

**International Labour Conference, 96th Session, 2007**

**Report V**

**Strengthening the ILO's  
capacity to assist its  
Members' efforts to reach  
its objectives in the  
context of globalization**

**Fifth item on the agenda**

**International Labour Office Geneva**

ISBN 978-92-2-118139-2  
ISSN 0074-6681

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*First edition 2007*

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## Preface

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### **A stronger ILO: Meeting the need for a social dimension of globalization through the Decent Work Agenda**

I believe the 96th Session of the International Labour Conference has a unique opportunity to exercise institutional leadership in the governance of the ILO. It is clearly possible for the International Labour Conference and the Governing Body to take decisions that will make them and the Organization as a whole more efficient and effective in the way we service constituents in the context of globalization. This Report emanates from a lengthy process of formal and informal consultations, stimulated by the Conference discussion in 2004 around my Report on the World Commission on the Social Dimension of Globalization. This led to the Governing Body's decision to place on this year's Conference agenda the question of "Strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization".<sup>1</sup>

In the three years since the publication of the report of the World Commission on the Social Dimension of Globalization, *A fair globalization: Creating opportunities for all*,<sup>2</sup> the debate about globalization has moved from a sterile confrontation between those "for" and those "against" to a more constructive examination of how to shape a fair globalization which, by now, almost everybody agrees is necessary. The World Commission can take much credit for having helped and encouraged this movement by protagonists on both sides. The Commission was able to find agreed conclusions because of its respect for the processes of dialogue. For the ILO, this is not surprising because we

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<sup>1</sup> The Director-General's Report, *A fair globalization: The role of the ILO*, to the 92nd Session of the International Labour Conference in 2004, concerning the ILO's follow-up to the Commission's report, gave rise to the idea of creating an opportunity for the tripartite constituents to examine this institutional dimension in greater depth, within a legal framework that would allow the Organization to express its opinion. The question of the follow-up that should be given to the discussions at the Conference was therefore put to the Governing Body in November 2004: first, it was invited, through its Working Party on the Social Dimension of Globalization, to pronounce on the implications of the Commission's report for the ILO's future activities and programmes; and, second, in the context of the preliminary discussion on the 2007 Conference agenda, it was asked whether it wished to be presented with proposals on this matter, from the standpoint of any possible institutional implications (ILO: *Follow-up to the report of the World Commission on the Social Dimension of Globalization*, Governing Body, Working Party on the Social Dimension of Globalization, 291st Session, Geneva, Nov. 2004, GB.291/WP/SDG/1). Following informal consultations in February 2005, the Governing Body confirmed that it wished, in the light of future consultations, to be presented with a proposal on this subject. Consequently, after submission of a document that had been drafted after tripartite consultations held in October 2005, there was widespread agreement within the Governing Body in November 2005 that an item for general discussion entitled "Strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization" should be included in the 2007 Conference agenda (ILO: Minutes of the 294th Session, Governing Body, 294th Session, Geneva, Nov. 2005, GB.294/PV, para. 43).

<sup>2</sup> ILO: *A fair globalization: Creating opportunities for all*, report of the World Commission on the Social Dimension of Globalization, Geneva, 2004.

know that tripartism and social dialogue are vital mechanisms for finding areas of agreement and shared commitments to progress in an era of rapid change in the world of work, generated to a large extent by the range of forces that are embraced in the term “globalization”.

This Report, *Strengthening the ILO*, is not intended to recapitulate the debate of the earlier part of the decade. Rather it is an effort to help the International Labour Conference stand back and reflect on what might be useful ways to strengthen the machinery of the Organization and thus its capacity to assist its Members. It seeks to offer a basis for a comprehensive and dispassionate review of a number of institutional developments against the backdrop of a rapidly emerging global market economy. Perspective also enables us to see how much has changed in the new era of globalization, which the ILO and many others believe can be shaped into a more sustainable, inclusive and socially just process. The international architecture of which the ILO is part is evolving. The future of countries, companies and of working women and men is increasingly influenced by decisions taken in other parts of the world. The logic of cooperation is perhaps slower moving than the force of competition released by technological change and market liberalization, but it is equally powerful. The vision of a better world in which fundamental values of justice, dignity, respect, equity, tolerance and solidarity shape action for a better world unites people in the search for new ways of working together for shared goals. Its absence is also the breeding ground of much social and political unrest.

One of the most widely shared – perhaps the most widely shared – goal is for Decent Work. The ILO’s Decent Work Agenda is now globally endorsed as key to the international community’s effort to reduce poverty and sustain development and central to a process of globalization that is equitable and inclusive. Expectations of the ILO’s capacity to support and energize a global drive for full and productive employment and Decent Work for all are high and rising. We cannot attain such an ambitious objective on our own. It requires stronger international and national collaboration across the full range of policy domains. But it also requires a strengthening of the ILO.

As usual this is a Director-General’s Report – but it is also the product of extensive consultations aimed at sketching out what contributions Members expect from the ILO in the years ahead and how our machinery for cooperation can be developed to meet their higher expectations and increasing needs. It suggests various possible institutional innovations. While each of them deserves to be considered on its own merits, they are also mutually reinforcing. Their strength is to use the potential of the Constitution as it stands. But taken together they would mark a major reform in existing practices, improving our effectiveness at the same time as responding to a new and changing world of work.

Tripartism is the source of the ILO’s strength and identity. Thus a running theme of the Report, and of the discussions on which it draws, is a reflection on how the tripartite mechanisms of the Organization can be used with added strength in the twenty-first century. The Report is unavoidably inward-looking as it examines in detail the scope for institutional reforms and developments that would serve to strengthen the Organization’s own capacity. It is essentially a Report about governance and how improvements in the way the Conference and the Governing Body function could boost the collective influence of the ILO’s tripartite membership. It is about enhancing our capacity, in collaboration with others, to help deliver the Decent Work Agenda in the life of individuals, families and communities within the context of diverse national realities.

Moving forward will entail finding a suitable way to express our commitment in a document carrying the necessary weight that the task of further strengthening the ILO deserves. Exactly what form that expression should take remains open but in the process of consultations there was general agreement that an eventual concluding document should be authoritative. The Report therefore ends by sketching out what such an “authoritative document” might look like. A significant institutional implication of such an authoritative statement by the International Labour Conference would be that the ILO – having launched the concept of Decent Work and received global support for it – would in a certain sense retain the “trademark” and frame its meaning for use in other contexts.

## The role of the ILO in the multilateral system

The ILO has undergone several substantial shifts in its orientation over its long history of defending and promoting the values for which it stands. Designed in 1919 to address the challenges presented by the first pre-1914 era of globalization and the profound social and labour tensions that came with it, the ILO had to come to terms with a global depression, retreat into economic protectionism, the rise of ideologies that rejected its fundamental democratic values and the Second World War.<sup>3</sup> It survived and was reinvigorated by the Declaration of Philadelphia in 1944 as a key part of a new international architecture for peace and development and with the clear intention of constituting a balance to the Bretton Woods institutions. But that vision was distorted by the Cold War. Nevertheless, even while it was in the frontline of the battle of ideas about ways to organize economic and social development, the ILO was able to innovate and respond to the ending of colonialism and a huge expansion in its membership from independent developing countries. A new era began around 1990 with the end of the Cold War. The ILO played a significant role in the eventual crumbling of the totalitarian control over workers’ organizations and enterprises that underlay the division of Europe, as well as in the ending of Apartheid in South Africa and other international situations. The term “globalization” came into use at this time and spread rapidly to describe how, in the wake of the breakdown of political blocs, the opening of trade and financial markets to international competition and foreign investment, together with the rapid spread of radical technological changes, have dramatically transformed social and economic relations within and among countries.

A strong signal of the change in the environment for the ILO’s work came in 1995 with the successful holding of the World Summit for Social Development in Copenhagen. While Ambassador of Chile to the United Nations, I proposed the idea of a World Social Summit and was later honoured to be elected President of its Preparatory Committee. It was a major personal experience because odds were clearly against its success. It was also an opportunity to work closely with the Workers’ and Employers’ groups of the ILO. Such a global conference on social development, attended by around 120 Heads of State and Government, could not have been held ten years earlier and reached consensus on a programme of ten commitments to address poverty, unemployment and social exclusion. But by the mid-1990s, it was becoming clear that the benefits and opportunities of globalization were unequally shared and that many people were seriously worried. The Social Summit is key to understanding the role of the ILO today and in the future. It addressed the major social issues raised by the Declaration of Philadelphia in the contemporary setting of globalization. It logically

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<sup>3</sup> See A. Alcock, *History of the International Labour Organisation* (London, Macmillan Press, 1971).

concluded that, to implement its ten commitments, the ILO normative tripartite system should be strengthened.

As a consequence, the ILO's role and ample mandate were reinforced in the Copenhagen Declaration and Programme of Action which included the commitment "to promoting the goal of full employment as a basic priority of our economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work". The Social Summit was the first high-level pronouncement that absolute poverty should be eradicated, not merely alleviated. That consensus became the basis of the Millennium Development Goal on Poverty. But the Millennium Development Goals (MDGs) failed a crucial test. They did not link employment creation and poverty reduction and, as events proved later on, highlighted the ILO's key role – by omission.

Amongst the issues contained in the Copenhagen Declaration to which I paid particular attention was the commitment to pursue "the goal of ensuring quality jobs, and safeguard the basic rights and interests of workers and to this end, freely promote respect for relevant International Labour Organization conventions, including those on the prohibition of forced and child labour, the freedom of association, the right to organize and bargain collectively, and the principle of non-discrimination". Reinforcing the ILO's standard-setting function appeared essential at a time when deregulation was presented as the magic wand that would empower markets to solve prevailing economic and social ills.

The 1998 ILO Declaration on Fundamental Principles and Rights at Work built a new ILO instrument on this consensus and created a new means of action for the Organization. It has furthermore proved to be an attractive reference point for many public and private bodies engaged in building a social floor to global development. In the words of its Preamble, the Declaration asserts "in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned, to claim freely and on the basis of equality of opportunity, their fair share of the wealth which they have helped to generate, and to achieve fully their human potential".

In the following year, 1999, the concept of Decent Work was launched in my Report to the International Labour Conference. It identified and addressed three interlinked challenges for the ILO: "to refocus its programme, to restate its message in the idiom of contemporary needs, and to mobilize external partnerships for resources and expertise". It further specified that "the primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. This is the main purpose of the Organization today. Decent work is the converging focus of all its four strategic objectives: the promotion of rights at work; employment; social protection; and social dialogue. It must guide its policies and define its international role in the near future".<sup>4</sup>

This was followed up in later years by four complementary Reports of the Director-General presented to the International Labour Conference. The 2001 Report, *Reducing the decent work deficit: A global challenge*, addressed the issue of creating an integrated policy framework within the ILO, at the national level and as our contribution to coherence within the multilateral system.<sup>5</sup> I argued that by addressing the four

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<sup>4</sup> ILO: *Decent work*, Report of the Director-General, International Labour Conference, 87th Session, Geneva, 1999 (p. 3).

<sup>5</sup> ILO: *Reducing the decent work deficit: A global challenge*, Report of the Director-General, International Labour Conference, 89th Session, Geneva, 2001.



strategic objectives simultaneously we could maintain momentum and cohesion as an organization. Bridging the gap between reality and aspiration needed to start by confronting the global Decent Work deficit. The Report therefore looked at the size of the problems of the absence of sufficient employment opportunities, inadequate social protection, the denial of rights at work and shortcomings in social dialogue. It observed that, for many, Decent Work is the quality road to poverty reduction and greater legitimacy of the global economy.

The 2003 Report, *Working out of poverty*, zeroed in on that theme.<sup>6</sup> It focused on the working poor and the poor who are excluded from work. It showed the “decent work dividends” that accrue to families and societies as a whole through a concerted effort to attack poverty, and that work is the best route out of poverty. Recognizing that one cannot legislate employment in and poverty out, it examined how the ILO could best contribute to the long and complex process that requires all elements of society to work together. The Report concluded by inviting the International Labour Conference to renew its tripartite commitment to helping free people and societies from the global poverty trap – an invitation that was accepted wholeheartedly.

The 2004 Report, *A fair globalization: The role of the ILO*, examined how the ILO could develop a central recommendation of the World Commission, that Decent Work should become a global goal, not just an ILO goal.<sup>7</sup> It selected six broad policy themes for more detailed reflection: national policies to address globalization; Decent Work in global production systems; global policy coherence for growth, investment and employment; constructing a socio-economic floor; the global economy and the cross-border movement of people; and strengthening the international labour standards system. My conclusion was that the ILO’s main response to the Commission’s call for the multilateral system to enhance participation and accountability should be to mobilize global tripartism to make our full contribution to the building of a social dimension for globalization.

The 2006 Report, *Changing patterns in the world of work*, aimed to provide a global perspective for experiences and knowledge about work.<sup>8</sup> It described a time of opportunity and uncertainty in which some of the barriers that have prevented women and men from fully realizing their capabilities are coming down, but in which good jobs that provide the foundation of security to build better lives are increasingly difficult to find. The Report was different from the previous three in that it was an inquiry into the knowledge base of the ILO to address the increasing demand on our services. It was the product of an effort by a large number of ILO staff to pull together the range of knowledge accumulated from their international and national experience.

Taken together, I believe these Reports and the related Conference discussions have enriched the initial Decent Work Agenda, developed the integrated nature of the ILO’s objectives and connected our Organization’s work with people, politics and the wider international agenda.

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<sup>6</sup> ILO: *Working out of poverty*, Report of the Director-General, International Labour Conference, 91st Session, Geneva, 2003.

<sup>7</sup> ILO: *A fair globalization: The role of the ILO*, op. cit.

<sup>8</sup> ILO: *Changing patterns in the world of work*, Report of the Director-General, International Labour Conference, 95th Session, Geneva, 2006.

Since 1999, the Decent Work Agenda has been internationalized and institutionalized through the programme and budget process. That year was also the start of a period of major internal reform at the ILO with the introduction of strategic budgeting and results-based management built around the four pillars of Decent Work. Together we have continued this drive for high performance in a succession of two-year programme and budgets and two four-year Strategic Policy Framework documents.

The concept of Decent Work has provided a robust, comprehensive and integrating framework for the ILO in terms of improving the efficiency with which it mobilizes and manages resources. Over the last eight years, the Conference, Governing Body and Office have broadened and deepened it both as a management and as a policy development tool. In both respects, the Decent Work Agenda has served to strengthen the effectiveness of the Organization in pursuing strategic objectives that encapsulate its constitutional mandate. What was initially conceived of as a way of bringing coherence and focus to the work of the ILO and its constituents in a period of transition has thus attracted increasing interest from political leaders, international institutions and many others as a central policy goal for the reduction of world poverty and a more sustainable and inclusive globalization.

The establishment of the World Commission on the Social Dimension of Globalization and its subsequent report, *A fair globalization: Creating opportunities for all*, was a major milestone in engaging a wider interest in the ILO. The fact that the tripartite ILO was ready to sponsor the exercise of bringing together a high-level group of “non-like-minded” personalities from a wide variety of cultures and interests to seek a way forward that would command broad support was itself important. The fact that they were able to agree on a comprehensive package of proposals which included the global goal of Decent Work as a common aspiration for people all over the world, further reinforced the re-emergence of the ILO as a leading agency in an evolving architecture for the governance of globalization.

The work of the World Commission was immediately acknowledged in the 2004 United Nations General Assembly resolution 59/57 which, inter alia, took note of its report “as a contribution to the international dialogue towards a fully inclusive and equitable globalization” and requested the Secretary-General to take it into account, “in his comprehensive report for the high-level review of 2005 at the sixtieth session of the General Assembly, within the follow-up to the outcome of the Millennium Summit of the United Nations.” The 2005 World Summit Outcome included the following paragraph:

We strongly support fair globalization and resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals. These measures should also encompass the elimination of the worst forms of child labour, as defined in International Labour Organization Convention No. 182, and forced labour. We also resolve to ensure full respect for the fundamental principles and rights at work.<sup>9</sup>

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<sup>9</sup> United Nations General Assembly resolution 60/1: *2005 World Summit Outcome*, para. 47.

### **Impact of the report of the World Commission on the Social Dimension of Globalization**

A recent survey undertaken by the ILO found that, since 2004, well over 100 meetings at national, regional and global levels were dedicated to the World Commission's report and its follow-up. These were organized by different actors of globalization – whether governments, international organizations, parliamentarians, trade unions, business, civil society, national economic and social councils, academic institutions or the media. All sides of the globalization debate have engaged in the follow-up to the report. Sessions dedicated to the themes of the World Commission were a prominent feature of several of the annual global meetings of the World Economic Forum (WEF) in Davos. At the January 2007 World Social Forum in Nairobi, this was followed through with the launch of a multi-year global “Decent Work for a Decent Life” campaign. Parliamentarians too have engaged in the follow-up. For example, the Inter-Parliamentary Union (IPU) will be launching a joint programme with the ILO in 2007 aimed at “putting jobs at the heart of national policy making”.

The need for policy coherence at all levels of governance was a prominent theme of many follow-up meetings, such as at the international conference organized by the German Government on “Fair Globalization – A Coherent Policy for More Employment and Decent Work” held in November 2006 in Berlin, which Chancellor Merkel and President Halonen addressed. All in all, the ILO survey shows that some 28 negotiated political documents at national, regional and global levels make reference to the report or take up aspects of its recommendations. At least 32 programmes and other ongoing activities were set up or strengthened as a result. Well over 100 academic or policy-oriented publications and other documents recorded relate to elements of the World Commission's report, which by now has been translated into 17 different languages.

Regional mobilization has been particularly extensive. At an Extraordinary Summit on Employment and Poverty Reduction (Ouagadougou, September 2004), Heads of State and Government of the African Union adopted a declaration committing themselves to support and implement the World Commission's recommendations – notably to “place employment creation as an explicit and central objective of our economic and social policies at national, regional and continental levels” and to “promote the decent work development agenda”. In December 2004, Heads of State and Government of the European Union underlined the importance of strengthening the social dimension of globalization in the light the World Commission's report. Likewise, Presidents and Prime Ministers of the Americas committed themselves “to implementing active policies to generate Decent Work and create the conditions for quality employment that imbue economic policies and globalization with a strong ethical and human component ...” (Fourth Summit of the Americas, Mar del Plata, November 2005). As part of support to a fair globalization, the Decent Work Agenda was also endorsed in a number of communications, political conclusions and new development strategies by different institutions of the European Union; the European Commission has been particularly active in this respect.

This strong endorsement of the ILO's Decent Work Agenda has led to further important steps in the United Nations intergovernmental and inter-agency process. In July 2006, the Ministerial segment of the Economic and Social Council (ECOSOC) focused on the theme of “Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development”. The ECOSOC Ministerial Declaration further endorsed Decent Work as a central development goal and gave specific guidance on coordination arrangements for its effective implementation by the United Nations System and other multilateral organizations. It also identified a number of concrete steps aimed at furthering implementation of the 2005 United Nations Summit commitment to

make the goal of full and productive employment a central objective of national and international policies, and systematically monitoring progress.<sup>10</sup>

This effort to foster a coherent system-wide follow-up to the 2005 Summit gained added significance as the drive to improve the effectiveness of the United Nations system as a whole gathered momentum in 2006.<sup>11</sup> The ECOSOC Ministerial Declaration has enabled the ILO to push for a coherent system-wide effort to promote Decent Work for all, by calling on the whole multilateral system and donor agencies to mainstream the Decent Work Agenda in their policies, programmes and activities, for the achievement of the MDGs and the wider, internationally agreed, development goals. The ministers also requested the ILO, in collaboration with all relevant parties, to develop time-bound action programmes in the 2015 time frame foreseen for the Millennium Summit and the MDG reviews. As a result, mainstreaming Decent Work is emerging on the agenda of several United Nations and other bodies charged with coordinating follow-up action on the MDGs. The ILO is working closely with partner agencies under the umbrella of the Chief Executives' Board (CEB), chaired by the Secretary-General, to prepare and launch a tool kit to assist in the mainstreaming of Decent Work as a system-wide goal that is vital to accelerating progress towards the MDGs.

Parallel to the recognition within the United Nations system, several other international and regional high-level meetings have backed the Decent Work Agenda. Following the African Union Extraordinary Summit (Ouagadougou, September 2004), the Fourth Summit of the Americas (Mar del Plata, November 2005) and the report of the Asian Development Bank (2005), the Decent Work Agenda received strong support from European and Latin American Heads of State and Government at the IV EU-LAC Vienna Summit (May 2006) and from European and Asian Heads of State and Government at the Sixth Asia-Europe Meeting (ASEM) at the level of Heads of State (Helsinki, September 2006). The European Commission has also adopted several communications on Decent Work as a goal of both the European Union's external and internal policies. As well as the backing of intergovernmental bodies, the ILO's Decent Work Agenda has received a positive response at diverse gatherings of non-state actors such as the World Economic Forum and the World Social Forum. The Programme of the new International Trade Union Confederation (ITUC), adopted at its founding Congress in Vienna in 2006, states "Congress expresses support for the ILO's Decent Work Agenda – the application of international labour standards, policies for full employment, social protection, and social dialogue – which has increased the organisation's standing and visibility, and calls on the ITUC to participate fully in its concrete implementation." The Decent Work Agenda has now been universally endorsed at the highest political level, both globally and regionally. At the civil society level, a campaign for "Decent Work for a Decent Living" has been launched by a number of non-governmental organizations in cooperation with the ITUC.

