manifestations of discrimination at the workplace and in the labour market, as well as on the causes and size of earnings gaps.
2. Fact sheets, policy briefs, good practices, and other knowledge and advocacy tools based on existing data and ILO research produced.
3. Tripartite plus validation and awareness-raising seminars carried out in select countries.
4. In two or three countries, selected from those where research was conducted, tools for labour inspectorates and other relevant agencies (i.e., Equal Opportunity Commissions) to address discrimination developed.

5. In same countries, awareness raising and capacity building for workers and employers conducted, with a view to developing consensus on the scope and nature of the challenge.
6. Based on ILO expertise and constituents' consensus, policy advice for governments, workers, and employers developed and disseminated.
7. Plans for promoting equality and equal opportunities within trade unions developed.
8. HRD training on non-discriminatory practices for employers and their organizations developed and delivered.

### INDICATIVE BUDGET

Line	Description	Total \$	WM	2005 \$	WM	2006 \$
011	International Experts	190,000	15.0	160,000	0.0	30,000
011	International Consultants	70,000		40,000	1.0	30,000
016	Mission Costs	50,000	0.0	25,000	0.0	25,000
017	National Professional Personnel	95,000	0.0	45,000	0.0	50,000
032	Seminars	200,000	0.0	100,000	0.0	100,000
052	Reporting Costs	40,000	0.0	20,000	0.0	20,000
053	Sundries	9,000	0.0	5,000	0.0	4,000
	Subtotal	654,000		395,000		259,000
068	Prog. Support Cost 13.00 %	85,020	0.0	51,350	0.0	33,670
071	Prov. for Cost Increases	12,950	0.0	0	0.0	12,950
	Total	751,970		446,350		305,620