



FIRST ITEM ON THE AGENDA

**Overview of the work of
the Employment Sector****Introduction**

1. This paper attempts to provide a comprehensive overview of the ILO's efforts to help member States *Create greater opportunities for women and men to secure decent employment and income* (Strategic Objective No. 2). It first outlines the global employment challenge and context and then describes the different activities being undertaken by the Employment Sector in cooperation with the other sectors and the field structure. The paper should be read in conjunction with the Director-General's *Programme and Budget proposals for 2002-03*¹ and the *Report on programme implementation in 2000*.² More detailed information on work in the area of skills development is provided in the paper submitted under the second item of the Committee's agenda.³

The employment challenge

2. During the past three years, an average of 40 million new jobs per year have been created worldwide. Over the same period, however, unemployment has increased as the number of new jobseekers has averaged as many as 48 million. In addition, the inadequate employment focus of development agendas continues to contribute to persistently high levels of unemployment and underemployment and low-quality jobs. ILO data indicate that out of the 3 billion economically active people in the world, 160 million are unemployed and 850 million underemployed. During the next ten years, 500 million new jobs need to be created, of which 65 per cent will be needed in Asia, 21 per cent in Africa and 10 per cent in Latin America.

¹ GB.280/PFA/7.

² GB.280/PFA/6.

³ GB.280/ESP/2.

3. Poverty is widespread and the income gap between industrialized and many developing countries is growing. Five hundred million workers are unable to earn enough to keep their families above the US\$1 a day poverty line. Misplaced development strategies often lead to social exclusion and poor quality employment. The growing number of natural and man-made crises poses serious challenges. Both sets of problems can only be overcome by a long-term commitment to employment, underpinned by proper attention to strategies for crisis mitigation, as well as by social dialogue and social protection. Women, representing half of the productive potential of an economy, tend to be particularly hard hit by volatile economic conditions and downturns, clearly pointing to the need for a strong gender dimension in development strategies.
4. A major obstacle for countries in coping with changes is widespread illiteracy, caused by low levels of investment in education. Data show that there are 880 million illiterate adults in the world and that 113 million children are outside formal education. Most of these are in the developing world and two-thirds of them are girls.

The employment context

5. The global context in which the sector pursues its strategic objective of promoting employment continues to undergo dramatic changes. The dynamics of global markets, and the new roles for stakeholders in globalization, continue to affect employment both qualitatively and quantitatively. In industrialized countries, the labour force is ageing rapidly, although youth unemployment remains a worldwide challenge. Civil society is under continuous pressure to adjust to these labour market changes.
6. The globalization of markets for products and capital will continue to shape global production systems and value chains with a continuous redistribution of work and more complex and unpredictable patterns of job creation and destruction. The ability of governments to apply traditional economic policy levers is changing. The increasing influence of private sector actors and the emergence of a range of interest groups are creating more complex policy decision-making processes involving new alliances and partnerships, affecting a range of social policy objectives, including economic development, employment generation and skills development.
7. Rapid technological change is an important driver of these developments. Information and communications technology (ICT) is changing the way products and services are designed, produced and distributed, with profound implications for the organization of work and the skills required. Location-independent production poses challenges to developed, transition and developing economies, including the real possibility of a widening digital divide.
8. Despite ageing populations in most developed countries, the labour force is still expanding in many developing countries. These changes are complicated by health issues, such as HIV/AIDS, which are having a dramatic impact, particularly in sub-Saharan Africa. Informalization of work is increasing. While most new jobs are created in the small enterprise sector, in developing countries a growing number of these jobs are in the informal part of the economy.

Programme coherence

9. The sector brings together the key elements required to deal with the challenges posed by the strategic objective in a comprehensive manner. In order to ensure operational impact and coherence, all the sector's work is designed around the common employment

challenges outlined above and addresses the issues that emerge from them. In summary these are to:

- improve understanding of the worldwide employment challenge;
 - promote decent employment and income for men and women, based on their participation in economic growth;
 - develop small enterprises and self-employment as major creators of good quality jobs;
 - improve productivity and the quality of employment, particularly in SMEs and the informal sector;
 - improve labour market efficiency and promote equal access to jobs for women;
 - facilitate the integration of women and men into the labour market at all stages of the life cycle;
 - promote education and skill profiles to match the needs of present and future labour markets; and
 - respond rapidly to crises in order to promote rapid recovery and long-term development.
10. All the work of the Employment Sector is guided by the ILO's Conventions and Recommendations, and particularly the Employment Policy Convention, 1964 (No. 122), the Human Resources Development Convention, 1975 (No. 142), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Employment Service Convention, 1948 (No. 88), the Private Employment Agencies Convention, 1997 (No. 181), the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the Co-operatives (Developing Countries) Recommendation, 1966 (No. 127).
11. The sector's operational coherence is further enhanced by the use of task teams (such as on the informal economy, local economic development, youth employment, the *World Employment Report*, the Comprehensive Employment Framework) to address cross-cutting issues by drawing together expertise from both within and outside the sector.