These trends connect with ILO efforts towards the implementation of Decent Work Country Programmes (DWCPs), which are the main instrument for cooperation with member States and the ILO's specific contribution to international development frameworks, such as the United Nations Development Assistance Framework (UNDAF), poverty reduction strategies (PRSSs), national MDG strategies and other integrated development plans. These country programmes, which reflect an articulation between

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<sup>10</sup> For a detailed summary and analysis of the Declaration, see <http://www.ilo.org/public/english/standards/relm/gb/docs/gb297/pdf/sdg-1.pdf>.

<sup>11</sup> The publication of the report of the Secretary-General's High-level Panel on UN System-wide Coherence, entitled "Delivering as one", has further stimulated these considerations.

the normative, policy and operational dimensions of the Decent Work Agenda, are the main vehicle for ILO engagement with the “One UN” objective in the United Nations reform, calling for greater coordination at the country level. A particular emphasis is placed on ensuring that the ILO’s national tripartite constituency is closely involved in the preparation of DWCPs and the integration of DWCPs into comprehensive development strategies.<sup>12</sup>

An important dimension of the ILO’s efforts is the dynamic role being played by the ILO’s Regional Meetings in pulling together Decent Work strategies for the period up to 2015. The Americas and the Asia–Pacific regions both adopted comprehensive and well-focused plans at their 2006 meetings. The African Regional Meeting in 2007 is also working towards an African Decent Work Agenda to 2015. The 2005 European and Central Asia Regional Meeting, bringing together 50 States, developed the Decent Work Agenda as a key policy tool to support cooperation between the European Union and its neighbouring States.

To conclude this brief perspective on the growing expectations placed on the ILO and the response of the Organization, I should highlight that responding to the widespread support for an international effort to shape a fair globalization calls for a strong and effective ILO. Our goal of Decent Work for all is central to poverty reduction, the creation of inclusive and equitable societies and dynamic and productive economies in a world where barriers of all types between countries are coming down but where threats to security and stability are growing.

### Reinforcing the ILO’s institutional capacity to bring about a fair globalization and implement the Decent Work strategy

The expectations that have been created and the needs and opportunities inherent in the context of globalization place new responsibilities on the ILO. This is the challenge which explains the long title for the agenda item decided by the Governing Body. The Organization can, with confidence but without complacency, examine how to strengthen its institutional capacity so that it might better “deliver” and meet these expectations and needs. The ILO is presently engaged in several dimensions of strengthening institutional capacity. It is a key priority agreed to by all constituents. I believe that we must be successful in the capacity-building agenda we have set in motion these last years. Let me mention some central objectives.

*First* and foremost the Organization’s strength derives from that of its constituents. Strengthening the ILO’s capacities thus means strengthening our identity: tripartism; employers’ and workers’ organizations and ministries of labour. Enhanced international cooperation organized through the ILO can help constituents to build their strength and thus that of the ILO. Much of this Report is aimed at suggesting ways in which institutional innovations and governance reforms at the ILO could set in motion a new momentum for a dynamic, constructive, nationally effective and internationally-connected tripartism.

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<sup>12</sup> For an overview of several significant developments in the ILO’s work within the multilateral system, see <http://www.ilo.org/public/english/standards/reln/gb/docs/gb298/pdf/gb-4-2.pdf>.

A *second* dimension is to modernize and strengthen our standard-setting capacity and supervisory system so that the corpus of international labour law keeps pace with changes in the world of work and becomes more effective in ensuring that ratified ILO Conventions and internationally accepted principles are applied in practice. The new Maritime Convention has shown what is possible and breaks much new ground. The Convention on the Worst Forms of Child Labour is the most rapidly ratified Convention in the history of the ILO. We must learn from these experiences, as well as making full use of the provisions of our Constitution, which allows for considerable development of mechanisms to support individual member States and ensure a universality of approach.

Enhancing our knowledge base for policy development concerning the four strategic objectives is a *third* vital aspect of capacity building. This entails strengthening our capacity to collect data and do research. The source of the data comes from member States. Thus it is vital that we make full use and further develop the governance tools we have to reinforce cooperation among ILO constituents to ensure a relevant, global and comparable information base. The ILO is able to do some research itself but must rely to a great extent on the network of researchers active worldwide on issues related to the Decent Work Agenda as well as on the practical knowledge of its constituents. It also depends on the policies agreed by the International Conference of Labour Statisticians with whom it needs to work closely in order to reflect accurately the extent of employment, unemployment and informal work.

A *fourth* component is consolidating our partnerships and our ability to work with other institutions in the multilateral system. Supporting constituents in implementing the Decent Work Agenda requires a conducive national and international environment which in turn depends in good measure on the conduct of other international agencies. The ILO's Decent Work Agenda is at the heart of the drive to achieve the internationally-agreed development goals. Particularly as a result of the 2006 ECOSOC Ministerial Declaration, it has become a major focus for improved policy coherence and service delivery. This drive must involve all parts of the multilateral system, including the Bretton Woods institutions, whose leading stakeholders have an important role to play in facilitating improved policy coherence and mainstreaming Decent Work objectives into their policies. Tripartism is a vital means of building genuine ownership of national strategies in pursuit of shared global goals and of avoiding the trap of imposed conditionalities. It has a tremendous opportunity to show that it is capable of providing leadership that stretches from workplaces and communities to the meeting rooms of boards as well as Heads of State and Government. This is a responsibility the ILO has to undertake. It will require a major effort of cooperation and coordination that may well oblige the Organization to adapt, develop and reinforce its tripartite governance systems.

The issue of resources is a *fifth* area, which cannot be ignored in a discussion of strengthening capacities. Immediate financial needs are, however, not the main focus of this Report as the Conference will be discussing the Programme and Budget for 2008–09. I believe nonetheless that the Organization urgently needs to address the implications of zero growth budget policies on its capacity to respond to increasing demands. I should however draw attention to the progress made in the programme and budget proposals to implementing the results-based management (RBM) strategy adopted by the Governing Body in November 2006. The central principle of RBM is that an organization must manage and measure its performance against the real-world outcomes to which it intends to contribute. For the ILO, this means that its contribution to making Decent Work a reality, in cooperation with others, for all working women and men, is the ultimate goal that justifies its work programme and its budget. RBM requires clarity about what outcomes are sought and who is accountable for achieving those outcomes. What counts

– what must be managed and measured – is the specific contribution made by the ILO to advance Decent Work objectives. The Report does therefore reflect on how changes in governance structures could help the Organization over the medium term to align more closely the needs of constituents; assessments of the best ways to meet those needs; the development of effective services by the Office; and the scope for mobilizing technical and other resources.

The *sixth* issue is how all these various dimensions of capacity-building can be addressed by reinforcing the governance and methods of work of the ILO. This is the central focus of this Report for two reasons. The first is that it derives directly from the very title of the agenda item as defined by the Governing Body, which has deliberately placed the emphasis on the question of the capacity of the ILO to assist its Members. Second, it is essential to meeting the other challenges. As will be seen in the Report, it is a key to developing relevant normative action; consolidating the analytical capacity and expertise of the Office around strategic objectives; and developing activities that will attract new resources both within the framework of the regular budget and from other sources.

After sketching the context and relevance of this subject it is important to recall the vital assumption on which the Report is based and the condition for dealing successfully with it. This requirement which was repeatedly underlined during preliminary consultations is that both the debate itself and its outcome should be based on the need to reach a consensus. It is, in fact, dictated by the institutional nature of the debate. Already in 1946, the Delegation of Constitutional Questions, when examining an issue that is similar in many ways to the one in this Report, emphasized that: “No Constitution can work successfully unless there is general agreement on its fundamental provisions”.<sup>13</sup>

It was therefore agreed, from the outset, that an attempt would be made to respect this principle of consensus “at all stages of the process” and that the Office would have an important role to play in making this effective. The document submitted to the Governing Body in March 2006<sup>14</sup> therefore stipulated that the Office did not believe that seeking a consensus should imply reaching agreement on the lowest common denominator but rather that it should satisfy “that which is most important to each party without being unacceptable to others”. This is the spirit in which the Report has been prepared. It will be articulated around five chapters.

Chapter 1 shows that improving the ILO’s institutional capacity does not imply any change in the constitutional framework in which it operates, but is a matter of governance and methods of work.

As regards making the constituents’ implementation of objectives more effective, the challenge, examined in Chapter 2, relates to “vertical governance”. It addresses the Organization’s ability to know and identify well its Members’ real needs, in order to mobilize more consistently the wide range of means of persuasion and action at its disposal with a view to ensuring greater universality in the fulfilment of each of the strategic objectives by all the Members.

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<sup>13</sup> ILO: *Constitutional questions*, Report II, Part 1: reports of the Conference Delegation on Constitutional Questions, International Labour Conference, 29th Session, Montreal, 1946, p. 15.

<sup>14</sup> Document GB.295/1/16/5. The Governing Body discussion in March 2006, supplemented by the informal consultations of September 2006, established a number of benchmarks on the matter. The Employers rather outlined “the red lines” that a future “authoritative document” should not cross. The Workers, as well as some Governments, clearly spelled out what was particularly important to them. Their concerns will therefore be taken into account in subsequent developments – provided, of course, they are not incompatible with the “red lines” and “green lines” laid down by one or other of the groups representing the ILO’s tripartite constituents.

The focus of Chapter 3 is “horizontal governance”, i.e. mechanisms for policy integration that assist Members in making the fulfilment of the four strategic objectives more effective by capturing the interdependence and indivisibility of the objectives expressed in the concept of Decent Work, as well as synergies which exist between social and economic objectives within national priorities.

The subject of Chapter 4 is building partnerships for Decent Work amongst the many and often new actors in the global system. The challenge for the ILO is to develop and use its capacity of persuasion towards these various types of actors to highlight the relevance of the Decent Work Agenda, as well as the interest they may have – from the standpoint of their own objectives – in supporting the ILO’s efforts.

Chapter 5 examines how the various ideas and proposals suggested in the Report and emanating from the consultations on which it is based could come together in an agreed way forward.

Let me conclude by reiterating that the 96th Session of the International Labour Conference has a unique opportunity to exercise institutional leadership in the governance of the ILO. It is clearly possible for the International Labour Conference and the Governing Body to take decisions that will make them and the Organization as a whole more efficient and effective in the way we service constituents in the context of globalization.

Juan Somavia,  
April 2007.



# Chapter 1

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## Strengthening the ILO's institutional capacity: A question of governance

1. The ILO faces many challenges in fulfilling its mandate in the context of globalization. The Decent Work Agenda is the framework within which it is responding. It has prompted strong support – and thus placed high expectations in the Organization's ability to “deliver”. Examining how the ILO's institutional capacity could be strengthened to meet this need is the main theme of this Report.

2. With the end of the Cold War and the advent of globalization, some have questioned the very *raison d'être* of the ILO. While the ILO was applauded on all sides for the genuinely historical role it played in the demise of the end of the Cold War and the bipolar world, at the same time much scepticism was expressed about the future of the ILO in the face of globalization, for conflicting and sometimes contradictory reasons.<sup>1</sup> What the sceptics failed to take into account, however, was that the ILO had been conceived not so much as an alternative to a revolutionary model, but rather in a context of free trade and economic integration that was already so developed that economic historians aptly referred to it as “our first globalization”.<sup>2</sup> This reformist model reflected the visionary concept that in order to perpetuate an open model of social and economic organization, based on freedom, it was necessary to establish an institutional framework in which this liberty could develop in a fair way to the benefit of all and especially the most vulnerable. For this, there was no better way than for those concerned and their representatives to join together internationally in a quest for appropriate normative and policy solutions to be applied nationally. In the face of a globalization based on the power of markets, this in fact continues to be a truly revolutionary concept today.

3. Developments over the last 15 years have demonstrated that this new context held more promises for the ILO than threats. Indeed, they suggest that it is not the future of the ILO that is uncertain on account of globalization; it is rather the future of globalization that might become uncertain if the ILO were not in a position to fulfil effectively its mission. These developments have vindicated the validity of this vision and confirmed that the two basic premises upon which the ILO was built in the context

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<sup>1</sup> Such as the alleged disappearance of its *raison d'être* with the collapse of the totalitarian model, the excessive fragmentation and lack of coherence of its objectives and, above all, its so-called “lack of teeth” to guarantee the respect of its standards and principles.

<sup>2</sup> S. Berger: *Notre première mondialisation: leçons d'un échec oublié*, Paris, La République des Idées/Le Seuil, Paris, 2003 (cf. level of world exchange rates in 1914 compared with those of today). Even if the level of economic integration was the same or higher during “the first globalization”, there are obviously enormous differences in terms of level of industrial development and the vast proportion of nations and populations were excluded from the first globalization.

of the “first globalization” are no less valid today to ensure the legitimacy and continuity of the present globalization.

4. First, recent experience confirms the assumption that the development of the economy and the prosperity expected from globalization and social progress do not spontaneously go hand in hand.<sup>3</sup> This requires voluntary action on the part of public authorities, with the support of an Organization that would have had to be invented, if it did not already exist.

5. Second, the tensions that have developed in the wake of globalization – and have been much reported upon recently in the media and specialized literature – would also seem to confirm that, without such a voluntary and effective action, the whole process would be in danger of being undermined. According to some analyses, competition is shifting from between firms to between individual workers, prompting a social backlash against globalization.

6. The conclusion that the *raison d’être* for the ILO is greater than ever, however, immediately raises the question about the adequacy of the ILO’s means to achieve these two objectives. In this regard the ILO has faced criticism recently from those who believe that its purely voluntary means of action do not suffice for the effective promotion of its objectives on a global scale in this new context.

7. In the light of experience it seems increasingly evident that this debate is largely false.<sup>4</sup> In the complex world of the global economy, effectiveness is not a matter of using more centralized means to impose specific objectives. The ILO’s success in influencing most national labour legislation in the past has never been based on conditionality. Looking to the future, it is more a matter of improved governance of the existing means to exercise effective persuasion and leadership in support of these objectives. The ILO’s capacity of persuasion through its existing means is far from fully exploited. Furthermore, effective persuasion is itself linked to the capacity the ILO can demonstrate to assist in drawing the consequences of the new and by now universally shared vision that it has provided of its objectives in the globalization context through the Decent Work concept.

## A. Greater effectiveness is a matter of persuasion through a better use of existing means of action

8. Observations of contemporary situations and lessons from history suggest that social progress – while being guided by the relevant ILO standards – must, if it is to be sustainable, be firmly anchored in the realities of each country and in employers’ and workers’ preferences as freely expressed through their representative organizations.

9. Globalization is a dynamic phenomenon. While due respect must at all times be paid to fundamental principles and rights at work, the requirements of social justice in such a context are also dynamic. The real issue for the ILO is thus not so much to define a static level playing field as to maintain a dynamic of progress by permanently encouraging and accompanying the efforts of all its Members with all the means at its disposal.

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<sup>3</sup> The Director-General of the WTO has pointed out that “trade reform meets social resistance if the distribution of gains from trade is too uneven” (Emile Noel lecture, 30 Oct. 2006).

<sup>4</sup> In order to guarantee respect for obligations ensuing from ratified Conventions, the ILO does indeed have “teeth” in the form of article 33 (and the following articles) of its Constitution.

10. The ILO's structure and governance systems endow it with a unique comparative advantage among international organizations to promote its objectives among its Members. This derives from its tripartite structure that has a direct impact on three major aspects of its capacity to act:

- It confers unique moral authority on the guidelines and standards it may adopt, as they are based on the free confrontation and reconciliation of views and interests on a uniquely representative basis. This system, which may be seen as the natural offshoot of the free exchange of concepts and ideas in a democratic context,<sup>5</sup> is far from being the easy way out. But, like democracy, no better system has been found to date to reach solutions that can be considered as fair by all concerned. Albert Thomas brilliantly summed it up: "The ILO was not set up to establish false compromises between workers and bosses, illusory comings together ... there are certain reforms acknowledged to be fair by everyone – we must endeavour, at all costs, to apply these, precisely because they are fair."<sup>6</sup>
- It has the potential of offering guidance that has a strong degree of credibility from the perspective of economic efficiency and workplace fairness because representatives of employers and trade unions are involved in its elaboration.
- It has an impact that can reach beyond the governments through employers' and workers' organizations.

11. The ILO's governance system is remarkably well attuned to the needs of today, even if it is not exploited fully. While state repression of freedom of association remains a cause of considerable concern in many countries, the end of the Cold War has largely nullified the claim of certain States to hold the monopoly of the legitimate representation of workers' interests (of whom, moreover, they were the employers). In the battle of ideas, freedom of association has defeated dictatorship – even if in workplaces all over the world many working women and men are still not able to exercise this freedom in practice. This is of significance to the way the ILO may fulfil its mandate in the future. The Organization is better able today to do what it was first set up to do – with all the means with which it is endowed.

12. The credibility of the ILO's approach in the context of globalization stems precisely from an in-built conviction that progress towards the goals to which Members agreed when they joined the ILO will only come about as a result of patient and persevering efforts from public authorities and the social partners. There are no ready-made formulas for social justice. This is particularly apposite in the complex world of rapid technological and commercial change driving major and constant adjustments in the world of work. Progress is more likely and more sustainable where it is achieved through free discussions between those concerned. Thanks to its tripartite structure, the ILO is well placed in the multilateral system to lead the search for solutions acknowledged as fair for all, that can be acted upon by the national public authorities.

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<sup>5</sup> It is for this reason that Article I(b) of the Declaration of Philadelphia links "freedom of expression and of association".

<sup>6</sup> Quoted by D. Guérin, *Albert Thomas au BIT, 1920–1932*, European Institute of the University of Geneva, 1996, p. 54.

## B. Greater effectiveness is a matter of adopting an integrated approach to the promotion of constitutional objectives in line with the Decent Work concept

13. It is important to dispel some misunderstandings about the concept of Decent Work. The aim is not to introduce a new objective – and the fear that its formal recognition might lead to defining its content is unfounded. ILO objectives are authoritatively spelled out in its Constitution. Decent Work gives a synthetic and readily understandable expression of the ILO’s objectives that are already well defined in its Constitution, which as such may have a greater value of persuasion. But its most tangible added value is that it encapsulates an “integrated approach”, ensuring that the strategic objectives are addressed together and as effectively as possible. This integrated approach is based on four complementary principles derived from the Constitution itself.

14. First, an integrated approach implies that each of the constitutional objectives should be universally promoted. The increasingly wide support for the concept of Decent Work since 1999 is a tangible expression of this universal aspiration. Indeed, it is intended to benefit all people working or looking for work, and thus their families and communities, in all member States.

15. Second, an integrated approach must take account of the interdependence of the four strategic objectives. Recognition of this principle is a significant contribution to the effective implementation of the ILO’s mandate. It has become increasingly evident in the context of globalization that the objectives of social progress interact among themselves, as they do with objectives of economic development. In order to achieve greater effectiveness, therefore, they should not be implemented in isolation but in a global and interdependent manner. From the viewpoint of principle, as already implied both by the Declaration of Philadelphia and the 1998 Declaration, this means that the qualitative aspects (including respect for fundamental rights) and quantitative aspects of social progress are indivisible.

16. Third, an integrated approach respects the autonomy of each Member, concerning not only the amount and mix of inputs but also the pace of implementation. This implies that each Member has to determine the pace at which each of the strategic objectives is implemented, depending on its possibilities.<sup>7</sup> But it also implies that it is up to each Member to adapt the inputs (qualitative and quantitative) that constitute Decent Work in accordance with its specificities and taking into account the preferences of those concerned.<sup>8</sup>

17. Fourth, an integrated approach must, to the extent possible, promote solidarity among Members, irrespective of the autonomy that is their due. This principle reflects the spirit of the Constitution and the Declaration of Philadelphia. Apart from the fact that the member States are called upon to work together within the Organization to implement its aims, the penultimate paragraph of the Preamble of the Constitution

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<sup>7</sup> Such as those spelled out in article 19, paragraph 3, of the ILO Constitution concerning standard-setting action: “In framing any Convention or Recommendation of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization, or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.”

<sup>8</sup> It being understood that, to be legitimately raised, these preferences must be able to be freely expressed, both at the individual and the collective level, which presupposes the full respect of fundamental rights. The Declaration of Philadelphia went so far as to advocate the “collaboration of workers and employers in the preparation and application of social and economic measures”.

recalls that “the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries”.<sup>9</sup> This has been negatively interpreted as a warning against the “race to the bottom” in an open global economy. However, there is also a positive way to read this message: it consists of encouraging Members to optimize their mutual interest in promoting economic and social progress hand in hand. A key aspect of this common interest is to ensure respect for fundamental rights as “enabling rights” to translate economic progress into greater well-being for all those who have contributed to it. Comments made by various interlocutors at the preliminary consultations during the Governing Body in March 2006, including the Workers, appear particularly relevant in this context. According to these comments, which upheld the view of the World Commission on the Social Dimension of Globalization,<sup>10</sup> it should be clearly understood that no economic advantage can be legitimately claimed on the basis of failure to respect fundamental rights.

18. It is clear from the above that strengthening the ILO's institutional capacity is not a matter of changing its objectives or its means of action. It is a matter of better governance and tripartite leadership in the use of its means of action and of adopting an integrated approach to the promotion of its objectives. The two following chapters elaborate on the two main dimensions – “vertical” and “horizontal” – of this improved governance.

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<sup>9</sup> On the same lines, the Declaration of Philadelphia states that “poverty anywhere constitutes a danger for prosperity everywhere”.

<sup>10</sup> ILO: *A fair globalization: Creating opportunities for all*, report of the World Commission on the Social Dimension of Globalization, International Labour Conference, 92nd Session, Geneva, 2004, para. 421.

