



FOR DEBATE AND GUIDANCE

SEVENTEENTH ITEM ON THE AGENDA

Report of the Director-General**Sixth Supplementary Report:
Measuring decent work****Introduction**

1. The Office has undertaken a significant amount of research into various methods of measuring the four dimensions of decent work. At the 17th International Conference of Labour Statisticians (ICLS) in 2003, the Office presented a working paper discussing a range of indicators on a number of the dimensions of decent work.¹ The Conference recommended the holding of a tripartite meeting of experts on measuring the dimensions of decent work. As requested by the Governing Body, and further to a first discussion held in November 2007,² this paper reviews the Office's examination of the challenges involved in measuring decent work, suggests an outline of proposals which could be put to an expert meeting and requests the guidance of the Governing Body.
2. In preparation for this discussion, the Office has:
 - (i) carried out tests of some of the proposed indicators in pilot countries, leading to a seminar on the use of labour force surveys for their collection;³
 - (ii) undertaken several thematic and regional compilations of statistics and statistical indicators for measuring dimensions of decent work;⁴

¹ R. Anker et al., 2002: *Measuring decent work with statistical indicators*, Working Paper No. 2, Geneva, ILO.

² GB.300/20/5.

³ ILO International Seminar on the Use of National Labour Force Surveys for Collecting Additional Labour-Related Statistics (Geneva, 24–26 October 2005).

⁴ ILO, 2006: *Panorama Laboral* (Lima); ILO, 2005: *Labour and social trends in Asia and the Pacific* (Bangkok). Lawrence, S. and Ishikawa, J., 2005: *Social dialogue indicators: Trade union membership and collective bargaining coverage. Statistical concepts, methods and findings*, Working Paper No. 59, Geneva, ILO.

- (iii) carried out pilot experiments in measuring some of the qualitative aspects of decent work;
- (iv) established a task team, coordinated by the Bureau of Statistics, to consolidate the various proposals for relevant indicators into an integrated set;
- (v) published a special issue of the *International Labour Review* in 2003 devoted to measuring decent work;⁵
- (vi) collaborated with the United Nations Economic Commission for Europe (UNECE), EUROSTAT and the European Foundation for the Improvement of Working and Living Conditions, as well as with Statistics Canada to develop measures of the quality of employment, which encompasses some of the dimensions of decent work;⁶ and
- (vii) discussed the possibility of a joint ILO–EC project on “monitoring and assessing progress on decent work in developing countries” to strengthen the capacity of member States to improve the collection and analysis of statistics on decent work.

Outline of next steps

3. Four basic conclusions for future work can be drawn from this work.
4. First, before embarking on a significant effort to draw together a variety of indicators for the multifaceted dimensions of decent work, it is important to have a clear goal in mind that reflects the needs of constituents as well as country circumstances. In this respect, the main value of measuring the dimensions of decent work would be to assist constituents in assessing progress at national level towards the goal of decent work against a set of indicators that are also available for other countries. The measurement of the dimensions of decent work would be of particular value for assessing progress in countries with Decent Work Country Programmes alongside the more specific data related to programme targets and outcomes. This work would thus also contribute to results-based management and it could strengthen the knowledge base and analytical capacity of the Office.⁷
5. Second, development of aggregate composite indices ranking countries has little value for policy analysis as such indices fail to provide appropriate context and often require the use of restrictive assumptions in order to build a comparative database.
6. Third, given the nature of decent work as a multifaceted concept, progress towards its achievement cannot be assessed by standard quantitative indicators only. The use of such indicators to assess progress must take cognizance of the contextual environment in which such progress occurs. Thus, quantitative indicators by themselves cannot adequately capture the wide-ranging and inherently qualitative nature of many aspects of decent work. Some, like employment, wages, working time and social security, lend themselves more easily to statistical measurement while other dimensions such as social dialogue, the functioning of labour markets and the application of international labour standards require different methodologies to generate objective measures (see appendix for further details).

⁵ *International Labour Review*, 2003: “Measuring decent work”, special issue, Vol. 142, No. 2.

⁶ Ritter, J.A.: *Patterns of job quality in the European Union*, 2005, Working Paper No. 51, Geneva, ILO. See also Joint UNECE/ILO/EUROSTAT Seminar on Quality of Work (April 2007).

⁷ As suggested in para. 5 of the conclusions on strengthening the ILO’s capacity, adopted by the International Labour Conference, 96th Session, 2007.

