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**FOR DECISION**

THIRD ITEM ON THE AGENDA

**Date and agenda of the International  
Labour Conference**

**Proposals for the agenda of the  
100th Session (2011) of the Conference**

*Contents*

	<i>Page</i>
Introduction .....	1
The recurrent discussions under the follow-up to the Declaration .....	1
Proposals for the agenda of the 100th Session (2011) of the Conference .....	2
Proposals for the agenda of future sessions of the Conference .....	2

***Appendices***

I. Proposals for the agenda of the 100th Session (2011) of the Conference.....	5
II. Proposals for the agenda of future sessions of the Conference .....	21



## Introduction

1. This document is submitted for consideration by the Governing Body at its 303rd Session (November 2008) and contains proposals for items which could be placed on the agenda of the 100th Session (2011) of the International Labour Conference and beyond.
2. In accordance with its regular practice, the Governing Body in November each year holds a first discussion on items that are proposed for inclusion on the agenda of the International Labour Conference which takes place two-and-a-half years later. In conformity with article .1.1 of the Standing Orders of the Governing Body,<sup>1</sup> the purpose of this discussion is to select a shortlist of items for closer scrutiny at its following session.
3. As a general rule, the Governing Body in March each year finalizes the agenda of the session of the Conference to be held two years later. It may also decide for different reasons to postpone its decision to a session closer to the Conference.<sup>2</sup> Items considered for, but not placed on, the agenda of a specific year of the Conference, are normally resubmitted as a proposal for the agenda the following year. The withdrawal of a proposal may also be envisaged if it has not received significant support after being presented on a number of occasions.

## The recurrent discussions under the follow-up to the Declaration

4. As explained in the document on the agenda for 2010,<sup>3</sup> under the follow-up to the Declaration on Social Justice for a Fair Globalization, the Organization shall introduce a scheme of recurrent discussions by the International Labour Conference so as to: (i) understand better the diverse realities and needs of its Members with respect to each of the strategic objectives, respond more effectively to them, using all the means of action at its disposal, including standards-related action, technical cooperation, and the technical and research capacity of the Office, and adjust its priorities and programmes of action accordingly; and (ii) assess the results of the ILO's activities with a view to informing programme, budget and other governance decisions.<sup>4</sup>
5. During the tripartite consultations held on the follow-up to the Declaration (15–16 September), it appeared that there was a consensus to start the cycle of recurrent discussions in 2010 with the strategic objective of employment and that in 2011 the discussion will be on the strategic objective of social protection.<sup>5</sup> It was also agreed that because of the broad spectrum of issues covered, social protection should be discussed

<sup>1</sup> See *Compendium of rules applicable to the Governing Body of the International Labour Office* (Geneva, ILO, 2006), pp. 21–22.

<sup>2</sup> In March 2008, the Governing Body decided to defer the selection of a third technical item, that would complete the agenda of that session of the Conference, to the 303rd Session (November 2008) of the Governing Body, pending the outcome of the forthcoming discussion by the Conference on strengthening the ILO's capacity. See GB.303/3/1.

<sup>3</sup> GB.303/3/1.

<sup>4</sup> Follow-up to the ILO Declaration on Social Justice for a Fair Globalization, section IIB.

<sup>5</sup> The implications of the recurrent discussions for the General Surveys were also discussed during the consultations. Details on these implications are given in GB.303/LILS/6.

twice during the cycle and divided into labour protection (i.e. occupational safety and health, and working and employment conditions) and social security. However, different views were expressed on whether labour protection or social security should be discussed first. Consequently, preliminary proposals on these two options are submitted in the present paper, a choice between the two having to be made by the Governing Body in March 2009 at the latest.