## Chapter 2

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### **Connecting global objectives to national action: Strengthening “vertical” governance**

#### **A. The nature of the challenge: Better connecting national needs and ILO means of action for the promotion of the four strategic objectives**

19. The grouping of constitutional goals around four strategic objectives marked a crucial stage in streamlining and focusing the Organization’s activities, with a view to helping it fulfil its mandate more effectively. However, the question is now to draw all practical consequences from this innovation and upgrade the Organization’s ability to promote effectively – meaning with a better and more systematic measurable impact – the efforts of all its Members to attain each of its objectives. In this regard, it is important to clarify what is meant by “effectiveness”.

#### **1. Strengthening the link between actual needs and the means for promoting each objective**

20. The application of results-based management (RBM) techniques can help to ensure that the impact of the resources deployed through the Organization’s programme and budget is assessed against the results achieved. However, and more fundamentally, the Organization needs to know that the choices made upstream for the allocation of human and financial resources is such that they meet constituents’ objectives and perceived needs in the best way possible.

21. Considering how the Conference agenda is established, it would seem an appropriate starting point for a reflection on the effectiveness of the Organization. The agenda of the Conference is one of the most significant and visible expressions of the Organization’s efforts to carry out its mandate and assist its Members with respect to all its constitutional objectives. The Conference should be a place where constituents can express their views on priorities and seek common action to address their concerns. Experience has shown, however, that the way in which the Conference agenda is set does not have a strategic focus. For many, the great potential and promises of the “annual world parliament of labour” are thus frustrated.

22. A readjustment of the practices for determining the Conference agenda to reach a better balance between the needs of constituents and the Office’s capacity to meet them need not require a major institutional upheaval. It is mainly a matter of trying to divide work better between the various bodies so that those benefiting from the Organization’s activities are able to make their requirements and needs known more directly. The International Labour Conference, with its unique global representativeness of the world of work, should logically be the focal point of a more systematic discussion for the

assessment of needs with respect to each of the strategic objectives and the identification of actions to be undertaken.

## 2. Strengthening universal progress towards each of the Decent Work strategic objectives

23. A more universal progress towards achieving strategic objectives is another essential dimension of the ILO's effectiveness. In this respect, it is important not to confuse means with ends or to become locked in a static conception of targeted outcomes or results. In this perspective, progress in the ratification of ILO Conventions (or lack thereof) – as fundamental as this might be – is not the exclusive test of the ILO's capacity to promote its objectives on a truly universal basis. The reluctance or inability of some Members to follow through with these instruments (by ratifying them or incorporating them into national legislation), does not necessarily imply that they are not inclined (or supposed) to make efforts towards the underlying objectives; neither does it imply that the ILO is relieved of its responsibility to continue to encourage these efforts, as spelled out particularly in paragraphs 5(e) and 6(d) of article 19 of the Constitution.<sup>1</sup>

24. The real test of universality is therefore the ILO's ability to encourage efforts and progress towards attaining its objectives, as they are laid down in relevant instruments and policy documents, among all its Members with all the means at its disposal. The issue here is to mobilize, in a much more organized and systematic way, the whole range of its means of action to give effect to the priorities that the Organization may decide to establish at regular intervals in relation to each of these objectives and give an opportunity to the tripartite members themselves to assess the impact of its efforts.

25. The coordination of these means of action is, to a certain extent, achieved through the programme and budget. It could, however, be much more effective and gain greater legitimacy if it was based on the wishes of the tripartite constituents, expressed after an in-depth discussion at international level of trends, priorities for action and means to mobilize policies.

26. The challenge is thus to establish a better “vertical” governance for greater efficacy in the implementation of strategic objectives, in other words a more direct link between needs and priorities, on the one hand, and between priorities and the means used, on the other. A way of meeting this challenge could be the introduction of a cycle of reports on each of the strategic objectives that would, in turn, be put before the International Labour

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<sup>1</sup> Article 19(5) states that: “In the case of a Convention ...

(e) if the Member does not obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member except that it shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of its law and practice in regard to the matters dealt with in the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and stating the difficulties which prevent or delay the ratification of such Convention.”

Article 19(6) similarly states that: “In the case of a Recommendation ...

(d) apart from bringing the Recommendation before the said competent authority or authorities, no further obligation shall rest upon the Members, except that they shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice in their country in regard to the matters dealt with in the Recommendation, showing the extent to which effect has been given or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as it has been found or may be found necessary to make in adopting or applying them.”

Conference for tripartite discussion, with a view to establishing a programme of action and mobilizing all relevant means to this end.

## B. A possible solution: Cyclical reviews by the International Labour Conference of developments relating to each Decent Work strategic objective

27. The Office has produced overviews on major trends in employment and working conditions on a fairly regular basis over the past decade.<sup>2</sup> There would, however, be a basic difference between these overviews and the periodic reviews envisaged here: it would not be just a matter of producing reports, but to subject them to a tripartite examination by all Members, which could thus form the basis for drawing out the implications of the trends identified for ILO action. This would involve a basic change of approach, away from traditional reports that disseminate information to ones that generate action – or, to put in another way, from knowledge to governance.

### 1. A dual objective: A more direct knowledge of realities and needs for a better governance of means of action

28. The aim of the reform would be twofold. First, it would provide a reliable knowledge base, validated by tripartite discussions, for all ILO Members and the general public. Second, it would strengthen the ILO’s internal governance in two ways: evaluating the impact of the Organization’s own activities as well as the activities it advocates and that of deciding on the direction of future activities, taking into account the impact – or lack thereof – of past activities.

#### (i) *A tool for objectively assessing the trends related to each strategic objective*

29. The idea is to provide at regular intervals a balanced factual overview of the most significant realities and trends, on a strictly technical basis. This overview would be submitted for tripartite discussion, but it should be drafted as objectively as possible. This implies three conditions.

30. The first is to gather relevant information in a systematic manner using all means available, including the Internet. The compilation of statistical data is part of this process and the Office is undertaking a major effort to review and improve its statistical services and overall knowledge base. In addition, the ILO Constitution provides a unique basis that allows the Office (or rather obliges it) to follow developments objectively. Indeed, article 19, paragraphs 5(e) and 6(d), require Members to respond to periodic requests for information regarding law and practice on matters dealt with in Conventions and Recommendations. This enables the Organization systematically, and in a reliable way, to gather information on trends and developments in national legislation, including the legislator’s motivations – that are not necessarily apparent in databases.

31. For many years the practice was for such General Surveys to focus on a specific instrument or a combination of a Convention and its corresponding Recommendation.<sup>3</sup>

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<sup>2</sup> ILO: *World Employment Report 1995*; *World Employment Report 1996–97 – National policies in a global context*; *World Employment Report 1998–99 – Employability in the global context – How training matters*; *World Employment Report 2001 – Life at work in the information economy*; *World Labour Report 1997–98 – Industrial relations, democracy and social stability*; *World Labour Report 2000 – Income security and social protection in a changing world*.

<sup>3</sup> This provision prompted keen interest at an early stage among scholars and its originality inspired Professor Ago to propose it as a model in the work of the International Law Commission. “The final stage of the codification of international law – Memorandum by Mr. Roberto Ago”, in *Extract from the Yearbook of the International Law Commission*, 1968, Vol. II, paras 29–34 (document A/CN.4/205/Rev.1).



This practice is not, however, inherent in the relevant constitutional provisions. More recently, the practice for General Surveys has evolved towards covering a few instruments belonging to the same “family”. This could be further broadened to “reformat” the implementation of paragraphs 5(e) and 6(d) of article 19 of the Constitution to have a wider scope. Although they might not cover the whole “family” of instruments corresponding to the entire subject of the cyclical report, they might at least cover a “branch” of the “family” in question.<sup>4</sup>

32. The second factor concerns the need to establish and maintain the Office’s analytical and technical competence to be able to establish a balanced and clear overview on the basis of these data. In this respect, preparing these reports may be seen as an opportunity for the ILO to safeguard an adequate body expertise on each of the objectives so that it would not continuously have to rely on outside contributions. There is certainly no question in this regard of trying to compete with organizations with far greater means to mobilize costly analytical expertise. It seems more reasonable for the ILO to capitalize on its comparative advantage – the tripartite structure – to discuss, supplement or correct the Office’s overview of trends. This overview would be compiled on the basis of contributions made by those who are directly involved as well as information from field programmes. But it does raise the issue that on ILO questions proper, the institution should have the resources to undertake such tasks when necessary.

33. Last but not least, a third key condition is the need to safeguard the Office’s necessary autonomy. Although the tripartite discussions should provide an opportunity for the constituents to correct or supplement the information contained in this overview, it must be clear that it will be the Office’s responsibility to finalize the overview on the basis of data that have been gathered and closely analysed. In other words, there can be no question of an overview that has been “negotiated” to take account of the constituents’ alleged or real sensibilities.

(ii) *Providing a governance tool*

34. The point here is to strengthen the institutional link between the assessment of the impact that ILO activities may have had on developments or trends and the choice of future priorities and action in relation to the strategic objective being examined during the period under consideration. The lack of such a link between the systematic knowledge of trends and governance (or vice versa) is particularly apparent in an area that is vital for the effectiveness of the Organization’s action and its ability to meet demands – that of setting the agenda for the International Labour Conference. Indeed, it is within the framework of a pre-established agenda that the sovereign and universal body of the ILO is able to pronounce authoritatively on the meaning and substance of strategic objectives in a given context and the direction they should take. The Governing Body obviously attempts, when drafting this agenda, to meet the constituents’ needs, such as evidenced by the ILO’s experience in the field and the knowledge of its Members. Despite all the efforts made in recent years, the Governing Body does not have a clear basis to discharge its responsibility satisfactorily as it lacks a broad

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<sup>4</sup> This might require drafting synthetic and simplified questionnaires, designed to obtain from Members an indication of the major trends, their causes, and the extent to which ILO standards have played a role – and, if they have, which role. An interesting example is the system of annual reports covering situations in which fundamental Conventions are not ratified. The baseline compilations by the Office, which are reviewed by an independent group of expert-advisers, in fact now include all the existing situations, totalling at present 157 cases (out of a potential total of 1,440 if all member States had ratified all eight fundamental Conventions). Consequently, as regards the four categories of the 1998 Declaration, the ILO has achieved a situation of universal coverage of all of them through a system of reports.

overview and analysis of the trends, needs and possible gaps in the Organization’s policy portfolio or its normative framework.

35. It would make more sense for the selection of the Conference agenda to be the outcome of a process of deliberation, as well as representing a point of departure. Such a process would consist, first, of sifting through knowledge (on as broad a basis as possible) about the realities and needs related to each of the strategic objectives before making any final choice. A system of cyclical reports to the Conference relating to each of the strategic objectives could provide the opportunity and framework for this thorough examination. It would greatly assist the Governing Body in its task of making final choices regarding future Conference agendas. It should also make it possible not only to identify priorities but also to mobilize the most appropriate means of action to implement these priorities, in line with modalities examined in detail below.

## 2. Outline of modalities to implement periodic reviews

36. There is a wide range of options for the modalities of implementation of periodic reviews. The following section outlines some of the considerations. If it is decided to develop such an approach, it would be most appropriate for the Governing Body to take the necessary decisions on future action in the light of the views expressed by delegates to the Conference.

### (i) *Matters to be covered and frequency*

37. An initial consideration is whether, in the light of existing mechanisms and the nature or extent of the matters they cover, all the strategic objectives should be included in periodic reports in the same way and at the same intervals. This question particularly applies to two strategic objectives: fundamental rights and principles at work which is already covered by periodic reports under the 1998 Declaration; and social dialogue which is a means of action relevant to all the strategic objectives and intersects partly with “collective” fundamental rights.

38. As regards fundamental rights, which are a necessary – albeit not sufficient – condition for any work to be qualified “decent”, the question is whether they have to be included in the cycle as they are already dealt with in the cycle of Global Reports. The answer seems to be in the affirmative. First, it might indeed seem paradoxical that fundamental rights would, from now on, “enjoy” a sort of second-class status compared with other strategic objectives. Second, the risk of overlapping with the discussion of the Global Reports could be avoided by undertaking an overall review of trends, based on the Global Reports, in order to identify the main problems and proceed with the necessary decisions concerning the allocation of resources (see box 2.1: Periodic review of strategic objectives: Fundamental principles and rights at work). From a procedural standpoint, such a periodic review of fundamental rights would have an important added value compared to the present treatment of Global Reports: they would be dealt with in the framework of a fully-fledged agenda item, thus making it possible to reach formal conclusions at the Conference concerning future priorities.

**Box 2.1****Periodic review of strategic objectives: Fundamental principles and rights at work**

Reporting every four years on fundamental principles and rights at work could adopt a “mixed” approach, combining an integrated (the four categories of principles and rights together) and a thematic review. Such a periodic review would make it easier to understand, monitor and manage the interlinkages between freedom of association and collective bargaining, the elimination of child labour, forced labour and discrimination in employment and occupation, and subsequently the contribution of these four principles and rights to development and Decent Work. Additionally, the review would help the ILO and its constituents to define and pursue more integrated strategies towards the promotion and realization of these principles and rights as a coherent whole.

The synthesis report on the four categories of principles and rights would be as follows:

*Part I* would provide an overview of the state of affairs concerning the four principles and rights and could focus on:

- ❑ trends relating to selected indicators for the four categories of principles and rights that would trace continuity and (positive or negative) changes in the magnitude and patterns of forced labour, child labour, discrimination and denial of freedom of association and collective bargaining;
- ❑ the correlation between variations in these indicators and major changes and trends in the economic, social and political arenas at the international and regional levels;
- ❑ progress made by relevant actors other than ILO constituents in advancing observance of the four categories of principles and rights at work.

*Part II* would deal with the four categories of principles and rights separately, focusing on one category at a time, and in particular:

- ❑ review and assess policy developments at the national level, and the role of the ILO constituents, and their impact/effectiveness in addressing the challenges identified for each set of principles and rights (what works, what does not work, and why);
- ❑ examine commonalities and differences among the four categories of principles and rights in terms of approaches and results.

*Part III* would assess the ILO’s relevant work during the preceding four years and outline an action plan for the subsequent four-year period. The latter would identify priorities and targets for each category of principles and rights, as well as for the whole set of principles and rights at work.

39. Social dialogue is also a specific case because it is not only a strategic objective in itself but also a means of achieving all the other strategic objectives. In the words of the resolution concerning tripartism and social dialogue (2002) it is “one of its four strategic objectives and ... a tool to make operational all strategic objectives”. It would therefore seem appropriate to include a chapter on the role of social dialogue in each of the reports on each of the other objectives, rather than dealing with it separately – with the more or less inevitable risk of overlapping with the Global Reports on freedom of association and collective bargaining.

40. Similar considerations apply to gender issues which should be mainstreamed in the reports on each strategic objective.

(ii) *Reporting on Decent Work strategic objectives*

41. As stated in Chapter 1, Decent Work is a synthetic contemporary expression of the objectives defined in the ILO’s Constitution and an integrated means of ensuring a strategic approach to their achievement. Apart from the list of objectives contained in the Preamble of the Constitution, it is timely to recall that the Declaration of Philadelphia

contains, in section III, a detailed list of programmes of action, which the Organization has recognized as being its “solemn obligation” to further. Section III provides a clear basis to help identify the subjects inherent in each of the strategic objectives of employment and social protection (see box 2.2).

**Box 2.2**

**Section III of the Declaration of Philadelphia**

The Conference recognizes the solemn obligation of the International Labour Organization to further among the nations of the world programmes which will achieve:

- (a) full employment and the raising of standards of living;
- (b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;
- (c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;
- (d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection;
- (e) the effective recognition of the right of collective bargaining, the cooperation of management and labour in the continuous improvement of productive efficiency, and the collaboration of employers and workers in the preparation and application of social and economic measures;
- (f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;
- (g) adequate protection for the life and health of workers in all occupations;
- (h) provision for child welfare and maternity protection;
- (i) the provision of adequate nutrition, housing and facilities for recreation and culture;
- (j) the assurance of equality of educational and vocational opportunity.

42. It is evident from subparagraphs (d), (f), (g), (h) and (i) that there is a wide range of subjects related to the strategic objective “social protection” that might be examined in periodic reports.<sup>5</sup> The inevitable question is whether it is realistic to try and cover all trends that are related to the issue on a universal level in one and the same report.

43. There are various solutions to circumvent this difficulty. One might be to combine a “fixed” part and a “mobile” part that could concentrate on a different aspect from one cycle to another. Reports on the same strategic objective should have a “common core” following a common pattern from one cycle to another, to deal with major trends in the light of relevant statistics; but they should also be able to shift the focus, depending on current events, on specific aspects or cross-cutting issues.<sup>6</sup>

<sup>5</sup> It is interesting in this respect to note that, while there are five up to date Conventions relating to issues of employment (subparagraphs (a)–(c)), there are nine Conventions relating to improving working conditions and ensuring a just share of the fruits of progress (subparagraph (d) and 22 Conventions relating to protection against hazards and guarantees of means of existence (subparagraphs (f), (g), (h) and (i)).

<sup>6</sup> By way of example, the issue of global warming and the actions the ILO might take to anticipate or remedy its repercussions would seem to be a relevant subject to take up in a future report on employment, as well as that of the extension of social security coverage in a report on social security. Another aspect of social protection that might warrant examination, given that it is a favourite topic among member States, is the role of legislation and labour administration as factors of protection.

**Box 2.3**

**Periodic review of strategic objectives: Social protection**

The strategic objective relating to social protection, inspired by the Declaration of Philadelphia, “to enhance the coverage and effectiveness of social protection for all”, is made operational through the two major dimensions of social protection, as perceived by the ILO, *social security* and *working conditions*; it approaches, in a “cross-cutting” manner, the issue of the protection of the most vulnerable groups.

The periodic reviews would take place every four years and contain two separate components. The first would consist, for the various themes concerned, of analysing the major trends at world level and of identifying the new practices that seem particularly promising or highlight current developments. It would take the same form from one review to another to ensure continuity in the analysis. The second component would consist of an in-depth examination of a specific aspect – that would be different each time – of social protection, with the possibility of alternating between the dimensions of social security and working conditions. This would provide the opportunity of going into greater depth into a subject considered priority by the constituents and of assessing the role and impact of the Office’s activities in the area in question.

The report could take the following form:

I. *Major trends and new practices*

1. Social security coverage:

Pensions; access to health care; unemployment benefits and skills development; social welfare (to combat poverty and social exclusion).

2. Working conditions:

Occupational safety and health; wages and incomes; working time and organization; maternity protection and reconciling maternity with professional and family activities.

3. Protection of vulnerable groups:

Migrants workers; persons living with HIV/AIDS; informal economy workers

A formula of this kind would be in keeping with the application of the Declaration of Philadelphia and the principles in the relevant instruments. The social security dimension would cover two subparagraphs in section III of the Declaration of Philadelphia: (f) guarantee of a basic income and access to medical care; and (i) an adequate level of nutrition, housing and facilities for recreation; furthermore, it would help increasingly to support subparagraph (j) the assurance of equality of educational and vocational opportunity. The working conditions dimension would cover three subparagraphs: (d) wages, earnings, hours and other conditions of work; (g) protection for the life and health of workers; and (h) child welfare and maternity protection. Furthermore, the “cross-cutting” issue of the protection of vulnerable groups would ensure awareness of contemporary developments and cast light on themes of extremely topical interest.

II. *In-depth themes*

1. *Extension of social security coverage*

The theme of the extension of social security coverage could be the subject of the first report, given that in the conclusions of the general discussion on social security in 2001, the International Labour Conference considered that: “Of highest priority are policies and initiatives which can bring social security to those who are not covered by existing systems” (paragraph 5). This would provide the opportunity to take stock of developments since 2001 and to evaluate the role and impact of the activities of the Office and the Organization in this area.

2. *Role of legislation/labour inspection and social dialogue in the protection of workers*

**Box 2.4**

**Periodic review of strategic objectives: Employment**

The employment review presented to the International Labour Conference every four years could include the following sections:

- ❑ Analysis of main employment and labour market trends, globally and regionally, as well as by industrialized countries, economies in transition and developing countries. This will draw upon the ILO’s global employment trends report (annual) and KILM (biannual) as well as other publications on trends in youth employment, women (periodically) and other sources – especially article 19 and article 22 reports.
- ❑ Major challenges and emerging issues. This section will highlight one or two major developments over the last four years.
- ❑ Reasons as to why some countries or regions have done better than others. This section will draw upon ILO country reviews of employment performance within the DWCPs and country presentations at the Governing Body’s Employment and Social Policy Committee. It will include reviews of the ILO’s programmes and tools to show what works and what does not work.
- ❑ Employment policy guidelines for countries at different levels of development. This important core of the report will be based on the ILO’s work, as well as draw on similar guidelines prepared by the Organization for Economic Co-operation and Development (OECD), EU and other agencies. This section would be an important focus of debate and discussion at the Conference.
- ❑ The final section will present the ILO’s strategic framework for work on employment over the next four years within the DWCP framework, including sections on priorities and research agenda. It will be on the lines of the “vision” document presented at the Employment and Social Policy Committee in March 2006 (GB.295/ESP/1/1), which received strong tripartite support.

It is important to mention here that the report will draw considerably on the work of the Employment and Social Policy Committee which is now divided into three “baskets”. First, discussion on key policy areas; second country presentations based on newly agreed guidelines; and third, discussion on specific programmatic areas and operational tools on what works and what does not.