Work towards operational objectives

Operational objective 2(a) – Employment policy support

ILO constituents are better equipped to analyse trends in national and global employment and labour markets development, and to elaborate, advocate and implement effective strategies for the promotion of decent employment and human resources development

12. The major activity involved in achieving operational objective 2(a) is to develop a strategic policy framework which articulates employment as a central issue in national and international policy-making. The essential knowledge base and labour market monitoring capability to develop this framework depend on the analysis of critical employment and labour market developments, including the identification of the macroeconomic policy

packages that are most conducive to employment growth and poverty alleviation, the conditions under which the consequences of globalization can be positive and labour market policies which allow firms to adjust production while providing security for workers. This analysis is also a critical input to cross-sectoral activities in operationalizing decent work. In addition, research on population and labour market issues has concentrated on the employment effects of HIV/AIDS. The articulation of policy advice at the country level is developed through the country employment policy reviews (CEPRs) conducted with the full involvement of governments and the social partners, while the Key Indicators of the Labour Market (KILM) provide internationally comparable and gender-specific labour market information.

13. Dissemination of research findings on key current employment issues is done through the *World Employment Report*, which also provides regular updates on global and regional employment trends. The latest issue of the report, *World Employment Report 2001: Life at work in the information economy*, advises constituents on the implications of information and communications technology for employment, and suggests policy steps to optimize its impact on poverty alleviation and to overcome the digital divide.
14. The Comprehensive Employment Framework, which will be discussed at the forthcoming Global Employment Forum (and which will be continuously updated by the sector), describes how and with what benefits employment can be placed at the centre of economic and social policy and contributes towards building strategic alliances between the ILO and other agencies, including the Bretton Woods institutions, to promote policies for faster growth of productive and remunerative employment.
15. The sector undertakes research on the cost-effectiveness of micro-finance as a means to reduce poverty. It helps strengthen the capacity of microfinance institutions to make financial services accessible to increasing numbers of poor people, particularly in the informal sector.

Operational objective 2(b) – Knowledge, skills and employability

ILO constituents invest more in training and human resources development for enhanced employability

16. The InFocus Programme on Skills, Knowledge and Employability (IFP/SKILLS) promotes human resources development and training. It concentrates on the interaction between training policies and institutions and the people who need their services. In its two-pronged strategy, IFP/SKILLS first develops programmes that are targeted at groups which face particular difficulties in accessing decent work and training. These groups include youth, older workers, people with disabilities and displaced workers. Special emphasis is placed on promoting training and employment services for informal sector workers, especially women.
17. In a second stage, new approaches are introduced to strengthen training and employment service institutions, which are facing mounting challenges in enhancing people's employability. Linkages between investment in human resources, economic growth and decent employment are highlighted.
18. Technical cooperation activities in the area of skills development are being realigned to reflect the core tasks of the programme more closely. A more extensive description of the

ILO's work in this field is provided in the paper submitted under the second item on the Committee's agenda.⁴

Operational objective 2(c) – Reconstruction and employment-intensive investment

ILO constituents are better equipped to design and implement special employment promotion programmes in situations of high unemployment, particularly in the context of different types of crisis

19. The InFocus Programme on Crisis Response and Reconstruction is developing a better understanding of how the ILO can respond to different crises in order to provide both rapid recovery and long-term sustainable development. The programme stimulates rapid response by the ILO to different types of crises. During the first half of the biennium, the programme has initiated crisis responses in nine countries.
20. Tools to develop such a strategy include the preparation of a rapid assessment manual and a manual on generic ILO responses to crises. Constituents' ability to cope with crisis will be strengthened through a series of papers on: employment and socio-economic concerns in crisis situations; coping strategies; gender and crises; the role of the private sector in crises; ILO standards and crisis; social dialogue in crisis; child soldiers; and guidelines and methodologies for emergency employment creation and measuring the employment impact of crises.
21. The operational objective is also being served by fully involving local communities in their own economic and social development, while improving working conditions and promoting ILO principles and gender mainstreaming at all levels. This activity includes the dissemination of information and the development of knowledge and understanding of employment-intensive investment through publications, guides and training programmes. Current activities include tripartite workshops organized with the field structure, ACTRAV and ACT/EMP for some 25 African and Asian countries, new guidelines on employment-intensive programmes in post-conflict countries and community contracting in urban infrastructure works, a global study on organization, contracting and negotiation in development programmes and projects, and a comprehensive training manual in French.
22. Activities are expanding in Asia and Latin America, while those in Africa are being strengthened (for example, in Madagascar and West and Southern Africa).