## **Proposals for the agenda of the 100th Session (2011) of the Conference**

6. The other proposals for the agenda of the 100th Session (2011) of the Conference include five items that have not been placed on the agenda of the 2010 Conference: decent work in global supply chains; social finance: microfinance for decent work; flexicurity as a tool for adaptation to changes in the globalized economy; youth entrepreneurship: transforming jobseekers into job creators; and the right to information and consultation in the framework of economic restructuring.
7. It may be recalled that the agenda of the 99th Session (2010) of the International Labour Conference, as established at the 301st Session of the Governing Body, includes the following item: “Decent work for domestic workers” with a view to standard setting. A second standard setting discussion concerning decent work for domestic workers should therefore be placed on the agenda of the 100th Session (2011) of the Conference.
8. Against this background and given that, according to its practice, the Conference examines three technical items each year, in order to establish the agenda for the 100th Session of the Conference, the Governing Body will have to choose between either labour protection or social security as the subject of a recurrent discussion, and to decide on one further item.
9. To sum up, the proposals to date for the agenda items for the 2011 Session of the Conference are as follows (see Appendix I for details):
  - (a) a recurrent discussion on labour protection or social security; and
  - (b) decent work in global supply chains (general discussion);
  - (c) social finance: microfinance for decent work (general discussion);
  - (d) flexicurity as a tool facilitating adaptation to changes in the globalized economy (general discussion);
  - (e) youth entrepreneurship: transforming jobseekers into job creators (general discussion);
  - (f) the right to information and consultation in the framework of economic restructuring (general discussion).

## **Proposals for the agenda of future sessions of the Conference**

10. Since 1997, the Governing Body has extended the scope of the November discussions to include an examination of items that could be considered for inclusion in the agenda of future Conferences. It is proposed that three of the items that were included in possible items for future Conferences in the paper submitted at the November 2007 Session of the

Governing Body,<sup>6</sup> i.e. protection of children and young workers, working time and occupational safety and health be taken into account and reshaped in the context of the future recurrent discussions at the Conference respectively on fundamental principles and rights at work and labour protection. Accordingly, they have not been reproduced in this paper. Furthermore, with respect to the items on work in ports and hours of work in road transport, it will be recalled that in November 2007 it was considered that they should be withdrawn given the lack of support and the ongoing work on these subjects. At the same time, the Office has submitted a new proposal for the agenda of future Conferences concerning the role of the workplace in providing access to prevention, treatment, care and support for HIV/AIDS.

11. Therefore, the proposals for the agenda of future sessions are as follows (see Appendix II for details):
  - (a) export processing zones: possibility of a general discussion;
  - (b) new trends in the prevention and resolution of industrial disputes: possibility of a general discussion (taking into consideration the conclusions of the Working Party on Policy regarding the Revision of Standards);
  - (c) the role of the workplace in providing access to prevention, treatment, care and support for HIV/AIDS.
12. In relation to these proposals, the Governing Body may wish to give the Office guidance for priorities to be set and further research to be carried out, in order to advance their level of preparation. As usual, the Governing Body is also welcome to indicate other topics for further preparation by the Office.
13. It should also be noted that once the cycle of recurrent discussions has started, the Governing Body decision on the two remaining technical items on the ILC agenda will be partly informed by the plan of action of the recurrent discussion of the previous years. The discussions of the recurrent reviews are expected to bring to the fore subjects that require an in-depth thematic discussion, urgent attention or a possible standard-setting procedure.
14. ***In order to draw up the agenda of the 100th Session (2011) of the International Labour Conference and to develop items for the agenda of future Conferences, the Governing Body is invited to:***
  - (a) examine the proposals for the agenda of the International Labour Conference contained in this document;***
  - (b) select the proposals to be examined in greater depth at its 304th Session (March 2009), in order to finalize the agenda of the 100th Session (2011) of the International Labour Conference; and***
  - (c) indicate the items for which research work and consultation might be accelerated for future Conferences.***

Geneva, 8 October 2008.

*Point for decision:* Paragraph 14.

<sup>6</sup> GB.300/2/2.



## Appendix I

### Proposals for the agenda of the 100th Session (2011) of the Conference

#### *Employment*

#### 1. Decent work in global supply chains (general discussion)

##### Summary

Increasing globalization and growth of supply chains that cross borders and often stretch across the globe is generating much debate on the implications of these developments for the quantity, quality and distribution of employment throughout the world. Issues include opportunities and challenges for countries and individual companies to tap the economic development potential of global supply chains while maintaining or raising social standards. The proposed discussion item will contribute to this topical issue by addressing the economic, social and employment consequences of the structural changes taking place in key sectors of the global economy, specifically the identification of policies, programmes and tools to achieve decent work outcomes in global supply chains. To provide focus and grounding for the discussion, the report might select a few representative and important supply chains to guide the discussion (e.g. such as information and communication technology-related equipment, global food chains and services such as industrial design, software development or tourism).