44. A further question to consider is whether after three reports covering the strategic objectives separately, the cycle might not be completed every four years with a review exercise that would take the form of a general report constituting an overview of Decent Work in the world; this could conveniently be articulated around the cycle of strategic programming. The table below illustrates how such a four-year cycle might operate and group the main policy areas covered by the Decent Work strategic objectives, while allowing for a four-yearly overview. There are many other possible options that, should such an approach be accepted in principle, could be considered in more detail by the Governing Body.

**Possible subjects for cyclical reports on Decent Work to the International Labour Conference**

First year	Employment, skills, enterprise development
Second year	Social protection (alternating variable themes between: (i) social security; (ii) improvement of working conditions and increasing living standards; and (iii) protection against hazards at work and occupational health)
Third year	Fundamental rights (summary)
Fourth year	Overview of Decent Work (including social dialogue, legislation and institutions)

*(iii) Modalities for the review of cyclical reports*

Frame of reference and status of the cyclical report  
at the International Labour Conference

45. The affinity of the proposed system with that of the Global Reports under the follow-up to the Declaration may raise some questions. Indeed, the impact of the Global Reports may not always have lived up to expectations despite their intrinsic quality, which has been applauded on all sides. Without wishing to pre-empt the review of the functioning of the follow-up to the Declaration, which could take place in 2008, it might be suggested that this situation is partly due to the fact that the conclusions emerging from present discussions around the Global Report do not seem to have sufficient weight to determine priorities for action.

46. The authority of the debate would be considerably upgraded if, instead of being restricted to a general discussion that results in conclusions with limited influence on the choice of programmes, it could be the object of a recurrent specific agenda item at the Conference. This would allow enough time to carry out the in-depth examination required to reach conclusions with the desired weight, not only vis-à-vis the Governing Body but also vis-à-vis external funding.

47. The impact of the conclusions could be further enhanced by adapting the format of the debate to encourage Members to have more informal and interactive discussions, at least during part of their discussion. Two approaches might be followed or explored in this respect.

48. It may be recalled that at the 2005 Conference there was a discussion between delegates on the controversial subject of working time. This item was not part of the official agenda and external facilitators, acceptable to the different parties, participated in the discussion. This system provided the opportunity for an open exchange of views and proved to be very fruitful. Although this formula could not be transposed to a discussion from which conclusions committing the participants may be drawn, it could nevertheless provide a convenient space to unlock rigid positions that stand in the way of reaching such conclusions.

49. Moreover, the ILO Constitution contains a provision (article 18) according to which “The Conference may add to any committees which it appoints technical experts without power to vote.”<sup>7</sup> Strangely enough, this possibility seems never to have been used – no doubt, because there is no specific regulation stating how these experts are to be appointed. It might be interesting to examine whether the appointment of such experts in conditions that would allow them to enjoy the full confidence of the Conference as a whole and their participation as facilitators and experts might help to focus the debates and strengthen their technical credibility.<sup>8</sup>

Connecting the cycle with budgetary procedures

50. The cyclical reviews would inform strategic budgeting in the biennial programme and budget process. However, there would not be an exact synchronization as the

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<sup>7</sup> This provision must have been of considerable significance for the founders of the Organization, as evidenced by the fact that the Constitution does not enter into details on the rules of procedure for the Conference, except to state the rules of majority (article 17, paras 2 and 3).

<sup>8</sup> In this context one might also consider a more frequent use of article 14(2) of the Constitution. The recent experience with the Maritime Labour Conference shows the great value that preparatory conferences can have. In addition, due to the wording “or otherwise” the provision offers other possibilities.

Conference review reports would be on a four-yearly cycle. Nevertheless this cycle could possibly also be linked to the Organization’s Strategic Policy Framework.

(iv) *Workload and resources implications*

51. An important consideration to be taken into account from the outset is whether the expertise required in producing the envisaged reports would bring about considerable extra costs. In the same vein, a further concern is the possibility that such a new scheme might add to the number of reports to be produced, hence increasing the workload. While these concerns are entirely legitimate, one should not lose sight of the broader perspective, i.e. that the preparation of reports is part of an attempt to rationalize current practice that could, by extension, bring about savings and avoid duplication. It is therefore indispensable to take a balanced approach considering, alongside the direct identifiable costs, all the positive repercussions that this rationalization would imply for the International Labour Conference, the Governing Body and the Members, respectively.

52. The Governing Body’s overloaded agenda is a recurring theme. Altogether, the Governing Body examines about 180 documents during its three annual sessions.<sup>9</sup> There are many reasons for this overload and both the Governing Body and the Office have their share of responsibility for working methods that do not put enough emphasis on what is desired by the constituents. For the reasons given above, the proposed reforms would simplify enormously the Governing Body’s task in setting the Conference agenda. Given that the examination of these reports would be a recurring item on the Conference agenda, the Governing Body, except for special circumstances, would have to add only one other item to the agenda – if need be, with a view to standard setting; and the choice of this agenda item would be more straightforward and rational as it would be based on the shortcomings and trends observed when examining each of the strategic objectives in the cyclical report.

53. These reforms would also simplify and consolidate other aspects of the Governing Body’s work and mandate. A discussion at the International Labour Conference, followed by a discussion in a competent committee, would confer more standing on the Governing Body’s decisions, including in budgetary matters.

54. The Conference agenda contains items that are automatically included and items set by the Conference and/or Governing Body. During the past ten years, the number of items set by either the Conference or the Governing Body has fluctuated between three or four per year. They usually include a first and/or second discussion of a normative instrument and one or two general discussions. On the whole, a general discussion examines a subject relating to one of the strategic objectives.<sup>10</sup> The outcome of these discussions (usually a resolution adopted by the Conference, upon which the Office reports in November of the year of its adoption, concerning its follow-up) illustrates the urgency of reforming governance.

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<sup>9</sup> Both the Committee on Employment and Social Policy and the Committee on Technical Cooperation have been conducting, for several years, thematic overviews involving evaluations (for example, GB.295/TC/2: HIV/AIDS and the world of work); particular subjects (for example, GB.294/ESP/4: Social protection as a protective factor) and analyses of Office follow-up to specific issues (for example, GB.291/ESP/4: Progress in the implementation of the Global Occupational Safety and Health Strategy as adopted by the 91st Session (2003) of the International Labour Conference).

<sup>10</sup> The following examples bear witness to this: social security (International Labour Conference, 2001); migrant workers (International Labour Conference, 2004); youth employment (International Labour Conference, 2005).



55. The cost of automatically including an item on the Conference agenda may be considered neutral or even positive. The cost of preparing (editing, translation, printing) of a Global Report (Declaration), a report for general discussion (Conference) or a periodic report – as proposed here – would be more or less the same. Furthermore, a regular cycle of report preparation would result in improved budgeting and a more economical use of resources.<sup>11</sup>

56. As regards the member States, one question to be addressed is whether the preparation of cyclical reports would involve new questionnaires and therefore an extra workload. The new cyclical reports would not require any new contribution from the Members – in other words, only those they are already committed to submit under article 19, paragraphs 5(e) and 6(d), of the Constitution.<sup>12</sup> As mentioned earlier in the text, the system of cyclical reports should be synchronized with, among others, General Surveys – which have, in any case, to be carried out; this would strengthen their impact both inside and outside the Organization, particularly with respect to choices for future priority action. The difference would be that the scope of these General Surveys would be expanded to cover a family (or a branch of a family) of instruments corresponding to the subject of the report. Although this extension of the “scope” of General Surveys might entail more paperwork for the Members, this increase could be offset by the necessary simplification of questionnaires and the support that the decentralized structures of the Office could systematically provide to the Members to help them with their follow-up.

### C. Summing up

57. This reform would bring about a number of advantages. In particular, it would allow the question of procedural reforms, which is continuously being debated in the Governing Body, to be placed in a wider perspective.

58. Moreover, beyond one or other specific aspect of the cost-benefit analysis, it is important not to lose sight of the much broader objective of strengthening the effectiveness of the Organization. Members have every right to bring up issues of cost. There would, however, be some inconsistency if, on the one hand, they blamed the Organization for shortcomings in its efficiency while, on the other, they refused it the means to make itself truly efficient by means of appropriate reforms – especially when one considers that the level of resources allocated to the Organization is paltry in the light of the immense task ahead.

59. Finally, the proposed reform of the Conference agenda would provide constituents with the assurance that their needs and priorities are more “institutionalized” and taken into consideration as the basis for appropriate action defined by the Organization as a whole. This reform could thus mark an important step towards the strengthening of tripartism globally, and mobilizing the considerable force it represents in response to the challenges facing the Organization.

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<sup>11</sup> A cutback in the number of technical documents submitted to the Governing Body would free the time of technical experts, allowing for increased technical assistance to the constituents. Inevitable ad hoc requests or requests in extremis are more expensive for the Office.

<sup>12</sup> Maybe the experience gained under the follow-up of the 1998 Declaration could be of assistance in this respect.

## Chapter 3

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### **Integrated action for Decent Work: Strengthening “horizontal” governance**

#### **A. The nature of the challenge: Moving from the juxtaposition of strategic objectives to their integration**

60. The Decent Work Agenda is a way of integrating the policies needed to implement the ILO’s constitutional objectives, which can appear to some as kaleidoscopic. Traditional means of implementation, including through normative action, had led to excessive segmentation. In this respect, some scholars have gone so far as to refer to a “self-service approach” to describe the system whereby Members could “shop”, as they choose, from what the ILO has to offer. As a result, some “product lines” have enjoyed reasonable success, whereas others have been left aside. For instance, an overall healthy picture of the global number of ratifications may provide a deceptive image of the extent to which the various categories under the strategic objectives are implemented.

61. There is no denying that, given the interdependence and indivisibility of the objectives referred to in the first part of the report, the traditional ILO approach to elaborating and promoting each of its objectives separately, does not appear to be best suited to optimize their impact. To be more precise, the fact that the ILO is much more eloquent about the content of each of the objectives rather than about the way of reconciling them as efficiently as possible, may affect its long-term credibility in the context of globalization – where this aspect is of growing concern to all governments.

62. The concept of “Decent Work” and its implementation through strategic budgeting and RBM aims at overcoming this juxtaposition (“self-service approach”), as it provides an integrated view of the objectives and their implementation. Because of the strong support this view has had both within and outside the Organization, the tremendous challenge facing the ILO now is to translate it into reality.

63. The solution is not to call for broader or more coercive means of action in the case of the realization of each strategic objective. It is a matter of using persuasion effectively to encourage Members to embrace an integrated approach. The real challenge therefore is for the Organization to set the example, by itself making a much more integrated and rational use of the varied and efficient means of action of the ILO and placing more emphasis on its major comparative advantage – tripartism. Countries themselves are also faced with the need to enhance their own internal coherence in public policy-making, as well as in their positions in different international organizations. A greater emphasis by the ILO on policy integration of the four strategic objectives would certainly help in this endeavour.

64. Although a considerable amount has already been achieved in this area, much remains to be done to enhance the ILO's capacity of persuasion by means of a coherent use of its three major means of action:

- technical cooperation, by extending and strengthening DWCPs;
- research on and verification of the synergies between objectives, through empirical analysis and the exchange of information and experience; and
- advocacy, to encourage member States (perhaps in the form of normative action) to implement integrated social and economic policies.

## B. Modalities for encouraging synergies between the objectives

### 1. Technical cooperation which strengthens the potential of DWCPs to promote an integrated approach

65. Technical cooperation financed by the ILO budget or extra-budgetary resources is one of the most obvious means at the Organization's disposal to persuade its Members to promote its objectives. As stated in the resolution concerning the role of the ILO in technical cooperation adopted at the 95th Session of the International Labour Conference in 2006:

The Decent Work Agenda (DWA) has received worldwide recognition, and the United Nations World Summit of 2005 identified full and productive employment and decent work for all as a global goal and an essential element in national development strategies. The ILO is the forum in which to make the relationship between employment creation and quality jobs, on the one hand, and rights at work and economic progress, on the other, truly operational. ... The DWA calls for the elaboration and implementation of programmes at the national level which will promote the four strategic objectives of the ILO in an integrated manner. Tripartism and social dialogue as well as gender equality are both a means and an end in the implementation of technical cooperation programmes.<sup>1</sup>

66. The adoption of DWCPs marked a major stage in the ILO's efforts to promote a more consistent approach to technical cooperation by implementing objectives adapted to the context of each country. The DWCPs aim to promote Decent Work, both as a "vital element of development policies" and as an "objective at national level" of government and the social partners. The DWCPs take account of development objectives identified at the international level, such as the MDGs and the UNDAF, while basing its action on the development objectives of each country. The DWCPs have made significant strides during the past few years. Furthermore, the Programme and Budget for 2008–09 has established as a specific target the allocation of 70 per cent of regional programme resources and 40 per cent of headquarters technical programme resources to activities within the framework of a DWCP by the end of 2009.<sup>2</sup>

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<sup>1</sup> <http://www.ilo.org/public/english/standards/relm/ilc/ilc95/pdf/pr-19.pdf>, see paras 4–5.

<sup>2</sup> ILO: *Programme and Budget proposals for 2008–09*, Governing Body, 298th Session, Geneva, Mar. 2007, GB.298/PFA/13, para. 57.

**Box 3.1****Decent Work and MDGs**

The ILO Decent Work Agenda contributes to all eight MDGs in the fight against global poverty.

Reducing by half the proportion of the world’s people living on less than one dollar a day (**Goal 1**) and developing a global partnership for development (**Goal 8**) are overarching goals towards poverty reduction. They, along with **Goal 7** on sustainable development, rely on Decent Work for their attainment.

Achieving **Goal 3** on gender equality is a condition for meeting all MDGs – and gender mainstreaming is embedded in all of the ILO’s work.

Decent work for parents, a smooth school-to-work transition and the elimination of child labour are essential to attain the goal of universal primary education (**Goal 2**). Social protection contributes directly to the health-related MDGs (**Goals 4, 5 and 6**) – and other aspects of the Decent Work Agenda contribute indirectly to these three goals.

Respect for **rights at work** sustains progress towards poverty reduction while reinforcing **democracy** and underpinning **peace**. Freedom of association and the elimination of forced labour, child labour and discrimination enable people to free themselves from poverty.

Effective **dialogue** between government, employers’ and workers’ organizations supports inclusive policy reform. Institutions that foster social dialogue support improved governance and social **stability** – necessary conditions for achieving all the MDGs.

Source: ILO: *Decent Work and the Millennium Development Goals* – An ILO information folder, Sep. 2005 (see [www.ilo.org/mdg](http://www.ilo.org/mdg)).

67. DWCPs are clearly “work in progress”, and their potential to persuade Members to promote, in a coherent manner, the quantitative and qualitative aspects of Decent Work as a whole remains a challenge.<sup>3</sup> For instance, it has been questioned whether the terminology used for these programmes is consistent.<sup>4</sup> Furthermore, the social partners have not always, it has been claimed, been involved in defining the content of the DWCPs and in their execution.<sup>5</sup> It has also been noted that, in many respects, the DWCPs do not always give the same importance to all the components of Decent Work, but select some in a way which can be detrimental to others.<sup>6</sup> Finally, it has been suggested that DWCPs should be evaluated so that information may be gleaned from the results obtained.<sup>7</sup>

<sup>3</sup> As pointed out in the first part of the Report, the inputs and pace of implementation are a matter for each Member, but passing over one or other of the aspects risks distorting the integrated nature of the Decent Work concept. Mechanisms to evaluate to what extent DWCPs are actually implemented effectively and consistently are yet to be established.

<sup>4</sup> ILO: *Report of the Committee on Technical Cooperation*, Governing Body, 297th Session, Geneva, Nov. 2006, GB.297/16(Rev.), intervention by Mr Jeetun (Employers), para. 9.

<sup>5</sup> ILO: *Report of the Programme, Financial and Administrative Committee*, Governing Body, 297th Session, Nov. 2006, GB.297/11/1(Rev.), intervention by Mr Barde (Employers), para. 117.

<sup>6</sup> “The group (Workers) observed that, during the current round of implementation of DWCPs, not all the components of decent work were given the same importance; specific mention had to be made of the standards component and, more particularly, of Conventions Nos. 87 and 98. Given that DWCPs need to be composed of four equally prominent elements in an integrated and balanced manner, Mr. Etty requested that in the future the promotion of the four elements be better incorporated in DWCPs and reflected in future reports and information on results achieved.” ILO: *Report of the Committee on Technical Cooperation*, Governing Body, 297th Session, Geneva, Nov. 2006, GB.297/16(Rev.), para. 18.

<sup>7</sup> ILO: *Report of the Committee on Technical Cooperation*, Governing Body, 297th Session, Geneva, Nov. 2006, GB.297/16(Rev.), intervention by the Employer Vice-Chairperson, para. 15.

68. This list of possible improvements could no doubt be extended or supplemented. Placing emphasis on the need for a more active mobilization of resources to promote and develop these DWCPs could involve improved technical support. As stressed during the discussions devoted to technical cooperation at the International Labour Conference in 2006, the funds allocated under the regular budget to DWCPs are relatively limited; hence the need to envisage external funding, on a voluntary basis and within the framework of “solidarity” arrangements, to which reference will be made later in Chapter 4.

69. All these aspects obviously call for an in-depth examination that would go beyond the confines of this Report. It may however be useful to briefly sketch three possible lines of approach.

70. First, the Governing Body could set up an institutional framework for an integrated monitoring of DWCPs. Its Committee on Technical Cooperation could, for example, elaborate the principles pertaining to the coordination and evaluation of the programmes, taking into account the discussion that might take place on this Report at the Conference in June 2007. Without wishing to prejudge the possible modalities of this institutional framework, it would already seem expedient, both from the standpoint of efficacy and opportunity, to establish the right balance between central monitoring (necessary to guarantee an adequate level of consistency and compatibility between all the programmes) and the respect for regional, subregional and national specificities – by allowing countries to express themselves in an appropriate and tripartite manner.

71. The second line of approach could be a framework agreement. This contractual mechanism would commit the State to use all the necessary means in order to draw up and implement a Decent Work strategy in keeping with the country’s situation and objectives. In a reciprocal way, the Organization would undertake to provide technical and financial assistance in achieving these objectives. The idea of framework agreements as a way of strengthening action for Decent Work was first proposed by a group of social security and international labour law experts in the context of a study of ways to follow up the New Consensus on Social Security agreed at the ILO’s 2001 Conference<sup>8</sup> (see box 3.2: A framework agreement and national agreements for the promotion of Decent Work in member States). This approach should not be seen as an alternative to the previous one. It might provide a useful input into a possible working group or other similar mechanism. In any event, the two approaches would both have to be coordinated within the Governing Body. They could both contribute to United Nations reform and rationalization of development aid.

72. The third approach could consist, still within the framework of assistance, of providing Members with *self-evaluation* tools to help them assess their progress in an objective but autonomous way, without trying to establish any ranking system.

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<sup>8</sup> “Social protection and decent work: New prospects for international labor standards” (“Conclusion: The outlines of a framework agreement on the extension of social protection” by A. Supiot), in *Comparative Labor Law & Policy Journal*, Vol. 27, No. 2, winter, 2006.

**Box 3.2****A framework agreement and national agreements for the promotion of Decent Work in member States**

An innovative proposal was made within the framework of the follow-up to the general discussion on social security at the Conference in 2001.<sup>1</sup> This proposal only concerns the area of the extension of social security. But nothing prevents us from giving it a wider scope to ensure a specific promotion of Decent Work in ILO member States.

This might consist of a contractual mechanism made up of two components: on the one hand, a framework agreement adopted by the Organization (which could moreover be the result of a possible authoritative document), incorporating for instance the principles of methodology referred to in Chapter 1; and, on the other hand, national agreements concluded between the ILO, the State concerned and other interested parties with a view to developing and implementing a national plan to promote Decent Work. The framework agreement would constitute the part of the mechanism that provides a legal framework and defines the rules of concluding national agreements.

The framework agreement would also establish clauses relating to the methods and means to be used to develop and implement the national plans for the promotion of Decent Work, which would necessarily have to be taken up in national agreements. According to the experts' scheme, the part on methods should consider at least four issues: mobilizing local knowledge; the rules for applying the principle of participation; fixing priorities and developing ad hoc indicators likely to evaluate the progress accomplished in attaining these priorities.

The national agreements to promote Decent Work would, for their part, be concluded on the basis of the framework agreement between the ILO, the State concerned and the other interested partners (international financial institutions, development banks, international organizations, national development agencies, etc.). They should consist of two parts: a fixed part and a negotiable part. The first would imply compliance with the guiding principles of Decent Work laid down in the framework agreement. The aim of the negotiated part of the agreement would be to determine the method of developing the national plan to promote Decent Work, while conforming to the methodological indications defined in the framework agreement. Furthermore, the national agreements should determine the resources that the ILO and the partners involved would mobilize to help in the development and implementation of this plan. This contract would commit the State concerned to use all the necessary means at its disposal to develop and implement a plan to promote Decent Work, that would be adapted to the country's situation and the objectives that it had set itself in this area. In return, the ILO and the other partners involved would commit themselves to providing technical and financial assistance for the effective realization of these objectives.

<sup>1</sup> “Social protection and decent work: New prospects for international labor standards”, in *Comparative Labor Law & Policy Journal*, Vol. 27, No. 2, winter 2006.