7. Fourth, demands for a more comprehensive picture of progress towards decent work are likely to increase with the recognition accorded to the goal of decent work within the agreed international development agenda, including the Millennium Development Goals. The next UN report on the Millennium Development Goals will include four indicators under Goal 1 on poverty reduction based on data collected and prepared by the ILO. These will cover employment-to-population ratios for persons aged 15 years and over and youth (aged 15 to 24 years) by sex, the share of family workers and own-account workers in total employment, the share of working poor (US\$1 a day) in total employment and labour productivity.⁸ Data on these dimensions are based on comparable estimates and are widely available at country level. However, it would be desirable to supplement this initial set with further information and analysis on a broader range of the dimensions of decent work.

Proposals for future work

8. Based on these considerations, it is proposed that the Office:
- (i) hold a tripartite meeting of experts in 2008 to discuss a template of indicators across the four dimensions of decent work that could be used in the assessment of progress towards decent work at the country level;⁹
 - (ii) continue work on the development of statistical methodologies and develop a global programme to strengthen the capacity of member States to monitor and assess progress towards decent work;
 - (iii) investigate the scope for using techniques of textual analysis of narrative reports to yield indicators of progress with respect to all aspects of decent work, but especially for those qualitative dimensions that do not easily lend themselves to statistical measurement;
 - (iv) invite at least two countries to test an ILO template for new country profiles of decent work;
 - (v) request the ICLS to review a progress report in December 2008; and
 - (vi) present a technical report to the Governing Body in 2009 on establishing a mechanism for measuring progress towards decent work based on country profiles.
9. The Governing Body is invited to provide guidance on the above proposals including holding a tripartite meeting of experts on measuring the dimensions of decent work, subject to receiving a proposal as to its financing from the Programme, Financial and Administrative Committee.

Geneva, 29 February 2008.

Submitted for debate and guidance.

⁸ ILO, 2007: *Key Indicators of the Labour Market* (fifth edition), Geneva, ILO. Chapter 1, section A, provides a useful discussion of these indicators.

⁹ See proposal included in the meetings suggested for the technical meetings reserve, GB.301/PFA/8.

Appendix

Measuring decent work: Outlines for a global methodology

The development of a methodology to measure progress towards decent work, in support of the global Decent Work Agenda, is a process which will involve work on at least three distinct aspects, including:

- the identification of a global template of qualitative and quantitative indicators that can be used to measure progress towards decent work at the country level;
- the collection of statistical data and qualitative information related to selected decent work indicators;
- the analysis and interpretation of decent work indicators and statistics to identify both country-specific as well as a global dynamic picture.

Below we briefly discuss each of these steps in turn.

Decent work indicators: decent work indicators should capture all four dimensions of the concept of decent work, namely: (1) fundamental principles and rights at work, and international labour standards; (2) employment and conditions of work; (3) social security; and (4) social dialogue. At the same time, decent work indicators should also reflect country-specific circumstances and priorities, as expressed in the Decent Work Country Programmes or other policy documents. Hence, it is proposed that a tripartite meeting of experts in 2008 could take stock of decent work indicators discussed in the existing literature, and identify the most relevant indicators under each of the four dimensions. The list of indicators could then be examined in a limited number of member States in the context of a tripartite dialogue. The objective would be to establish a template of international relevance that nevertheless is capable of adaptation to reflect national circumstances.

Data collection: the countries would be encouraged to collect data and statistics related to the identified decent work indicators at the country level. National statistical offices could be encouraged to broaden or adjust their existing statistical instruments to measure the decent work indicators. Administrative data-collection efforts, such as databases from labour inspection services for example, could also be adjusted if necessary. For decent work indicators which are inherently qualitative (such as social dialogue, for example), meaningful assessments of progress at the country level could be constructed through other methods such as textual analysis of authoritative reports, including reports submitted to and produced by the ILO supervisory system, local surveys or administrative data.¹

Country analysis: to be useful for policy-making, trends need to be identified and the data must be interpreted and correlated with policy variables. With a large number of qualitative and quantitative indicators this can be difficult. It is often highlighted that the most tangible added value of the concept of decent work is that “it encapsulates an integrated approach, ensuring that the strategic objectives are addressed together and as

¹ D. Kucera, 2004: *Measuring trade union rights: A country-level indicator constructed from coding violations recorded in textual sources*, Policy Integration Department Working Paper No. 50, Geneva, ILO.

effectively as possible”.² This suggests that the measurement of decent work should go beyond the collection of a disparate set of labour market indicators. At the same time, it is unreasonable to expect aggregation of qualitative and quantitative indicators. It is thus suggested that the Office will intensify work on the development of methodologies to assess country-level progress over time towards decent work objectives. Such progress may be recorded in “country profiles” maintained by the ILO using in so far as possible a standard methodology and a standard list of indicators on which information would be compiled.

² *Strengthening the ILO’s capacity to assist its Members’ efforts to reach its objectives in the context of globalization*, International Labour Conference, Report V, 96th Session, 2007.