1. Supply chains have a major impact on the structure of product, service and labour markets throughout the world. Participation in international supply chains has resulted in very significant establishment and growth of enterprises and employment in some developing countries and is a principal means by which many developing countries are linked to the global economy. This has resulted in the expansion of service, manufacturing and agricultural markets and production capability in these countries. The fact that to date only some developing countries have been able to take advantage of these opportunities is a clear indication that countries, particularly developing ones, face both opportunities and challenges in terms of how to support the development, diversification and upgrading of their enterprise base to be able to take advantage of the growth in global supply chains.
2. Increased market openness and foreign direct investment (FDI) together with changes in technology including transport and communication systems have had a major impact on the organization of production and on business relationships. In many sectors enterprises have decided to concentrate on core competencies while outsourcing a range of production and service-related activities. This has, in turn, resulted in increasingly long and often complex international supply chains that involve a variety of enterprises in the development and production and distribution of products and services.
3. Increasingly, outsourcing arrangements reflect a change in business relationships brought about by these changes. In important economic sectors there has been an increase in the power of enterprises that market goods or services relative to the power of those firms that produce them, a shift that has had a profound impact on the world of work. In the past, most lead companies in global supply chains were located in developed countries. However, a new trend is the growth of multinational enterprises (MNEs) based in developing countries.
4. The decision to outsource often is the decision to offshore. These decisions are typically based on the consideration of a range of factors, including labour costs, production and service capacity, product quality, time to market, reliability, access to infrastructure and other factors. The choice of suppliers can involve the choice of country. Criteria can include political and economic stability, the availability and capacity of human resources and the linguistic abilities of workers, quality of infrastructure (transport, telecommunications), the availability of effective financial services, the strength of the rule

of law, including as it relates to the protection and enforcement of property rights and the availability of conflict resolution mechanisms, among others. So the opportunities for countries to integrate into global supply chains and promote productive employment and decent work depends to a large extent on national policy frameworks.

5. A range of strategies can be employed by countries to better tap the potential of global supply chains to generate economic growth, productive employment and reduce poverty. Strategies to take advantage of global supply chain opportunities can include targeted programmes to upgrade skills, productivity and competitiveness of particular sectors and clusters of enterprises. Infrastructure development, product development, testing facilities, technology transfer and supplier development programmes can be effective ways to help enterprises, particularly in developing countries, to integrate in beneficial and sustainable ways into global supply chains. Furthermore, efforts to use value chains at the national and international levels to link the more than 1.3 billion working poor in the informal economy to more productive job opportunities can form part of a poverty reduction strategy.
6. The growth of supply chains and outsourcing raises issues surrounding the application of labour standards. Often governments in poorer countries do not adequately monitor labour practices and enforce labour standards for a range of reasons including inadequate resources. Intense competitive pressures on enterprises, particularly at the lower end of the chain, have influenced the development and application of law. As a result, there have been growing concerns that international labour standards, including those recognized as being fundamental rights at work, are not being observed in many areas of international business activity.
7. For a number of reasons, including growing concerns raised regarding labour and social practices in their respective supply chains and the desire to upgrade management practices and productivity, many sourcing companies have begun to assume a measure of responsibility for the labour practices of their suppliers. Often these efforts involve the adoption of codes of conduct that are intended to be applicable to suppliers and are accompanied by various implementation and monitoring schemes. Because they involve one enterprise assuming some responsibility for the labour practices of another enterprise that it does not own or control, these initiatives raise many questions and have been a source of controversy. In particular, there is a lack of clarity regarding the division of responsibilities between enterprises and governments, for instance, how the sourcing company can effectively monitor the labour practices of its suppliers and how it should deal with non-compliance; and if and how enterprises can effectively implement codes, which often reference international labour standards, in situations where the government does not assume or respect its responsibilities with respect to these standards.
8. Workers' organizations, in particular, express concern that arm's length supply chain relationships can be a way for sourcing companies to avoid their obligations as employers in terms of respecting fundamental rights at work. They argue that the relative power of sourcing companies can negatively affect the potential of collective bargaining to protect workers by denying workers down the supply chain access to the real decision-makers who effectively determine their working conditions. Employers' organizations express concerns that the proliferation of codes and monitoring regimes result in added cost and uncertainty for enterprises, without necessarily resulting in improved labour conditions. There is concern that enterprises are being expected to shoulder responsibilities which should be met by the concerned governments. Furthermore, some governments, particularly in developing countries, express concerns that such arrangements may constitute a non-tariff barrier to exports.
9. Supply chains can also have a significant effect on national policy-making in the field of, for example, national taxation policy, competition or investment policies and even in the realm of social policies covering, for example, social security and welfare provision.
10. Various aspects of supply chains are being dealt with by a range of units in the Office and the topic will therefore be addressed in a comprehensive manner tapping Office-wide