73. Each country in particular would be encouraged to develop statistical methods to determine the number of workers with access to Decent Work and the way in which that number changes over time. Countries would need to define for themselves which statistical indicators are most appropriate for that purpose, in line with the general principles referred to in Chapter 2. Some countries have already taken such initiatives.<sup>9</sup> The ILO's strategy to encourage its Members in this respect could be threefold. First, it could promote tripartite dialogue at country level to come up with a list of indicators for Decent Work; second, it could provide technical assistance in evaluating alternative indicators of Decent Work; and third, it could assist countries in developing a monitoring strategy covering the collection and analysis of data.

<sup>9</sup> For example, a number of countries use the unemployment rate as well as the percentage of working poor to monitor Decent Work. Others have opted for indicators such as the percentage of workers with social security coverage, the gender gap in earnings, the percentage of working children and the percentage of workers covered by collective bargaining arrangements.

## 2. The empirical verification of the synergies between strategic objectives through the cross-fertilization of experiences

74. The ILO's efforts to encourage its Members to take up the challenge to promote its strategic objectives are increasingly confronted with the perception – and in some cases perhaps the reality – that the free movement of goods and capital internationally may hold back countries from pursuing certain economic development and social objectives. The ILO has consistently argued that there are considerable economic and productivity advantages inherent in the implementation of its objectives which can increase the competitiveness of national economies. While there is also a significant body of literature in support of this view, the fact is that its efforts do not seem to have had so far the desired impact. This may be because, due to a lack of sufficient analytical resources and clear methodology, it has laid itself open to the criticism of “being long on rhetoric and short on evidence”.

75. From the standpoint of this Report, the challenge for the ILO in helping its Members is to complement the immense work it has accomplished, and continues to accomplish, in elaborating the specific content and meaning of these objectives. This requires practical policy advice on how to reconcile these objectives in the most effective manner, instead of leaving this matter to other organizations whose advice will naturally reflect their own objectives and vision.<sup>10</sup> In this regard, the ILO relies on the practical experience of its tripartite constituency in developing policies that ground social objectives in economic realities. Furthermore, compared to other organizations, the ILO's tripartite approach generates national ownership of policies that reflect its strategic objectives and are not associated with conditionalities.

76. It needs to be determined how such policy advice may be provided in a manner that would be both practical and financially affordable. These questions have, indeed, prompted complex and contradictory analyses, particularly on the subject of the possible synergies and/or compromises between social protection and employment. Recent experience in many countries would seem to suggest that there are a number of constraints that, to varying degrees, constitute a challenge for many countries and constituents/stakeholders. These constraints include the limits of the export-led growth model, the limits of industrial development, the decline in wages in real terms and the growing inequalities of incomes.

77. One way for the ILO to make a contribution is to put together reports that are sound from an analytical point of view. Another is to convert the conclusions of these reports into accepted political orientations. Reports come out all the time at both international and national levels. But the impact they might have on policy choices and specific actions is often not equal to their scientific value or the media attention they attract when they are first published. Although it may be difficult within present budget circumstances for the Organization to have cutting-edge expertise in all areas, it nonetheless has the comparative advantage of its universal and tripartite composition that allows it, on the one hand, to draw upon the expertise and knowledge available at the national level and, on the other hand, to provide an unequalled forum where the existence of these synergies and the consequences derived from them may be freely discussed in full knowledge of the facts.

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<sup>10</sup> Thus, the possible influence on competitiveness of the level of national budgets and the content of spending and taxation policies, may have led organizations competent in the economic field to provide advice on priorities which has sometimes cut across the efforts of the ILO to promote its strategic objectives.

78. There is thus room for the ILO to develop the comparative advantage derived from its tripartite and universal membership by fostering among its constituents a better empirical understanding of the interdependency of synergies through a “cross-fertilization” of experiences – in other words, by analysing and conducting a tripartite discussion on specific individual experiences.

79. This formula is not without precedent. It has been successfully experimented in the form of “country studies” to analyse the impact of globalization and trade liberalization on social realities and policies, conducted voluntarily with seven countries from 1997 to 1999.<sup>11</sup>

80. A similar formula could be used in a wider perspective, less centred on globalization. The objective could be for instance to examine, on the basis of specific cases, to what extent concerted efforts to tackle simultaneously the various Decent Work strategic objectives have helped the countries concerned to adjust to a rapid change and to make the most of the new opportunities for individual and collective progress – while also fairly distributing the costs that such adjustments entail in a competitive world market. The following points may help to illustrate this option.

#### *Terms of reference for country studies*

81. In the case of the country studies mentioned above, the Governing Body had endorsed on an ad hoc basis the terms of reference of these studies, as proposed by the Office to the Working Party on the Social Dimensions of the Liberalization of International Trade.<sup>12</sup> The Governing Body could follow this precedent, especially if the exercise is again conducted on an experimental basis.

82. Having said that, more ambitious formulas on the lines of “peer reviews” that have met with considerable success in various regional and universal contexts could also be envisaged. Two mechanisms may be of particular interest in this perspective: the Open Method of Coordination (OMC), adopted by the European Union Summit in March 2000, and the Trade Policy Review of the World Trade Organization (WTO).

<sup>11</sup> The country studies were conducted under the auspices of the Working Party on the Social Dimensions of the Liberalization of International Trade. The idea first arose during the discussion concerning the programme of work and mandate of the Working Party in the Governing Body in March 1996 in which it was suggested that the Office undertake a series of case studies to analyze the social impact of globalization and trade liberalization in a number of countries (GB.265/WP/SDL/1/1). The Director-General set up a special task force to prepare an analytical framework and carry out the studies. The Office submitted three progress reports to the Working Party: GB.270/WP/SDL/1/2 (Nov. 1997); GB.273/WP/SDL/29 (Nov. 1998); and GB.274/WP/SDL/2 (Mar. 1999), before it issued the final report on the completed studies on the social impact of globalization in seven countries (Bangladesh, Chile, Republic of Korea, Mauritius, Poland, South Africa and Switzerland) (GB.276/WP/SDL/1) in November 1999. In the preface of the book by R. Torres (“Towards a socially sustainable economy: An analysis of the social pillars of globalization”, Geneva, ILO, Jan. 2001) Juan Somavia noted that “at a fairly early stage, the Working Party came to consider that before speculating on the various types of possible response to the impact of trade liberalization and the globalization of the economy, it would be advisable to gain a better empirical idea of the nature and magnitude of its effects. Hence, the decision to carry out a certain number of ‘country studies’, chosen to offer a balanced sample of situations and levels of development”.

<sup>12</sup> “The purpose of this exercise, and of the report summarizing the task force’s findings, is: (a) to provide some empirical and conceptual background to the debate on the social dimensions of globalization, and (b) to identify measures that might contribute to enhancing the benefits of globalization while containing its possible costs.” *Progress report on the country studies on the social impact of globalization*, Governing Body, 273rd Session, Geneva, Nov. 1998, GB.273/WP/SDL/2, para. 1.



83. This type of mechanism, however, implies a “qualitative” step forward to the extent that it would not be limited to the Members which accept to be associated with the studies but would at least in theory be applicable to all Members; it would therefore most probably require a specific institutional or legal framework, to which we shall return in Chapter 5.

### Box 3.3

#### Peer review in international organizations

“Peer review can be described as the systematic examination and assessment of the performance of a State by other States, with the ultimate goal of helping the reviewed State improve its policy-making, adopt best practices, and comply with established standards and principles.” (OECD document, SG/LEG(2002)1, page 4.) Peer review in international organizations hence embodies a combination of activities between several players: the collective body within which the review is undertaken, the reviewed country, the examiner country(ies) and the secretariat. The practice is intended to be a mutual learning process among all actors in which examination takes place on a non-adversarial basis with a strong reliance on mutual trust. With a view to persuading the country under review to comply, the “peers” exercise pressure in the review process through defining best practice (ranking) and naming and shaming (singling out poor performance).

The peer review mechanisms in international and regional organizations use diverging modalities in terms of the role of the secretariat, the extent to which peers are involved in the evaluation process, transparency of the process and civil society input (based on the nature and objectives of the organization in question). The many peer review mechanisms in international and regional organizations include: the Trade Policy Review Mechanism (TPRM) of the WTO; “Article IV” consultations of the International Monetary Fund (IMF); the Environmental Peer Review of the United Nations Economic Commission for Europe (UNECE); the African Peer Review Mechanism; the Individual Action Plans of the Asia–Pacific Economic Cooperation (APEC); and the many peer reviews carried out by the OECD (for example in the framework of the Development Assistance Committee (DAC)).<sup>1</sup>

It transpires that the recently established United Nation Human Rights Council will also adopt a form of peer review mechanism: On 15 March 2006 the General Assembly adopted the Draft Resolution on the establishment of a Human Rights Council, which provides for the undertaking of “a universal periodic review, based on objective and reliable information, of the fulfilment by each State of its human rights obligations and commitments in a manner which ensures universality of coverage and equal treatment with respect to all States; the review shall be a cooperative mechanism, based on an interactive dialogue, with the full involvement of the country concerned and with consideration given to its capacity-building needs”. Although the modalities of this mechanism have not yet been defined, “the Council shall develop the modalities and necessary time allocation of the universal periodic review mechanism within one year after the holding of its first session” (General Assembly Resolution A/RES/60/251, 3 April 2006, operative paragraph 5(e)). There is no ambiguity that every State will be subject to periodic investigations on the basis of *all* human rights.

<sup>1</sup> With respect to peer review in the OECD, see First OECD – Southeast Asia Regional Forum, Jakarta, 23–24 January 2007, entitled “Peer Review Mechanism for Policy Review”.

**Box 3.4**

**WTO trade policy review mechanism (TPRM)**

The Trade Policy Reviews (TPRs) of the WTO are entrusted to a standing committee (Trade Review Policy Body). Their aim, according to the relevant agreement, is to ensure greater transparency in the implementation of the various disciplines. It is worth stressing that although their objective is to guarantee a greater understanding of and transparency in the implementation of the various trade disciplines, these reviews in no way constitute a supervisory mechanism; neither are they intended to encroach upon the dispute settlement mechanism. In fact, they may examine aspects of trade policy that are not covered by – or go beyond – obligations contained in agreements (for example in the area of procurement). They are now viewed favourably by developing countries. Not only does this mechanism allow them to obtain technical assistance to develop their trade policy but also to present a responsible image to investors. The TPRM is an obligatory mechanism established by treaty. The periodicity of the reviews varies, however, according to the trade “weight” of the Member under consideration.

**Box 3.5**

**The European Council open method of coordination (OMC)**

The OMC was adopted by the Lisbon European Council in March 2000. This governance method has gained considerable importance in the European Union and covers increasingly more policy areas, notably social protection and social inclusion. The OMC uses a voluntarist and intergovernmental approach as it is based on “soft law” mechanisms and mutual learning. Its objective is to “increase policy convergence in areas which remain a primary responsibility of national governments” by using peer review and sharing of best practices. In contrast with the “community method”, the OMC “aims at coordination rather than harmonization of national policies”. With the formal introduction of the OMC by the Lisbon European Council, the method was defined according to the following four elements: (1) setting up of guidelines with specific timelines for achieving goals in the short, medium and long term; (2) the creation of qualitative and quantitative benchmarks and indicators; (3) translation of the guidelines into national and regional policy; and (4) “periodic monitoring, evaluation and peer review organized as a mutual learning process”.<sup>1</sup>

<sup>1</sup> EPHA briefing for Members: An introduction to the Open Method of Coordination (OMC), Oct. 2004, 7 pp., see [http://www.ephpa.org/IMG/pdf/EPHA\\_briefing\\_on\\_OMC\\_AJ\\_20050216final.pdf](http://www.ephpa.org/IMG/pdf/EPHA_briefing_on_OMC_AJ_20050216final.pdf).

*Selection of cases/experiences to be studied*

84. The ILO’s experience with voluntary country studies proved to be reasonably compatible with the concern to have a “sample” of situations and practices, allowing lessons of a much wider scope to be drawn. Opportunities to exchange information and experience are much sought after by constituents and have proved on many occasions to be a powerful stimulant for countries to find ways to develop policies and also to move forward with ratification of standards.<sup>13</sup>

*Modalities of the examination*

85. In the case of the country studies, the Office prepared an analysis after in-depth and tripartite discussions on the spot. It would be perfectly feasible to refine these modalities by introducing some interesting features of existing “peer review” systems, even if the institutional framework for establishing such a system does not yet exist – for example, by combining, more or less officially and with varying ingredients, an external analysis and a tripartite evaluation by the country concerned.

<sup>13</sup> A current example is the action plan to promote ratification and implementation of the Maritime Labour Convention, 2006, which has involved seminars in several countries to explain the Convention and how countries are giving effect to it.

### *Institutional framework*

86. The most appropriate framework would be the Governing Body, but it would have to be determined whether the examination should take place in plenary, in a working group (as in the case of the country studies) or in a committee of the Governing Body. The procedural flexibility of a working group is well known and should be taken into account in due course. This includes the lack of official minutes and the possibility of giving the floor to the non-members of the Governing Body who would be invited to participate in the discussions.

### *Outcome of the studies*

87. Such country reviews could provide supplementary benefits both to the countries and the Members as a whole. For the countries, they could be interesting in terms of technical cooperation and investors; and for all the Members, it would give them the opportunity to glean ideas from the information for their own social policy. From this standpoint, it would be logical to include in the overall review of Decent Work a chapter taking stock of the examinations of social policy and the information learned from these country reviews, which then would be submitted regularly to the International Labour Conference.

### *Infrastructure/cost*

88. The experience of the seven country studies conducted between 1998 and 1999 showed that it was possible to obtain results that, at the time, were received with much interest by the Working Group on the Social Dimension of Globalization and the Governing Body. Looking at this matter from a much wider standpoint, it is entirely logical and understandable that attention would nevertheless need to be paid to the modalities for preparation and examination of country experiences. This should consider ways to economize on existing reports, reduce duplication and take full advantage of reports prepared for other purposes. An overall objective of reform along the lines discussed would be to reduce the volume of reports and ad hoc discussions through a mechanism focused on the specific objective of promoting integrated national Decent Work programmes, measuring their impact and increasing opportunities for constructive dialogues for coherent development strategies.

## 3. Through “advocacy” and normative encouragement

89. It is timely to consider whether the ILO’s normative tools could also be used along with other means of action to encourage Members to adopt integrated policies. The objective would be to stimulate consistent and comprehensive policies to promote all and each of the Decent Work strategic objectives, irrespective of whether the country was bound by relevant instruments. In reflecting on this possibility, it is worth recalling that the ILO already has an integrated instrument on the broad subject area of social policy. Although the Social Policy (Basic Aims and Standards) Convention, 1962 (No. 117), is now outdated, having been drafted to address the specific needs of newly independent States in the immediate post-colonial era, it does provide an illustration of the scope for assembling a range of subjects into one instrument aimed at integrating economic development and social progress.

90. The “value added” of such a normative approach could be quite considerable in terms of its impact, follow-up and contents, even if it takes – as it should – a purely promotional, non-binding form.<sup>14</sup> This added value, including in terms of providing a legal basis for a possible peer review system, will be further clarified in Chapter 5.

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<sup>14</sup> The choice of a binding instrument, as was made in the case of Convention No. 117, would seem to defeat the very aim of the universal promotion of Decent Work objectives which is inherent in the proposed approach.

## Chapter 4

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### New partnerships for Decent Work

91. The international community's striking endorsement of the ILO's work in recent years nevertheless raises some significant institutional challenges, as indicated in the preface. The world in which the ILO has to face these challenges has little in common with that in which it was created: the means then given to the Organization were quite revolutionary at the time, but they were essentially aimed at promoting its goals in relation to and through States. Many actors and factors over which the ILO has no direct influence have since materialized – such as the integration and regrouping of States around common objectives which are usually economic but could include a social dimension. International financial, economic and trade-related organizations have become stronger and now exert considerable influence on the social policy choices of Members, going beyond their precise remits. In addition, more and more other entities which are not States, but not international organizations either, enjoy increasing influence. According to a new form of “conventional wisdom”, the emergence of these new phenomena has given credence to the idea that as a result of the weakening of the State's role and capacity on which it relies, the ILO's influence has declined. And yet it is during the recent surge in the pace of globalization that the ILO has received its highest ever political support. This would indicate that there is strong demand for the vision of the Decent Work Agenda – when the means and resources to respond to it are very tight.

92. Strengthening the ILO's institutional capacity to give member States credible assistance requires reflection on the ILO's ability to contribute towards building up the States' ability to discharge their social responsibilities. The task is difficult but essential to the Organization's credibility. It may however rely on two fundamentally important considerations.

93. The first is that the report of the World Commission has brought back some perspective. It has shown that globalization “starts at home” and that, if it is to be sustainable, it has to strengthen the role of the State and put it back on centre stage. This is necessary in order to create conditions enabling each country to draw maximum advantage from globalization, and to ensure a fair distribution of its benefits and cost – including in terms of adjustment and precariousness – without which it runs the risk of being rejected.

94. The second is that, although the ILO may not itself have all the tools for dealing with the new situation, it does have the means of persuasion derived from the legitimacy and authority of its tripartite structure. And it can use these means – even beyond its constituents. It has to be emphasized that it is not a matter of imposing its views or converting others to its aims: in most cases the ILO simply needs to convince them that its actions in the pursuit of its own objectives are compatible with the interests of others.

95. This chapter examines how the ILO might use persuasion on the three emerging categories of actors and factors mentioned: inter-state integrations or regroupings with a social dimension; international organizations with related competences; and actors other than States or international organizations.

**A. Bilateral, regional and multilateral agreements:  
Impact on the ILO's role and the promotion of  
solidarity in the pursuit of the Decent Work  
strategic objectives**

96. The emergence of new regional integration entities undoubtedly represents one of the most significant institutional innovations since the setting up of the United Nations system. They have emerged because of the need for individual States to counter the supposed weakening or erosion of their institutional capacity in the context of globalization by joining forces to promote common objectives and interests, either on a geographical basis or otherwise. In Europe, these efforts have led to the establishment of institutions that are half way between traditional international organizations and an embryonic form of federalism with a significant social dimension which, in some cases, may affect Members' capacity to implement the ILO's strategic objectives independently. Although the ILO Constitution does not directly address the phenomenon of regional entities that are endowed with competences that may directly affect its Members' autonomous capacity to implement some of its strategic objectives, it does make provision for federal States.<sup>1</sup>

97. The challenge does not so much come from the lack of a specific institutional framework because this problem has been surmounted by formal cooperation agreements, in which the ILO has played a pioneering role.<sup>2</sup> It stems rather from the recent proliferation of agreements or mechanisms concluded between a variable number of partners and regions that contain a social dimension – often in the form of specific references to the principles and even standards of the ILO, without the Organization being able to ascertain the meaning or the relevance to its own mandate. This is the context in which it was suggested to the Office in March 2006<sup>3</sup> that it might take the matter further in the context of the present Report. While a detailed overview of the

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<sup>1</sup> Not only IGOs and NGOs, but also hybrids like the International Organization for Standardization (ISO), are playing an increasing role in this area. See for example: ILO: *Developments in relation to possible collaboration between the International Labour Organization and the International Organization for Standardization on occupational safety and health management systems*, Governing Body, Report of the Director-General, Fourth Supplementary Report, 297th Session, Nov. 2006, GB.297/19/4; *Collaboration between the International Labour Organization and the International Organization for Standardization (ISO)*, Report of the Director-General, Fifth Supplementary Report, 298th Session, Mar. 2007, GB.298/15/5.

<sup>2</sup> By demonstrating remarkable clear-sightedness and forward thinking with respect to the historical significance of the phenomenon, see, for example, the Preamble of the agreement concerning the collaboration between the International Labour Organization and the European Coal and Steel Community (ECSC) of 1952 which states that: "The European Coal and Steel Community and the International Labour Organisation, desiring to provide a satisfactory basis for the further development of the already existing collaboration between them with a view to making a maximum contribution to economic expansion, the development of employment and the improvement of the standard of living; and having recognised that in view of the supra-national character of the European Coal and Steel Community such collaboration presents problems of a new character for which solutions must be found progressively in the light of experience, have agreed to put into force on an experimental basis the present agreement dealing with mutual consultation and co-operation between the International Labour Organisation and the European Coal and Steel Community." Published in: *Official Bulletin* of the ILO, Vol. XXXVI, 1953, No. 7.

<sup>3</sup> ILO: *Fifth Supplementary Report: Strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization*, Report of the Director-General, Governing Body, 295th Session, Geneva, Mar. 2006, GB.295/16/5.

situation is impossible, it seems important, at least briefly, to review the significance of the phenomenon from the standpoint of its impact on the Decent Work Agenda and on the ILO's constitutional values and principles; the impact on the relevance of its standards; and the impact on its procedures.

## 1. Impact on the Decent Work Agenda and the ILO's values and principles

98. The ILO, together with its partners in the international community – including the WTO – could play an important role in helping members of economic integration arrangements, especially developing countries, to design and implement more integrated strategies for Decent Work in an open trading system. This approach is supported by the finding of a joint ILO/WTO study on trade and employment which surveyed a large body of the literature on these subjects<sup>4</sup> (see box 4.1). With this perspective in mind it is important to reflect on the possible ways in which the ILO's means of action could be strengthened to help constituents shape regional and other international economic integration arrangements so that they contribute to advancing the Decent Work Agenda.

99. The proliferation of unilateral and bilateral mechanisms, as well as regional agreements, with or without a social dimension, has so far mainly drawn the attention of the WTO.<sup>5</sup> Various bodies and think tanks have expressed their concern and the Director-General of the WTO, Pascal Lamy, has himself described these mechanisms as a “mixed blessing” for international trade.<sup>6</sup> From the viewpoint of multilateral trade, obtaining privileged access to a large market might dissuade the country concerned from going further along the path of multilateral liberalization.