Operational objective 2(d) – Enterprise development

Policies and programmes to promote the creation of quality jobs in enterprises and upgrade the informal sector are effectively implemented

23. The major aim of the work to achieve operational objective 2(d) is to promote job creation through enterprise development. This implies the promotion of viable enterprises which are well managed along lines which reflect ILO values and principles.

⁴ GB.280/ESP/2.

24. Both the InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) and the ILO's work on cooperatives seek to create an enabling environment which supports the growth of small, micro- and cooperative enterprises and the generation of quality jobs. Training tools are being developed through comparative country studies to support member States in the formulation and implementation of suitable policies and legal frameworks.
25. All these activities are promoting a range of human resource development and training packages to improve the management and productivity of small and cooperative enterprises. Such tools include the SIYB and MATCOM training packages. They are also developing a framework for reviewing the linkage between various types of enterprise development services and employment generation.
26. Components of these activities support women as managers and entrepreneurs. IFP/SEED has also launched a job quality component which links better working conditions with improved productivity and competitiveness. It is also reviewing group-based approaches to providing adequate health care.
27. The sector is implementing a number of activities to support improved management practice and decent work. It is preparing tools for managers, consultants and trade unions on management strategies and practices which minimize the social downside of restructuring while maximizing competitive advantage. The component on management practice and decent work is documenting and analysing case studies of systems and practices used to manage social issues within the enterprise and along its supply chain. Research is under way to review international labour standards in order to extract their key management principles and present them in a manner which is meaningful for managers at the enterprise level. The sector is also responsible for the ILO's participation in the Global Compact. It has established a comprehensive database on business and social initiatives and is developing a training package for managers around the labour principles of the Global Compact.

Operational objective 2(e) – Gender promotion and employment

ILO constituents are better equipped to apply policies and implement programmes to promote gender equality in employment

28. The sector is developing an information base and tools for more effective gender mainstreaming, including an equal employment opportunity (EEO) database (on CD-ROM and the Internet). The EEO database contains examples of national legislation from some 40 countries, international treaties and guidelines, as well as corporate and trade union policies, and is being used to assist countries in legislative reform. In close collaboration with ACTRAV, the International Confederation of Free Trade Unions and the International Trade Secretariats, the sector has developed a resource kit for promoting gender equality and tackling discrimination within unions, at the workplace through collective bargaining and at the national and international levels through civil society alliances. The kit is being tested by trade unions. The sector has highlighted the problems of such vulnerable groups as migrant women and those trafficked into exploitative forms of employment and has developed national action plans in some dozen countries.

Cooperation with other sectors and the field

29. Effective linkages and joint work programmes with the three other technical sectors and with the field structure are essential in realizing all the dimensions of decent work. The employment promotion focus is being integrated, through joint activities, with the other strategic objectives in several key areas. At headquarters, the sector cooperates with:
- the Standards and Fundamental Principles and Rights at Work Sector on effectively promoting the ILO Declaration on Fundamental Principles and Rights at Work as a social floor, particularly in the SME and informal sectors. Another joint work priority is research on the contribution of international labour standards to economic growth, employment generation and enterprise competitiveness;
 - the Social Protection Sector on developing policies and programmes to promote employment, which are underpinned by adequate systems of social protection and effective methods of promoting job quality, including occupational safety and health, particularly in the SME and informal sectors; and
 - the Social Dialogue Sector on building the capacity of the social partners to participate effectively in the formulation and implementation of employment-focused policies and programmes.
30. Some examples of specific initiatives which are being developed by the Employment Sector together with the regions are:
- the Jobs for Africa Programme;
 - Key Indicators of the Labour Market (KILM) information gathering, dissemination and regional applications;
 - *World Employment Report*;
 - country employment policy reviews;
 - framework for the application of lifelong learning principles and methodologies to enterprise retraining and upgrading in Latin America; and
 - the ILO contribution to the African Decade of Disability.

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