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expertise in ENTERPRISE, SKILLS, SECTOR, INTEGRATION, ILS, NORMES, DIALOGUE and other units.

*Some issues for discussion*

11. The discussion would focus on how employment and decent work can be promoted in the global supply chains. Issues to be covered may include:
  - What are some of the key structural changes taking place in global supply chains?
  - What are the key drivers of these changes?
  - What is the impact of these changes on the quantity, quality and distribution of employment?
  - What could be the role of international policies to address the structural changes in the global supply chains?
  - Which policies are most effective for upgrading competitiveness, productivity and decent work in global supply chains?
  - What could be the national, local and sectoral policies and strategies for promoting productive employment, and for linking the large number of working poor to national and global supply chains?
  - Which public regulations and other systems of monitoring could address the issues related to the global supply chains and decent work?
  - What is and could be the role of private voluntary initiatives and other efforts to manage social issues in global supply chains?
  - What are the effects of global supply chains on collective bargaining and on social dialogue?
  - What are the implications of the structural changes in the global supply chains and their impact on productive employment and decent work for the governments, workers' and employers' organizations?
  - What advisory services, tools and technical assistance might be developed by the ILO to support job creation and enterprise upgrading in global supply chains?
  - How can employers' and workers' organizations promote compliance with codes of conduct and international labour standards in global supply chains?

*Intended outcomes*

12. The intended outcome of the International Labour Conference general discussion would be:
  - a stocktaking of the international debate on the impact of structural changes in the global supply chains on the quantity, quality and distribution of employment, in the context of the ILO's Decent Work Agenda;
  - recommendations for ILO work to enhance coherent policies, strategies and tools for technical support to constituents that promote productive employment and decent work in global supply chains.

2. Social finance: Microfinance for decent work <sup>1</sup>  
(general discussion)

**Summary**

Microfinance is a powerful engine to advance decent work. It carries the message of decent work to markets and policy domains generally beyond the reach of the ILO. Because of the large numbers and the dynamics involved it has a huge multiplier effect. Over 10,000 microfinance institutions (MFIs) provide services to an estimated 130 million of the working poor worldwide. This is just the tip of the iceberg: the effective demand is estimated to be tenfold. The number of MFIs and their proximity to the poor make them perfect partners for the ILO, they extend the outreach of employer and worker organizations. By organizing the working poor MFIs also build bridges to social partner organizations.

Microfinance opens opportunities for productive employment, it leads out of informality, helps improve working conditions and provides security against income shocks.

In January 2008, 25 leading MFIs worldwide partnered with the ILO to experiment with innovations that address decent work deficits, for example by adding a new savings products, or introducing a new form of collateral or combining credit with skills training, etc. These innovations deliver decent work on the ground.

The 2011 ILC discussion will take stock of the experiences and analyze the policy implications for the ILO and its member States.