100. From the ILO's perspective, economic integration arrangements need not pose a risk to the willingness of States to move towards global social standards or objectives. It could even be argued that the opposite is more likely to be true. Regional agreements containing a social dimension may be a means of developing mechanisms of cooperation and trust that avert the dilemma highlighted in the Preamble of the ILO Constitution that “the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries”.<sup>7</sup> The

<sup>4</sup> International Labour Office and Secretariat of the WTO, *Trade and employment: Challenges for policy research*, a joint ILO/WTO Secretariat study, Geneva, Feb. 2007. This report was discussed at the ILO Governing Body's Working Party on the Social Dimension of Globalization in March 2007 and received widespread support as opening several constructive avenues of research and policy development.

<sup>5</sup> Currently the number of regional trade agreements is estimated at 300, accounting for more than half of global commerce worth US\$10.3 trillion a year (W. Giles: WTO to review regional accords, Bloomberg, 11 July 2006). Against the backdrop of the poor progress in the multilateral trade talks, the negotiation of bilateral trade agreements has been speeded up drastically. See, for example, the recent free trade agreement between China and Chile that entered into effect on 1 October 2006. Article 108 of this agreement provides for communication and cooperation on labour and social security through the Memorandum of Understanding on Labour and Social Security Cooperation.

<sup>6</sup> Speech by WTO Director-General Pascal Lamy, “Steering Committee of the Parliamentary Conference on the WTO-IPU Headquarters”, 22–23 September 2005.

<sup>7</sup> In this respect, it should be noted that the free movement of workers that extends the free movement of goods and capital in the most advanced integration agreements contains a highly significant dimension of solidarity. It would however appear that besides the EU, the inclusion of the free movement of workers in other regional trade agreements remains very limited. On the multilateral level, the 2001 Doha WTO Ministerial Declaration (para. 15) mandates the negotiation of the liberalization of trade in services. Particularly the liberalization of Mode 4 (presence of natural persons) of the General Agreement on Trade in Services (GATS) is of significance for developing countries, whose comparative advantage lies in medium- and low-skilled labour-intensive services. However, the negotiations so far have not progressed in this direction; to date, concessions under Mode 4 remain almost exclusively linked to higher level personnel whose mobility is related to foreign direct investment (Mode 3).

fact that the acceptance of such a social dimension is part of a give and take between partners rather than the expression of an entirely selfless solidarity does not in itself change this fact.<sup>8</sup>

#### Box 4.1

##### Trade and policies and Decent Work

A recent joint study by the ILO and WTO Secretariat on trade and employment found that trade policies and labour and social policies interact and that greater policy coherence in the two domains can help to ensure that trade reforms have significantly positive effects on both growth and the quantity and quality of employment.<sup>1</sup> The study highlighted that trade liberalization triggers a restructuring of economic activity that takes the form of company closures and job losses in some parts of the economy and start-ups of new firms, investment in increased production and vacancy announcements in other parts of the economy. Labour and social policies are therefore required in order to redistribute some of the gains from trade from winners to losers.

Confirmation of this widely observed aspect of international economic integration by the extensive review of the relevant literature for the study points to a number of policy issues of relevance to the promotion of the Decent Work Agenda in countries at all stages of development. As well as being universally recognized human rights, respect for fundamental workers' rights has positive effects through enabling social dialogue between workers, employers and governments. This can facilitate the development of practical solutions to the challenges posed by trade reform, which is invaluable to promote broad social support for economic reforms and advance a more equitable distribution of the burdens and benefits from trade liberalization.

Strengthening the capacity of developing countries in particular to design and implement DWCPs with an emphasis on addressing the social impact of economic reforms could help to increase support for the reforms themselves as well as ease the transition of large numbers of workers from the agricultural sector and the informal economy as smoothly as possible into formal activities. The ILO/WTO study furthermore suggests that improved policy coherence could yield win-win strategies where policies that are good for equity are also good for growth. Since it is increasingly hard to predict the set of skills needed for future employment, education systems will need to be sufficiently flexible in order to respond to economic changes. This also underscores the need for comprehensive vocational training systems and for continued on-the-job training to promote individual employability and overall economic efficiency. Bottlenecks in the supply response in developing countries, including inadequate finance, physical infrastructure, telecommunications, information and human capital, were identified as holding back employment adjustment and the productivity growth needed to enable a sustained improvement in living and working conditions in open economies.

<sup>1</sup> *Trade and employment: Challenges for policy research*, op. cit.

101. This also holds true of other types of bilateral or unilateral mechanisms, including the Generalized System of Preferences (GSP), provided that each State remains, in principle, free to comply with the rules if it wants to obtain advantages. This corresponds to the ILO's "voluntarist" approach to the acceptance of international obligations inherent in Article 19(5)(d).<sup>9</sup> There thus appears to be no contradiction of principle between such mechanisms and the constitutional objectives and values of the ILO;

<sup>8</sup> It might be envisaged that (taking as a model the Maritime Labour Convention, 2006) ILO Members might, by means of such voluntary agreements, reward each other mutually (for example, in the form of a label on their goods or services that would be the equivalent to the flag for ships) for having accepted the obligations inherent in certain ILO Conventions and, as the case may be, for subjecting themselves to reciprocal control mechanisms that are more thorough than those provided for in the ILO Constitution.

<sup>9</sup> Article 19(5)(d): "if the Member obtains the consent of the authority or authorities within whose competence the matter lies, it will communicate the formal ratification of the Convention to the Director-General and will take such action as may be necessary to make effective the provisions of such Convention".

however, the specific content of the social dimension (and the mechanisms for implementing it), and its conformity – or at least compatibility – with the standards and procedures of the ILO, may raise some more complicated issues.<sup>10</sup>

## 2. Impact on the content of ILO objectives and standards

102. Two principles are relevant to the discussion of the impact of new inter-state and regional arrangements:

- the first is inherent in the Constitution itself, which explicitly recognizes that the adoption or the ratification of international labour standards does not in any way affect any provision for more favourable conditions. There is thus nothing to prevent regional or national agreements going beyond the standards contained in the relevant ILO instruments (especially since they are minimum standards);
- the second, developed after a lively debate between 1965 and 1975, is the rejection on grounds of principle of a “regionalization” of international labour standards within the Organization, and a greater emphasis given in practice to “flexibility clauses” in universal standards.

103. When one considers the agreements in question in the light of these principles it appears that, although ILO principles and standards are often taken as the yardstick in the matter, this is not enough to ensure that no problems exist at all. By way of illustration, it may be noted that trade agreements sometimes not only ignore certain aspects of fundamental rights, but they frequently also leave aside other components of decent work.<sup>11</sup>

104. Moreover, trade agreements clearly have repercussions on other vital aspects of the States’ capacity to promote a Decent Work policy, especially in the area of employment and the labour market. As stressed at a recent Conference held under the auspices of the European Union, trade agreements between partners that do not have the same institutional, economic and social levels may have serious repercussions on the weakest partners. Far too frequently, agreements are concluded without a clear vision of their impacts on important aspects of Decent Work.<sup>12</sup>

105. These observations shed light on the limits of an approach based on the reciprocity of “give and take” and the need to ensure that reciprocity is backed up by a greater concern for consistency and solidarity. It might also be worth considering whether, within a future policy yet to be defined, the ILO might decide not only to follow up developments in the area but also to use its means of persuasion to encourage the most developed partners to demonstrate their solidarity by funding Decent Work support programmes for the most vulnerable partners to these agreements.

<sup>10</sup> See C. Doumbia-Henry and E. Gravel: “Free trade agreements and labour rights: Recent developments”, in *International Labour Review*, Vol. 145 (2006), No. 3.

<sup>11</sup> This is not surprising if one considers that even in the case of very advanced integration such as European integration and certain federal systems, it is still standard practice for States to be competent in social matters.

<sup>12</sup> See on this subject the comments made by J. Salazar-Xirinachs to the Conference that was held in Brussels on 4–5 December 2006: “Promoting decent work in the world”. The European Union Trade Commissioner, Peter Mandelson, also recognized this situation and the need for reliable information and indicators to help poorer countries plan their policies accordingly in his speech entitled “Trade policy and decent work” (5 Dec. 2006). A number of quotes are worthy of note: “I would like to see us make a step change in how we integrate decent work and the broader agenda of sustainable development into these bilateral agreements”; “Focusing on what the EU can do to promote decent work abroad”.



### 3. Impact on the integrity of ILO procedures

106. Mechanisms to implement the agreements contain, as might be expected, their own supervisory procedures. Some (such as the NAFTA side agreement on labour cooperation) emphasize the implementation of national legislation – which obviously should not cause any particular problems,<sup>13</sup> especially to the extent that the legislation in question is in many cases (for instance in Latin American countries) the result of incorporating international labour legislation.

107. A problem might arise, however, if the granting or preservation of advantages necessarily involves respecting obligations that are identical to those ensuing from the ratification of ILO Conventions – and on the application of which the ILO is, in principle, the only body authorized to take a decision. It would thus not be acceptable for a State to have its advantages withdrawn for allegedly failing to comply with or infringing substantive obligations under ratified Conventions, without the ILO having the opportunity to make a pronouncement on the matter.<sup>14</sup> It is gratifying that the new European development tool “GSP+” is explicitly linked to “the ratification and effective implementation” of the eight fundamental Conventions under the 1998 Declaration and that it provides for the temporary withdrawal of preferences in the event of serious and systematic violations of the Conventions “on the basis of the conclusion of the relevant monitoring bodies”.<sup>15</sup> Nevertheless, in order to avoid any possible difficulties of interpretation and ambiguities in the future, it might be worth considering whether an appropriate dialogue might not take place between ILO Members thinking of entering into such agreements and the Office, to reconcile as far as possible their commitments under such agreements and their obligations as ILO Members.<sup>16</sup>

108. Two lines of thought emerge from the above comments, around which the ILO might wish to develop a policy:

- The first concerns the need for the ILO to monitor developments in this area more systematically to identify the scope for policy synergies that advance the goal of Decent Work and support continued progress towards more open economies. It is worth recalling that, at one time, the Working Group on the Social Dimension of Globalization was called upon regularly to examine a report on the relevant events that had occurred since the previous session, covering, among other things, the signing of regional agreements; this gave the constituents the opportunity to express their views. It might be pertinent, in some appropriate manner, to deal with this point in the follow-up mechanism referred to at the end of this Report.

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<sup>13</sup> While raising the interesting issue of a possible overlapping between the procedures to supervise the conformity with national law and practice in accordance with the procedures laid down in the regional agreement and the monitoring of the conformity of the so-called practices of the ratified ILO Convention – which is given effect by national legislation.

<sup>14</sup> Such a case occurred in the past with the withdrawal by the EU of access to GSP by Myanmar, on account of the systematic practice of forced labour, before the procedure under article 26 had been completed by the ILO (Council Regulation (EC) No. 552/97 of 24 Mar. 1997); the regulation, couched in somewhat ambiguous terms, referred to the total or partial withdrawal in circumstances including the practice of any form of forced labour “as defined (emphasis added) in the Geneva Conventions of 25 September 1926 and 7 September 1956 and International Labour Organization (ILO) Conventions Nos. 29 and 105” (Article 9 of Council Regulation (EC) No. 3281/94 of 19 Dec. 1994).

<sup>15</sup> Council Regulation (EC) No. 980/2005 of 27 June 2005 applying a scheme of generalized tariff preferences, Article 16, para. 1(a).

<sup>16</sup> See also: C. Doumbia-Henry and E. Gravel, *op. cit.* It may be noted in passing that a number of these agreements make specific reference to a collaboration with the ILO (article 45 of the North American Agreement on Labour Cooperation (NAALC)).

- The second is that it might be possible to promote suitable coordination between universal mechanisms and those provided under these arrangements, so as to prevent overlap and possible confusion as regards both applicable standards and follow-up mechanisms. Again it is not possible to undertake such a review within the limited confines of this Report but it might usefully be the object of a debate either in the Governing Body through either the Working Party on the Social Dimension of Globalization or the Committee on Legal Issues and International Labour Standards (or both), taking into account any views that may be expressed on the subject during the discussion of the present Report.

## B. Promoting convergence on common interests and economic and social objectives with other relevant multilateral organizations

109. The ILO was founded at a time when it was the only independent international governmental organization, alongside the Permanent Court of International Justice (PCIJ).<sup>17</sup> The ILO survived the demise of the League of Nations and emerged as the first specialized agency of the new system because it had examined the situation thoroughly and anticipated the implications for its mandate of the system that would eventually be emerging from the war.<sup>18</sup> The situation is infinitely more complex today with the proliferation of international and regional organizations.<sup>19</sup> This situation inevitably raises issues of jurisdiction between overlapping mandates.<sup>20</sup> But it can also create synergies if the means available to these organizations are used towards achieving common aims.

<sup>17</sup> The report before the Conference in 1945 on this matter, after the adoption of the Declaration of Philadelphia, stressed the contrast between this new context and that of before the war “in which the Permanent Court of International Justice and the International Labour Organisation were the only autonomous organisations of the League”. ILO: *Matters arising out of the work of the Constitutional Committee, Part I: The relationship of the I.L.O. to other international bodies*, International Labour Conference, Report IV(1), 27th Session, Montreal, 1945, p. 59.

<sup>18</sup> These reflections were backed up by a series of reports that marked a milestone in the acknowledgement of the ILO’s role – ILO: *Constitutional questions*, Report IV, Part I: Reports of the Delegation of the Conference for Constitutional Questions, International Labour Conference, 27th Session, Montreal 1945; *Constitutional questions*, Report II, Part I: Reports of the Conference Delegation on Constitutional Questions, International Labour Conference, 29th Session, Montreal, 1946. See also: E. B. Haas, *Beyond the Nation-State: Functionalism and International Organization* (Stanford, Stanford University Press, 1964) pp. 161–166.

<sup>19</sup> It is estimated that today there are nearly 300 international global and regional organizations and nearly 40 systems to settle institutionalized differences that now address “virtually every field of human endeavour, including matters once regarded as exclusively subject to national law”; J.A. Alvarez: “International organizations: Then and now,” in *AJIL*, No. 100, Apr. 2006, p. 325.

<sup>20</sup> It should be borne in mind that the ILO’s mandate, as defined at the outset and then spelled out in the Declaration of Philadelphia, is wide. As stressed in Report IV(1) of 1945 (The relationship of the I.L.O. to other international bodies, p. 44), “its competence indeed was intended to be ‘comprehensive’ and its Constitution would seem to be sufficiently flexible to allow of an almost unlimited extension of the tasks or activities entrusted to it by Member States”. The same report noted a little further in the text (p. 60) that the ILO “cannot, consistently with the proper discharge of the broad responsibilities which have been entrusted to it, be in the world but not of it” and that, consequently, a sine qua non condition of its vitality and effectiveness would be to maintain “daily and intimate contact with all parts of the intricate machinery through which international policies with social repercussions are formulated and applied”. That being said, the risk that the ILO might be incapable – on account, among other things, of its inadequate resources – of fulfilling its mandate is far more serious than that of it being overtaken. It should therefore suffice to specify that, confronted with possible interferences or contradictions linked to the new role assumed by certain actors, the priority approach should be to maintain the ILO’s capacity to fulfil its core mandate and to help its Members implement its strategic objectives, rather than encroaching upon the field of competence of others.

## 1. What objectives?

110. The topic of “policy coherence” is of special relevance to the ILO because its goal of Decent Work for all intersects with the goals of several other organizations, as was recognized in the ECOSOC 2006 Ministerial Declaration. The debate provides a unique opportunity to try to dispel certain possible misconceptions, both within and outside the ILO, and to involve other organizations in a more specific way in the ILO’s efforts – or, at least, to raise their interest as much as possible.

### (i) *Protecting and enhancing its core mandate*

111. This objective concerns in particular the recognition given to fundamental rights. The report of the World Commission insisted that all the relevant institutions should assume their responsibility and “ensure that no aspect of their policies or programmes impedes implementation of fundamental principles and rights”.<sup>21</sup>

112. Although the principle seems straightforward, its implementation is more difficult. The relevant organizations are justifiably concerned about respecting their own constitutional mandate – and the latter might either contain nothing on the matter or sometimes contain prescriptions that leave no room for broader considerations. This for example is one’s first impression when reading Article IV,<sup>22</sup> section X of the World Bank Articles of Agreement, which states that “only economic considerations shall be relevant to their decisions ...”.<sup>23</sup>

113. Acknowledgment that the infringement of fundamental rights might undermine economic efficiency has, however, paved the way for a better mutual understanding, and even cooperation, with respect to the elimination of child labour, forced labour and discrimination. In these areas, the organizations concerned have developed principles and activities that are closely akin to or support ILO action.<sup>24</sup> There are nonetheless some “grey areas” where further clarification still seems necessary, particularly regarding the promotion of freedom of association and collective bargaining. Notable progress has been made in the cases of the International Finance Corporation (IFC), with

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<sup>21</sup> ILO: *A fair globalization: Creating opportunities for all*, report of the World Commission on the Social Dimension of Globalization, International Labour Conference, 92nd Session, Geneva, 2004, para. 426.

<sup>22</sup> According to an authorized interpretation, this provision is aimed at excluding considerations of a political nature. See I. Shihata: *The World Bank in a changing world* (Dordrecht, Martinus Nijhoff Publishers, 1999) p. 104.

<sup>23</sup> Other regional development banks have similar provisions in their constituent instruments: Inter-American Development Bank, Articles of Agreement, Article VIII: Section 5(f) “The Bank, its officers and employees shall not interfere in the political affairs of any member, nor shall they be influenced in their decisions by the political character of the member or members concerned. *Only economic considerations shall be relevant to their decisions*, and these considerations shall be weighed impartially in order to achieve the purpose and functions stated in Article I (emphasis added)”; Agreement establishing the African Development Bank, Article 38(2) “The Bank, its President, Vice-Presidents, officers and staff shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member concerned. *Only economic considerations shall be relevant to their decisions*. Such considerations shall be weighed impartially in order to achieve and carry out the functions of the Bank (emphasis added)”; Agreement establishing the Asian Development Bank, Article 36(2) “The Bank, its President, Vice-President(s), officers and staff shall not interfere in the political affairs of any member, nor shall they be influenced in their decisions by the political character of the member concerned. *Only economic considerations shall be relevant to their decisions*. Such considerations shall be weighed impartially in order to achieve and carry out the purpose and functions of the Bank (emphasis added).”

<sup>24</sup> ILO: *The end of child labour: Within reach*, Report I(B), International Labour Conference, 95th Session, 2006, paras 137, 264, 284, 323, 339; ILO: *A global alliance against forced labour*, Report I(B), International Labour Conference, 93rd Session, 2005, para. 310; ILO: *Time for equality at work*, Report I(B), International Labour Conference, 91st Session, 2003, para. 43.

the adoption of its “Performance Standards on Social and Environmental Sustainability”, and the ADB – the latter even more significant because it deals with governments.<sup>25</sup>

114. The World Bank has itself drawn up a “tool kit”, after consultations with the ILO, acknowledging that labour standards are important factors of development: “(the) application and promotion of the standards are more controversial for the World Bank. Freedom of association applies to both employers and workers and has political as well as economic dimensions”.<sup>26</sup> This shows the importance of continuing the dialogue – and not relying solely on the secretariats to understand and consolidate these developments. Without prejudging the modalities of such a dialogue – to be dealt with in Chapter 5 – it would seem particularly important that the methodology and outcome<sup>27</sup> of empirical research designed to evaluate the anti-economic bias attributed to trade unionism and collective bargaining, should be the object of much dialogue with those concerned. It is significant that although this issue has prompted various documents and discussions, particularly in the Working Group on the Social Dimension of Globalization,<sup>28</sup> it has not actually brought about a dialogue between the institutions as such.

(ii) *Optimizing common objectives*

115. It is significant that, generally speaking (subject to the abovementioned case of the World Bank), the constituent charters of organizations competent in economic, financial and trade matters do not present the specific objectives they set as being an end in themselves. The relevant provisions in the preambles refer to much broader objectives such as employment or full employment, raising living standards and sometimes even wages.

116. It is obviously not for one international organization to say how the objectives of another should be influenced by its own strategic objectives – and even less to volunteer its own interpretation of their respective constitutional mandates. This being said, there are at least two points that can be made without giving the impression of undue interference.

<sup>25</sup> See, later in the text, box 4.3: Developments in the promotion of ILO standards by the international financial institutions.

<sup>26</sup> (Step 1) Core Labour Standards Toolkit; the Toolkit was devised to help examine labour standards-related issues. Yet, the document clearly states, “Compliance with CLS *is not* a condition for lending or technical assistance in client countries (Step 1).” Access the Toolkit at: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTLM/0,,contentMDK:20224298~menuPK:584854~pagePK:148956~piPK:216618~theSitePK:390615,00.html>.

<sup>27</sup> It would appear essential to make a dual distinction: on the one hand, between the principle in question and the modalities for its implementation, that may vary considerably from one country to another; and on the other hand, between the impact of these fundamental rights in the short term (taking into account their immediate costs) and the long term, considering their benefits particularly from the standpoint of institutional stability, reliability of law and industrial relations.

<sup>28</sup> See document submitted in November 2000 to the Working Party on the Social Dimension of Globalization (GB.279/WP/SDG/2), which followed a study commissioned by the World Bank (T. Aidt, S. Schlemmer-Schulte and S. Tzannatos, Jan. 2000, World Bank).

**Box 4.2**

**Extracts from the founding documents of the World Bank, IMF and WTO**

*World Bank (IBRD) Articles of Agreement, Article 1 – Purposes*

- (iii) To promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment for the development of the productive resources of members, thereby assisting in *raising productivity, the standard of living and conditions of labour in their territories* (emphasis added).

*IMF Articles of Agreement, Article 1 – Purposes*

- (ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to *the promotion and maintenance of high levels of employment and real income* and to the development of the productive resources of all members as primary objectives of economic policy (emphasis added).

*Agreement establishing the WTO – Preamble*

Recognizing that their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring **full employment** and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development (emphasis added).

117. First, the inclusion of these objectives in constituent charters is important to considerations of how to interpret and develop the means of action of international organizations. Reference to preambular social objectives can help conciliate disputes over differing economic policy approaches to the same goal. For example, the Preamble of the WTO Charter is playing an increasing role in the jurisprudence of the Dispute Settlement Body (DSB) to give meaning to its specific provisions.<sup>29</sup>

118. Second, even if the organizations concerned were not inclined to take a broader approach to their mandate, this would not justify their objecting to Members themselves taking a broader and more integrated approach or placing obstacles in their way. Indeed, it would seem consistent with the long-term interests of these organizations, if States improved their capacity to implement a coherent economic and social policy, with a view to creating an overall climate of security and predictability, as well as relieving protectionist pressures.

**2. By what method?**

119. Following on from the observations of the World Commission, it seems desirable that international organizations should not interpret or apply their individual mandates in such a way as to force Members to be at variance with engagements made in another organization. This is perhaps more a matter of common sense and international courtesy

<sup>29</sup> Including exceptions and perhaps one day safety clauses or clauses applying to situations of non-violation. The WTO non-violation complaint is stipulated by GATT Article XXIII(1): “If any contracting party should consider that any benefit accruing to it directly or indirectly under this agreement is being *nullified or impaired* or that the attainment of any objective of the Agreement is impeded as a result of (b) the application by another contracting party of any measure whether or not it conflicts with the provisions of this Agreement.” See C. Larouer: “WTO non-violation complaints: A misunderstood remedy in the WTO dispute settlement system”, in *NILR*, LIII: 97–126, 2006.

than a matter of hard international law; but there seem to be three avenues of action that could be explored as part of a possible ILO policy in this area.

### Box 4.3

#### Developments in the promotion of ILO standards by the international financial institutions

The international financial institutions (IFIs) have traditionally adopted a cautious attitude to international labour standards. However recently the IFC and the ADB have adopted binding policy statements on ILO core labour standards (CLS). In September 2001, the ADB adopted its Social Protection Strategy of which the adherence to the internationally recognized CLS forms an integral part. On 21 February 2006, the IFC adopted Performance Standards and Guidance Notes on environmental and social sustainability, which include a commitment to apply ILO CLS in relations with private clients of the IFC.

IFC Performance Standards 2 on Labour and Working Conditions draws on the eight fundamental ILO Conventions and adequately reflects the ILO understanding of CLS. Apart from the client's obligation to comply with national law in countries where workers' right to freedom of association and collective bargaining is recognized, the Performance Standard also mandates that in countries where this is not the case and workers' organizations are restricted, "the client will enable alternative means for workers to express their grievances and protect their rights regarding working conditions and terms of employment". "In either case the client will not discourage workers from forming or joining workers' organizations of their choosing or from bargaining collectively, and will not discriminate or retaliate against workers who participate, or seek to participate in such organizations and bargain collectively." (International Finance Corporation's Performance Standards on Social and Environmental Sustainability, 30 April 2006, p. 8)

A further noteworthy initiative is the Equator Principles, which establish "a financial industry benchmark for determining, assessing and managing environmental and social risk in project financing" and state that IFC Performance Standards are applicable for projects in developing countries. The principles have been adopted so far by 41 financial institutions from 16 countries, operating in over 100 countries, thereby covering 80 per cent of project finance funds worldwide (<http://www.equator-principles.com/>).

According to the jointly drafted (ADB-ILO) *Core Labour Standards Handbook* "the core standards on freedom of association and the effective recognition of the right to collective bargaining have often been considered by IFIs to be more controversial than other CLS. The reason for this in ADB comes from its Charter: Article 36 states that "the Bank, its President, Vice-President(s), officers, and staff shall not interfere in the political affairs of any member ...". However, at the same time, the ADB is committed to comply with all CLS in its lending activities based on sound economic considerations (paragraph 123). Although the World Bank is saddled with a similar provision in its constituent instrument (Articles of Agreement, International Bank for Reconstruction and Development, Article IV, section 10, and International Development Association, Article V, section 6), it does not have such an overriding commitment as the ADB or IFC (the same is true for the other development banks: Inter-American Development Bank (IDB), the European Bank for Reconstruction and Development (EBRD), and the African Development Bank (AfDB).

120. First, the Members themselves should be more consistent in ensuring that commitments made in one organization are not forgotten in others. This is part of good governance, the importance of which the recent ECOSOC Ministerial Declaration stressed both at the international level (paragraph 16) and the national level (paragraph 17).

121. Second, the possibility of carrying out joint ventures on subjects of common interest could and should be further developed. At the technical level, research projects on employment are already being carried out in cooperation with other organizations, including the recent successful joint study carried out with the WTO.<sup>30</sup> It may be hoped that this cooperation will, in the initial stages, foster a better mutual understanding at the technical level and possibly lead on to a policy understanding concerning the priority to be given to employment in the fight against poverty and, more generally, the importance of strengthening States' capacity to carry out a coherent social and economic policy.<sup>31</sup>

122. Third, there must be increased dialogue, as already mentioned with reference to freedom of association and financial institutions, to ensure that organizations take more interest in, and understand better, the need for a strengthening of the States' capacity to conduct a social policy to promote their own objectives. The ILO is in a unique position in this regard, as dialogue is so embedded in its philosophy and action that it can be extended to other organizations. Thus, all the organizations concerned have the opportunity to be present at the discussion of this Report at the International Labour Conference in 2007. They should be encouraged to participate actively in the debate and express their points of view and possible concerns.

### C. Reinforcing the role of States in partnership with other actors

123. Governments of member States have primary responsibility for the development and adoption of a coherent social policy that effectively promotes Decent Work and ultimately advances social justice for all. However, the State and public sector authorities cannot fully discharge their responsibilities without the active cooperation of private sector and non-state actors who stand to benefit from economic and social progress – whether individuals, families, businesses from local to multinational, trade unions, cooperatives or civil society.

124. With the rise in the influence and reach of such private and non-state actors, a key question with respect to the ILO's future capacity to advance its objectives is how to promote such cooperation so as to contribute to the strengthening of state capacity to discharge its responsibilities, rather than weakening it or seeking substitutes.

125. The imbalance between the inadequate capacity or unwillingness of certain States to assume efficiently their social responsibilities, on the one hand, and the strength of some of the actors in question, on the other, cannot but fuel the temptation to shift some of the burden onto them. The development of mechanisms to promote corporate social responsibility (CSR) can make an important contribution to remedying the consequences of States' institutional weaknesses. However, this has led in some quarters to the perception that it diminishes the need for strong state institutions, while the inherent limits or alleged shortcomings of CSR have prompted others increasingly to argue that

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<sup>30</sup> M. Jansen and E. Lee: *Trade and employment: Challenges for policy research*, a joint study of the International Labour Office and the Secretariat of the World Trade Organization, 2007.

<sup>31</sup> It is once again significant that the ECOSOC Ministerial Declaration contains, in paragraph 19, a specific invitation on this issue to "the international community, including the international financial institutions and the International Labour Organization, to work together to assist, as appropriate and upon request, the developing countries, in their efforts" (to devise policies that enable them to pursue both economic efficiency and social security ...) 5 July 2006, E/2006/L.8.

multinational companies should be subject either to the extra-territorial application of national legislation or directly to obligations under international law.<sup>32</sup>

126. The employers, through the International Organisation of Employers (IOE), have made it quite clear that while all enterprises – national or transnational – undoubtedly wish to be good citizens, there can be no question of their assuming responsibilities proper to the State.<sup>33</sup> The Programme of the ITUC, adopted by its founding Congress, clearly states that “Corporate Social Responsibility must not be permitted to be used as a substitute for the proper role of government and of trade unions. The ITUC should assume a lead role in public policy debate on CSR with the purpose of ensuring that such initiatives complement regulation and collective bargaining and agreements. National labour inspection systems are an integral part of such regulation and need to be strengthened.”<sup>34</sup>

127. The global social partners, although starting from different perspectives, thus seem to be heading towards a similar conclusion that concrete efforts to address the root causes of the weakness of the State’s institutional capacity are needed in order to provide a sound framework for the actions of non-state actors. International business as well as unions have much to gain from legal predictability and stability in industrial relations, which is also contingent upon the State’s ability to discharge its functions.

128. It is thus in the interest of business to support the ILO’s efforts to help its member States better to fulfil their responsibilities in the field of social progress. This might be done through DWCPs and through the follow-up to the ILO’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).

129. The first way in which these enterprises could demonstrate their commitment towards strengthening States’ institutional capacity could be to participate in an appropriate way in funding relevant technical cooperation projects through the IOE, within the framework of DWCPs. The latter could, and should, contain a section on strengthening States’ institutional capacity to implement its strategic objectives to cover the population as a whole, not only the workers concerned (acknowledging that these are probably the least worst off), for instance in the area of labour inspection. Significantly, at its meeting in November 2006, the Governing Body’s Subcommittee on Multinational Enterprises endorsed the proposal of the Employer Vice-Chairperson to prepare a work programme which, in addition to giving advice to MNEs on the realization of international labour standards, could identify opportunities for public/private partnerships for inspection and enforcement.<sup>35</sup> Of course, contributions of this nature,

<sup>32</sup> This issue is the subject of ongoing discussions within the United Nations Sub-Commission of the Promotion and Protection of Human Rights, the latest development of which is an interim report by Special Rapporteur, Mr Ruggie, Economic and Social Council: *Promotion and protection of human rights: Interim report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises*, 22 Feb. 2006, E/CN.4/2006/97.

<sup>33</sup> It is relevant to note a number of quotations from the IOE document (*The role of business in society*, adopted by the General Council in May 2005): “The IOE believes that meeting the obligation of legal compliance should in itself be enough”; “The main problem in many developing countries is poor enforcement of the law”; “It is important to realise that governments have a clear role in society, through the provision of certain services, such as health and education; redistribution of wealth; as guarantor of security, and others. At times, however, where governments fail or are unable to fulfil their role, enterprises may consider it makes good business sense to play a part in filling the gap through voluntary CSR initiatives. But there are limits to what any business can achieve through CSR”; “However, enterprises should not seek or be expected to replace the state or local authorities.”

<sup>34</sup> International Trade Union Confederation Programme, Founding Congress, Vienna, 1–3 November 2006.

<sup>35</sup> ILO: *Report of the Subcommittee on Multinational Enterprises*, Governing Body, Nov. 2006, Geneva, GB.297/13, paras 6–8.



whether in the form of partnerships or project funding, should meet all the necessary legal guarantees. The subject of public–private partnerships has recently been considered by the Conference and in the Governing Body.<sup>36</sup>

130. The second approach concerns improving the knowledge base and conducting an empirical analysis of the contribution MNEs actually make to the social policy of the country in which they operate. Again, the term “social policy” appears in the very title of the MNE Declaration which encourages these enterprises to engage in partnership with member States and employers’ and workers’ organizations and seek social coherence around the principles and values of the ILO.

131. The MNE Declaration remains an extremely valuable global tripartite text with considerable potential as an agenda for dialogue. Without changing its follow-up mechanism, the Governing Body could invite those enterprises that might express an interest, to be associated in a concrete study of their contribution to “social policy”, as understood in this text. This would help them to obtain on a voluntary basis a better empirical knowledge and understanding of the principles guiding their action in this area and of their contribution to the realization of social policy objectives in the host States and States of origin. It would obviously be up to the competent committee of the Governing Body to explore this avenue more in depth if it excites interest at the Conference. National employers’ and workers’ organizations interested in the matter should also participate in such an exercise.

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<sup>36</sup> ILO: *Provisional Record* No. 19, International Labour Conference, 95th Session (conclusions, para. 16), Geneva, 2006.

## Chapter 5

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### Moving forward

132. From the beginning of the discussions on the inclusion of this item on the Conference agenda, it has been considered that it might result in the adoption of an “authoritative document”. This term was chosen to:

- avoid prejudging the form that the outcome of the 2007 discussions might take, or might take later;
- underline that – unlike previous discussions on Decent Work and globalization, based on the Director-General’s Reports to the Conference, which then had follow-up in relevant programme and budget decisions – it would allow the Conference, within the framework of an item formally included in the agenda, to have the opportunity to express the collective view of Members; and
- express the understanding that for statutory reasons there was no question that these views could take the form of a standard in 2007.

133. The questions raised by the use of this term show the need to distinguish clearly between two aspects: on the one hand, the possibility of reaching agreement on a number of specific actions and reforms on the basis of the ideas expressed in the report, irrespective of the form such agreement might ultimately take; and on the other hand, whether it is appropriate for the Organization to express its views in the form of a standard or another form of authoritative document.

134. To move forward, there is a need to identify: first, which among the reforms or streamlining referred to in the previous chapters may call for the adoption of an “authoritative document” and those that could be done without it; second, which considerations or parameters might, when the time comes, be relevant to the choice of the form of a possible “authoritative document”.

#### A. Statutory framework of the possible governance reforms

##### 1. Governance improvements that could be introduced irrespective of the adoption of an “authoritative document”

135. The system of cyclical overviews of trends and needs related to each of the strategic objectives, as outlined in Chapter 2, has considerable potential for streamlining practices and working methods, especially those related to establishing the Conference agenda. It might be feasible to introduce this, at least as an experiment, on the basis of ad hoc decisions by the Governing Body in the exercise of its constitutional responsibilities.

136. It is up to the Governing Body to set the Conference agenda. It could, in principle, decide that one of the agenda items should henceforth be devoted to the examination of

each of the objectives, in turn, and have the status of a technical agenda item (unlike other types of recurring items such as the application of standards), so that the Conference might adopt conclusions on the matter.

137. Similarly, it is up to the Governing Body to decide on the modalities of implementation of the reports under article 19(5)(e) and (6)(d), of the Constitution (i.e. “General Surveys”). Here again, it could decide that, in the future, these reports should be articulated around objectives, or sub-objectives, upon which emphasis would be placed.

138. Given that the Committee on the Application of Standards, under article 7 of the Standing Orders of the Conference, is competent to examine General Surveys, such action under article 19 is feasible. The decision of whether the General Surveys should continue to pass through the Committee on the Application of Standards before being formally submitted, with any comments the latter might make, to the Conference Committee established for cyclical reviews, or whether another formula should be found, might be taken up subsequently in the light of experience. Any necessary statutory amendments might then be made, as appropriate.

139. This also applies, to a large extent, to various aspects of the improvement of governance with respect to the promotion of more integrated implementation of strategic objectives, covered in Chapter 3. Ways in which the ILO may help its constituents harness their efforts more effectively by establishing an integrated Decent Work policy or work programmes, may be found within the Governing Body. This can be done by virtue of its authority, long acknowledged in practice, to set up committees (other than the Programme, Financial and Administrative Committee (PFAC)) for a more efficient discharge of its constitutional mandate.

140. As mentioned earlier, the country studies were entrusted to the Working Group on the Social Dimension of Globalization because of the procedural flexibility provided by this body and the fact that individuals or organizations outside the categories authorized to take the floor in the Governing Body or its Committees were allowed to participate. If agreement cannot be reached to go as far as a system of peer review of integrated Decent Work policy, which may call for the adoption of a more formal instrument, the Governing Body could launch, on an ad hoc basis, a series of country studies based on the voluntary participation of the countries concerned. These would, over and above the impact of globalization on the attainment of social objectives, shed light on the interaction of efforts to implement, or not, the various social objectives and the attempts to promote sustainable economic development.

141. The same observation could apply a fortiori to streamlining the institutional framework with a view to ensuring greater coherence and consistency in the development of DWCPs and developing procedures to evaluate their impact, so as to draw lessons for future action, mobilize more effectively the interest and support of donors and assure alignment with programme objectives set for the use of regular budget resources.

## 2. Value added of a possible “authoritative document”

142. Strengthening the ILO’s capacity is not only a matter of reforms or the streamlining of its practices; it is also contingent to a very great extent upon the standing of the Organization’s activities and message in the outside world. From this perspective, the adoption of an authoritative document could encourage Members to develop an

integrated policy<sup>1</sup> which would represent an added value from several points of view: consolidation of the status of Decent Work within the Organization; underlining the active part the ILO is willing to continue to play in the reform of the United Nations system; and increased support of public opinion, itself linked to the resolve of Members to rely on the ILO in its attempts to promote effectively the social dimension of globalization. But it could also be necessary from a legal point of view to provide a basis for some form of follow-up, such as a policy review system.

(i) *Opportunity to consolidate the status of Decent Work*

143. As already noted, the concept of Decent Work has met with great success outside the ILO, as witnessed by so many official statements made by other organizations, particularly paragraph 47 of the text adopted by the United Nations World Summit of Heads of State and Government on 15 September 2005, and the many references in the recent ECOSOC Ministerial Declaration in July 2006. In so far as the ILO is concerned, the Director-General proposed that the concept, based on the four strategic objectives, be incorporated into the Programme and Budget for 2000–01 as a way of focusing the institution's activities on the core mandate – and as the foundation of strategic budgeting. This was approved in 1999 by the Governing Body and the International Labour Conference. Subsequently, it has been extensively referred to in all types of discussions within the ILO (in particular budgetary proposals and discussions). It was also debated in the plenary sessions of the Conference in 1999 and 2001 in the context of the Director-General's theme Reports of those years, and mentioned on many occasions in other years. It would seem natural that given the backing for the Decent Work concept, both within and outside the Organization, it should now receive an explicit institutional status within the framework of the Organization and its constitutional objectives. A document adopted in the framework of a specific item on the agenda after appropriate discussion would allow the International Labour Conference to fill this gap by expressing formally the position of the ILO as an organization on the matter. As argued earlier, this does not involve defining its content but rather clarifying the added value it represents as an integrated method to implement existing objectives more effectively.

144. To make this added value more readily intelligible, a possible illustration of what such an “authoritative document” could look like is provided in Appendix I. This is one among many possibilities<sup>2</sup> and is intended to offer an illustration of a means of organizing the many concepts associated with the aim of strengthening the capacities of the ILO into a single short text, without prejudging any subsequent decision the tripartite constituents might take.

(ii) *Expressing a new resolve for Members*

145. A new authoritative document would highlight the renewed conviction and commitment to the relevance of the ILO's approach to implement its objectives in the context of globalization. Such an authoritative document should, inter alia, provide an opportunity, as the Workers proposed in March 2006, to stress that in order to take full advantage of the opportunities for progress provided by globalization to attain the objectives laid down in the Constitution, deliberate and persevering efforts must continue to be made on a tripartite basis, taking into account national possibilities within the framework of a development policy.

<sup>1</sup> Taking into account both the interdependency and synergies between objectives and their capacity as well as the preferences of the social partners.

<sup>2</sup> It may thus be felt that the formulation of the various objectives contained in the Declaration of Philadelphia could be expanded to take into account more recently agreed developments.

146. The fact that this message would express the consensus of an assembly that has the unique characteristic of gathering in its midst all governments and the representatives of the two major groups of actors in the productive economy, could surely give to it the potential to make a powerful impact on decision-makers and public opinion. This does not mean that the message needs to be long. A series of concrete steps may be more eloquent than a long declaration to convince leaders and public opinion of the significance of the Organization's new resolve. Thus, the significance could be adequately underlined in the opening provisions of the document as illustrated in Appendix I.

(iii) *Sending a signal in the framework of United Nations reform*

147. The reforms to put in place "One United Nations" have gathered pace and there is a broad consensus on the need for greater policy convergence among United Nations funds, programmes and agencies as well as enhanced inter-agency cooperation in implementation and harmonization of processes, particularly in countries. In this context, the moment would seem auspicious for the ILO to declare its efforts and determination to increase its own effectiveness by streamlining its activities and harnessing its means of action to attain objectives – recognized as relevant throughout the entire United Nations system.<sup>3</sup>

148. The fact that in the wake of the Ministerial Declaration of the Economic and Social Council,<sup>4</sup> the oldest of the specialized agencies manifests its will and capacity to reform itself, confronted with changing circumstances, and to streamline its operations around a clear objective that is integrated, both at the local level (in the form of DWCPs) and the global level, would be of great symbolic significance for the entire system. Stressing the vital contribution that Decent Work would make towards attaining the MDGs, especially the eradication of poverty, would send out a very strong signal indeed.

149. A significant institutional implication of the authoritative statement would be that the ILO, having launched the concept of Decent Work and received global support for it, would in a certain sense retain the "trademark" and frame its meaning for use in other contexts. In this respect, the Chief Executives' Board has recently approved (April 2007) a tool kit prepared by the ILO in connection with other agencies to assess their own policies in the light of the four strategic objectives of the Decent Work Agenda as a follow-up to the General Assembly and ECOSOC decision of 2005 and 2006.

(iv) *The support of public opinion*

150. Although the ILO has done much during the past few years to improve its standing and influence within the multilateral system and regional bodies, in particular through its efforts to centre its activities around four strategic objectives and the concept of Decent Work, it does not have a high public profile in many countries. A self-critical examination of the reasons for the lack of awareness of the achievements and potential

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<sup>3</sup> The report of the United Nations Secretary-General's High-Level Panel on UN system-wide coherence in the areas of development, humanitarian assistance and the environment, "Delivering as one", is the latest effort to generate reform. Earlier movement in this direction started in 1997 with the Secretary-General's Report: *Renewing the United Nations: A programme for reform* (A/51/950), approved by the General Assembly (A/RES/52/12). See also the *United Nations Millennium Declaration* (2000) (A/RES/55/2), The Secretary-General's Report: *Strengthening of the United Nations system: An agenda for future change* (A/57/387) (2002); the Secretary-General's Report: *In larger freedom* (2005), and the *2005 World Summit Outcome* (adopted by the General Assembly: A/RES/60/1). See for recent developments (2006): the setting up of the *Human Rights Council* (A/RES/60/251) and the Secretary-General's Report: *Investing in the United Nations for a stronger Organization worldwide*, on the Secretariat's management, approved by the General Assembly (A/RES/60/283).

<sup>4</sup> ECOSOC Ministerial Declaration, op. cit.

of the ILO might include the way in which its mission had over the years become segmented into a large number of relatively small and specialized activities not well connected to each other. Although this tendency was reversed initially by the 1995 Social Summit and subsequently by the adoption of the Declaration in 1998 and the Decent Work Agenda, recovering public visibility and recognition takes many years of determined effort.

151. The adoption of an authoritative document would create a valuable opportunity to accelerate this process of building a global profile and thus make an important contribution to strengthening the ILO's capacity. Efforts to strengthen the ILO's institutional capacity require strong public support if they are to bear fruit. A better understanding of the increased relevance of the Organization's *raison d'être* in the present context, including the importance of its tripartite approach, amongst the general public, holds the potential of generating increased political, technical and financial support. Experience with globalization has demonstrated to many that there is no miracle or absolute solution to the risks and potential it represents, but rather a need for constant efforts based on tripartite dialogue to guarantee this progress for the sustainable development of each country. Decent Work is the strategic tool to attain this objective. An "authoritative document" could help the ILO capitalize upon the efforts of consolidation and integration that are showing already their institutional value.

(v) *Providing a basis for a policy review mechanism*

152. A system of country studies based on the voluntary tripartite participation of the Members concerned could, in the light of the previous experience of the country studies on the social dimension of globalization, be established by an ad hoc decision of the Governing Body. Such studies would promote a better empirical understanding of synergies between the various strategic objectives. But it is important to maintain a clear distinction between empirical understanding, which may help in the cross fertilization of experiences and solutions, and advocacy, which is about encouraging more proactively Members to follow a recommended course towards an integrated policy and which implies some form of normative guidance and support within their national priorities. In the light of this distinction, it would appear that the establishment of any form of policy review or peer review mechanism that would seek, not only to encourage Members to follow a Decent Work policy, but to create a framework in which they would have an opportunity to mutually review and support their efforts, would require some sort of normative framework.

153. Whether such a framework could be provided only through a binding instrument on the lines of the treaty-based model of the WTO Trade Policy Review Mechanism or could still be envisaged as part of a non-binding instrument like a Recommendation, is a matter which need not be addressed at this stage. It may however be interesting to note two points in this connection. The first is that the Social Policy in Dependent Territories Recommendation, 1944 (No. 70) (withdrawn), which paved the way for Convention No. 117, did contain an interesting form of integrated policy follow-up under its Article 3.<sup>5</sup> The second is that if the authoritative document was ultimately to take the form of a promotional non-binding text of universal application, this would not rule out

<sup>5</sup> Article 3: "Each Member of the Organisation should, if it approves this Recommendation, notify the Director of the International Labour Office of its acceptance of the general principles set forth in Part I of the Annex; should communicate to the Director at the earliest possible date particulars of the action taken to make effective the minimum standards set forth in Part II of the Annex in respect of each dependent territory for which the Member in question is responsible; and thereafter should report to the International Labour Office from time to time, as requested by the Governing Body, concerning the action taken to give effect to the Recommendation."

the parallel establishment of a conventional or treaty-based solution for those Members that would be willing to go further and voluntarily participate in such policy review, and accept both the constraints – but possibly also the mutual rewards that could be attached to such participation.

## B. The possible forms an “authoritative document” might take and the differences between them

### 1. Possible options for 2007

154. It is important to recall two vital considerations to put into perspective the issue of the possible forms an “authoritative document” might take.

155. The first is that the subject of this Report has been placed on the agenda of the 2007 Conference with a view to a general discussion. This legal framework provides for a debate that usually results in the adoption of a text, either in the form of conclusions, a resolution or even a “Declaration”. It does not, however, allow for the adoption of a standard-setting instrument in the strict sense of the term (Convention or Recommendation), which would require that the matter be brought before the Conference specifically for this purpose, either at its session in 2008 or a later session. Although it was noted during the consultations that this option could not be excluded, it was also made very clear that this could only happen if there was an appropriate consensus on the matter during the 2007 debate. Without wishing to pre-empt the outcome, it appears relevant to recall the main parameters of choice between conclusions, a resolution or a Declaration.

156. The difference between conclusions and a resolution is not clearly defined. In ILO practice, it may be said that, *grosso modo*, conclusions reflect the outcome of an exchange of views on the subject as a whole, while a resolution usually reflects the outcome of an exchange of views on a particular aspect of the subject under discussion, on the basis of a text submitted by one or several members of the Committee – in accordance with Article 63 of the Standing Orders of the Conference.<sup>6</sup> This difference does not, however, establish any sort of hierarchy between the two types of texts from a legal standpoint.

157. The form of a Declaration is much more exceptional. In 1998, Report VII to the Conference containing the draft Declaration on Fundamental Principles and Rights at Work, recalled that, on the basis of ILO and United Nations practice, a Declaration may be defined as a “formal and solemn instrument suitable for rare occasions when principles of lasting importance are being enunciated”.<sup>7</sup> The various ILO Declarations to date (Philadelphia, Equality of Opportunity of Women Workers,<sup>8</sup> Apartheid, Fundamental Principles and Rights) have all been adopted within the framework of a formal agenda item for general discussion. The Declaration of Philadelphia is a case apart because, after being adopted in 1944 within the framework of a formal

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<sup>6</sup> Notwithstanding that under article 15 of the Standing Orders, a resolution can be introduced in the Plenary itself.

<sup>7</sup> ILO: *Consideration of a possible Declaration of principles of the International Labour Organization concerning fundamental rights and its appropriate follow-up mechanism*, Report VII, International Labour Conference, 86th Session, Geneva, 1998 (Ch. III).

<sup>8</sup> However, this Declaration (1975), unlike the others, did not provide for any follow-up.

(non-standard-setting) item on the agenda, it was incorporated into the Constitution in the batch of constitutional amendments of 1946.<sup>9</sup>

158. As may be seen, nothing radically differentiates these various formulas from the standpoint of their legal scope. The difference has mostly to do with their respective political and symbolic importance. At this point, the question may be raised of the difference between any document adopted during a general discussion and a promotional standard-setting instrument.

## 2. Difference of legal scope between an authoritative document adopted within the framework of a general discussion and a possible standard-setting instrument (that could only be envisaged after 2007)

159. For the reasons mentioned earlier in the Report, the comparison will be made only between the legal scope of a document adopted following a general discussion, in the form of conclusions, a resolution or a Declaration, and the non-binding form of a standard-setting instrument – such as an international labour Recommendation.

160. The main difference lies in the fact that the legal nature of a Recommendation, as well as its repercussions, are very clearly defined and do not lend themselves to any further discussion, whereas the legal scope of a Declaration, such as that of 1998, allows the possibility of a debate – and still raised questions as late as on the occasion of the Maritime Conference in 2006. This legal status, which is based on an adoption procedure containing the constitutional requirement of a two-thirds majority (whereas the adoption of a Declaration is theoretically possible with a simple majority, even though from a political standpoint this probability appears unlikely), means that a Recommendation must always be considered as having precedence over a text adopted during a general discussion, whatever its nature. A Recommendation may therefore only be amended or withdrawn by another Recommendation or by a subsequent Convention adopted by the same majority. On the other hand, a subsequent standard-setting instrument could, theoretically, take precedence over conclusions, or even a Declaration adopted during a general discussion.

161. This conclusion needs, however, to be qualified: the fact that a Recommendation has a well-defined legal status means that its legal scope will not evolve over time, whatever its content. This is not necessarily the case of a text adopted with particular solemnity and by consensus in the form of a Declaration during a general discussion. Granted that the Conference is not expected to give an authentic interpretation of the Constitution, the practice set in motion by a Declaration may acquire the value of a real constitutional practice which acquires binding force on Members. The question of whether a text such as that of the 1998 Declaration was able to endow fundamental principles and rights with the status of *jus cogens* or general principles of law has been the subject of numerous speculations among experts – which we shall not dwell upon here.

162. The most striking difference in this matter of legal status has to do with the *practical obligations that ensue*.

<sup>9</sup> The 1998 Declaration is original in that it devotes a specific section to its follow-up.



### 3. Difference of practical consequences

163. In the case of a Recommendation these consequences are defined in the Constitution. This concerns their follow-up, to which Recommendations are, in principle, subjected under article 19 of the Constitution. Although non-binding, Recommendations nevertheless place a dual obligation on all Members: first, an obligation to bring the Recommendation before the competent authority (19.6(b)), that can pave the way for a “transformation” of its content in national legislation; second, the “residual” obligation, provided for under article 19.6(d), that obliges Members, in principle, to respond to requests from the Governing Body from time to time to “show the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation”.

164. Article 19.6(d), constitutes a remarkable tool which is perhaps not used to its full potential.<sup>10</sup> The opportunities existing in this article may very well be harnessed to a number of reforms envisaged in this Report, without necessarily calling upon the adoption of a new instrument. For instance, the Governing Body might make use of the very wide scope it is given under article 19, paragraphs 5(e) and 6(d), to obtain, for regular examinations, information concerning the instruments which are relevant to the objective under consideration (as it did *mutatis mutandis* in the framework of the follow-up to the Declaration).<sup>11</sup>

165. However, it is important to point out that if the choice should tend more towards a promotional standard-setting instrument in the form of a Recommendation, this option would not necessarily rule out the possibility of providing an ad hoc follow-up mechanism. It would be conceivable and perhaps advisable to build into the Recommendation itself ad hoc follow-up provisions to deal more adequately and effectively with the diverse range of issues covered.<sup>12</sup>

166. Attention should be drawn to a final practical aspect concerning the choice. As noted above, the standard-setting option would mean that there could be a delay in establishing an authoritative text before 2008. However, given the wide range and complexity of the subjects under consideration, alongside the need for a consensus, allowing more time than is available within the limited timeframe of a single session in 2007 may be advisable. Preliminary discussions held between the publication of this Report and its examination at the Conference could be extremely useful in preparing for expeditious discussions, but may not realistically be sufficient to enable the Conference to conclude its business in 2007.

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<sup>10</sup> This also applied to its variant “Convention” (article 19.5(e)) and its variant “Recommendation” (article 19.6(d)).

<sup>11</sup> That being said, it should be recalled that a standard-setting instrument, even if it is of a non-binding nature as in the case of a Recommendation, nevertheless makes it possible to establish a “peer review”, as a follow-up element inherent in a Recommendation – which is difficult to imagine in the case of a Declaration.

<sup>12</sup> Of particular relevance in this context, the Social Policy in Dependent Territories Recommendation, 1944 (No. 70), adopted two days after the Declaration of Philadelphia, provided that countries which accepted the Recommendation should communicate “particulars” concerning the action taken to make effective the standards, and thereafter should report to the ILO from time to time.

## Concluding remarks

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167. This Report has tried to provide some concrete elements to stimulate a reflection, which may be of a scope and significance unprecedented since the ILO's 1944 Philadelphia Conference. But it obviously does not claim to exhaust all aspects of a very rich subject.

168. Indeed, it is the very richness of the subject which may represent the main challenge if its discussion is to yield useful results for the effective strengthening of the ILO's institutional capacity. This can be achieved only if the discussion is sufficiently focused to provide the Office with clear guidance as regards reforms that would meet with the indispensable consensus, to which reference was made in the preface.

169. While it is a possibility that this discussion might spill over into a future session of the International Labour Conference, it is nevertheless imperative that such guidance is provided before embarking upon a new round of discussions.

170. There are four practical steps that may be of possible help in this respect:

- The first is Appendix I – to which reference has already been made in the Report. In the light of the various questions that have been raised over recent weeks, the Office has come to the conclusion that, in order to help focus the discussion, it would be important, by means of Appendix I, to help tripartite constituents “strategically” visualize its possible outcome(s) in the form of “building blocks”. It must be stressed, however, that this text does not seek to prejudge in any way the outcome of the discussions. It is simply designed to elicit reactions about what seem to be key (and complementary) governance reforms in order to crystallize those which may command the required consensus.
- The second is a possible list of questions (Appendix II) that could help the competent committee conduct its business in a coherent and expeditious manner. It is conceived as a bridge between the Report and possible outcomes as sketched out in Appendix I.
- The third step would be to use as productively as possible the time available between the publication of the Report and the Conference for further informal consultations within and among the groups concerned. It must be clear that in no case can such consultations prejudge or pre-empt future substantive discussions which are the sole prerogative of the Conference. But they could prove extremely useful to pave the way for a quick start to the committee's substantive work, without wasting the limited time available in procedural discussions.
- Finally, it is important to help focus the discussion to underline what is expected of the Conference – i.e. to provide guidance on the areas and reforms on which consensus could be developed. It is not expected to engage in the detailed discussion of the possible modalities of the reforms/actions, should such a consensus materialize. As reflected in Appendix I, it would rather be up to the Governing Body to draw in due course the consequences of such a consensus and to work out the modalities, according to which the agreed reforms or solutions could be implemented for the benefit of the Organization, its constituents and an ever-growing number of workers over its second century of existence.

# Appendix I

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## Sketch/building blocks for a possible “outcome document”

### Introduction

Possible references to:

- previous successful efforts by the ILO to strengthen its capacity to fulfil its mandate in changed circumstances (e.g. Declaration of Philadelphia, 1998 Declaration);
- importance of a more efficient ILO from the viewpoint of a sustainable globalization based on “a just share of the fruits of progress to all”;
- expectations raised by the Decent Work strategy as a key input for the achievement of the internationally agreed development goals, including the MDGs.

#### I. A possible objective: Encouraging Members to integrate their efforts into a coherent Decent Work policy

With a view to achieving greater efficiency and effectiveness in reconciling the objectives of social justice and sustainable development in the context of the new Millennium, ILO Members should endeavour to integrate their commitments and efforts to promote ILO objectives pursuant to the ILO Constitution into a comprehensive and coherent policy for Decent Work as follows.

#### A. Matters to be taken into consideration in the development of a Decent Work policy

- In establishing such a Decent Work policy, ILO Members should give due consideration to the specific objectives set forth in the Constitution (including its former article 41), the Declaration of Philadelphia and the 1998 Declaration on Fundamental Principles and Rights at Work, as they have been articulated around the four strategic objectives and spelled out in the corresponding ILO instruments.<sup>1</sup>

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<sup>1</sup> Such consideration should thus cover full and productive employment, fundamental principles and rights at work as “enabling rights”, occupational safety and health, measures to progressively provide social security in keeping with national possibilities and decent conditions of work.

**B. The manner in which the above matters could be addressed**

In order to maximize the impact of their efforts to address each of the above objectives, Members should:

- ❑ take into account the fact that these objectives are:
  - (i) of universal scope/applicability, irrespective of the status of the workers concerned;
  - (ii) complementary and interdependent, and should thus be promoted simultaneously to take full advantage of the synergies which exist between them, as well as with sustainable economic growth;
- ❑ remain free to determine the pace at which they can move towards the full realization of each of the said objectives, as well as the specific weight to be given to each of them, at any point in time taking into account national possibilities and collective preferences, as freely expressed through the representative organizations of those concerned, as envisaged below;
- ❑ take into account, in accordance with the ILO Constitution and the Declaration of Philadelphia, the necessary solidarity towards other Members in achieving these objectives and eradicating poverty;
- ❑ keep in mind the desirability of attaining, as a result and reflection of their efforts based on the above principles, a balanced record of ratification/implementation of ILO instruments.

**II. Concrete steps that could be taken towards the development of a Decent Work policy**

**A. By the ILO:**

Pursuant to the Organization's "solemn commitment" under the Declaration of Philadelphia, the ILO should:

- ❑ review at regular intervals, in the framework of a standing item on the agenda of the International Labour Conference, relevant trends and the actual needs of Members with respect to the strategic objectives with a view to: identifying – on the basis of tripartite discussions – relevant priorities for future actions; and optimizing the value and impact of the Organization's contribution to its Members' efforts to further these objectives through the mobilization of all relevant means of action and necessary budgetary resources;
- ❑ promote greater coherence in the achievement of Decent Work objectives and economic objectives through:
  - (i) a better empirical understanding of these synergies through the analysis and cross-fertilization of national experiences in full tripartite agreement and cooperation with the countries concerned within an appropriate institutional framework to be established by the Governing Body;
  - (ii) streamlining technical cooperation efforts to assist Members, who so require, to adopt a more consistent approach to the promotion of strategic objectives and develop an integrated Decent Work policy, including through DWCPs;
  - (iii) developing cooperation with other international organizations concerned in matters relevant to the fulfilment of their respective mandates and objectives in particular as regards employment, *inter alia*, by facilitating and encouraging them, through appropriate arrangements, to contribute actively to discussions and efforts designed to implement the objectives of the present document;
- ❑ assist, as appropriate or when requested, efforts designed to build greater solidarity in the pursuit of Decent Work objectives within and among Members;
- ❑ explore, through national and international employers' and workers' organizations, ways in which other resources, expertise and experience relevant to the strengthening of the ILO's capacity to provide useful guidance and concrete support to its Members could be mobilized.

B. By ILO Members:

In the light of the objectives and approach outlined above, ILO Members should, after appropriate consultations with representative organizations of employers and workers, consider:

- ❑ defining and adjusting at regular intervals, taking into account national possibilities and special characteristics, a Decent Work policy reflecting the above objectives and implementation principles;
- ❑ establishing, possibly with the ILO’s assistance, appropriate indicators to assess the progress and impact achieved through such a policy;
- ❑ developing appropriate mechanisms to ensure the necessary coherence between the said policy and actions/views taken on relevant issues by their duly authorized representatives in international bodies or meetings where they are represented;
- ❑ promoting, as appropriate, Decent Work objectives and considerations within the framework of multilateral, regional or other agreements to which they are parties, possibly with the ILO’s assistance.

III. Possible follow-up actions (subject to the nature and form of the possible outcome)

- ❑ The present document should be communicated to Members with a view to taking appropriate action under article 19.6(a)<sup>2</sup> of the Constitution and to ensure as wide a distribution as appropriate, taking account of the range of subjects covered and to report as appropriate below.
- ❑ The Office should ensure the dissemination of this document among all other potentially interested circles.
- ❑ Consequential adjustments should be made in existing rules and practices by the Governing Body including:
  - (i) to ensure follow-up action to translate the conclusions of annual/cyclical reviews by the International Labour Conference into concrete actions and budgetary provisions;
  - (ii) to establish a mechanism whereby Members could voluntarily share and cross-fertilize national experiences in the implementation of a Decent Work policy combining the various strategic objectives, as foreseen under the present document.
- ❑ The impact of the present document, results achieved and possible shortcomings, should be assessed at such intervals as the Governing Body may decide.

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<sup>2</sup> In the hypothesis that the “authoritative document” would ultimately take the form of a non-binding instrument, i.e. Recommendation with a built-in follow-up.

## Appendix II

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### List of possible issues for the consideration of the Conference

#### I. Issues relating to the opportunity/modalities of improving the ILO's institutional governance

- *Necessity and modalities of achieving a better “vertical” governance* between needs and means as regards the implementation of each of the four strategic objectives. Cyclical reports on each of the strategic objectives as a possible tool for a better “vertical” integration between needs and means as well as between the demand and supply of agenda items.
- *Necessity and modalities of helping Members to achieve a better “horizontal” governance* between the various objectives:
  - through more integrated DWCPs;
  - through a better empirical understanding of the relationships between the strategic objectives on the basis of country studies;
  - through advocacy/peer review.

#### II. Issues relating to the opportunity/modalities of improving “external governance” among Members through a coherent Decent Work policy

- *The need:* A more coherent approach to strategic objectives by Members as part and parcel of the increase in overall efficiency in achieving ILO objectives.
- *The objective/principles* for such policy: promoting universal and interdependent approach to the achievement of the four strategic objectives, while respecting the autonomy of each Member as regards specific outcomes.
- *The content/modalities* of the policy: matters which could be covered and the manner in which to cover them (tripartite consultations).

#### III. Issues relating to the possible adoption of an authoritative document

- *Opportunity/necessity* (with respect to the implementation of part II above).
- *Form:* choice between normative and non-normative promotional solution.
- *Question of timing.*
- *Possible follow-up.*

IV. Other possible issues for possible follow-up action by the Governing Body relating to the ILO's role/influence in the international environment

Follow-up in relevant Governing Body committees as regards:

- ❑ regularly *reviewing developments of interest to ILO* objectives and standards in multi/biregional agreements;
- ❑ *developing an institutional framework/policy* to promote interest/support of international organizations active in economic, financial and trade matters for the development of a coherent Decent Work policy among Members;
- ❑ *encouraging other actors* to support and contribute to ILO's efforts at strengthening its Members' institutional capacity.