**Rationale**

13. Over the past few years several ILC resolutions identified access to credit and finance as a key constraint for decent work and productive employment, whether in the context of sustainable enterprise, rural and youth employment, cooperative development, social protection, gender, the informal economy, migration and others. The Governing Body <sup>2</sup> therefore requested the Office to explore ways to gear microfinance to decent work (November 2005 policy statement “Microfinance for decent work”). To deepen the analysis, better understand these mechanics of these effects and locate entry points for policy, the Office started pilot initiatives in the regions in the framework of the joint outcome “Microfinance for decent work”. Partnering with 25 leading MFIs worldwide the Office is testing a variety of techniques to tackle decent work deficits concretely, guided by local employers’ and workers’ organizations.
14. The 2011 ILC debate would review good practices in the use of microfinance for productive employment and decent work and define the implications for policy-making. Deepening the analysis it would identify opportunities for cooperation with social partner organizations. <sup>3</sup> The debate is timely for several reasons: it would position the ILO in the concert of international agencies at a time when the United Nations General Assembly *discusses* microfinance and its contributions to the Millennium Development Goals. The debate would be the first ever opportunity to draw together ILO Conventions and Recommendations that articulate the links between finance and decent work. Lastly, the

<sup>1</sup> “Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty ... and microcredit is one such means” (Nobel Peace Prize Committee, 2006).

<sup>2</sup> GB.294/ESP/3.

<sup>3</sup> Nobel Peace Prize award to M. Yunus and the Grameen Bank, the outcomes of the International Year of Microcredit 2005 and the forthcoming United Nations General Assembly debate on microfinance and the Millennium Development Goals; the May 2005 Global Meeting on Building Inclusive Financial Sectors hosted by the ILO in Geneva. The proposed ILC debate builds on and develops further arguments developed at the Governing Body’s Employment and Social Policy Committee (GB.285/ESP/3 and 13), the Working Party on the Social Dimension of Globalization and the ILC (2002 resolution on the informal economy and the 2004 resolution on migration).

debate would draw on concrete examples of successful uses of microfinance to address decent work deficits.

### *Relevance for decent work*

15. Social finance influences different key aspects of decent work:<sup>4</sup>
  - employment creation;
  - child labour;
  - working conditions;
  - debt status;
  - formalization;
  - gender equality.
16. Improvements in the access to finance through MFIs stimulates the demand primarily for family labour, apprentices, and day workers, but recently some MFIs started to gear their products towards larger enterprises with more wage labour. ACEP, an MFI in Senegal, accompanies its more growth-oriented clients with a special loan scheme responsive to their specific needs, this has shown to have had a tangible effect on job creation.
17. Microfinance is also being used to start income-generating activities for additional household revenues. Microloans can, however, also have the opposite effect and induce parents to withdraw their children from school. To address this risk, several MFIs are experimenting with differentiated pricing of their services to induce parents to leave their children at school: the Arthacharya Foundation in Sri Lanka, for example, gives parents an interest rebate if they produce a school attendance certificate for their children.
18. BRAC's IGVD programme provides free food grain for an 18-month period to destitute, female-headed households that are at the highest risk of hunger. This approach was chosen because it had been difficult to include the poorest of the poor in conventional microfinance. The programme uses food grain relief assistance to attract the hardcore poor and cater to their immediate consumption needs, but then adds skills training (in poultry and livestock raising, vegetable gardening, agriculture, fishery production, or the restaurant and grocery business) and savings and credit services to build their development capacity. Hence, when the cycle of free food grain ends, participants are able to engage in income-generating activities and become clients of regular microfinance programmes. Started as a pilot activity in 1985, the IGVD has since become a national programme covering close to a million women.
19. Bonded labour, the most prevalent form of forced labour, is a fundamental violation of labour rights. Debt bondage undermines decent work. Several MFIs have made it their mission to directly attack debt bondage. The NRSP in Pakistan, for example, combines social mobilization, skills training and savings to make sure that "*haaris*", a group of former bonded labourers, do not slip back into debt bondage.

<sup>4</sup> This list is not exhaustive; there are other aspects and dimensions of decent work relevant for microfinance.

20. Microfinance also triggers formalization. The Alexandria Business Association (ABA), an MFI in Egypt, links its lending to the client's efforts to obtain documentation, thus encouraging borrowers to slowly "graduate" out of the informal economy. One of the documents required relates to the social security status of employees. Access to finance can thus indirectly complement social protection.
21. Improvements in the access to finance can change the distribution of working time between men and women.<sup>5</sup> Microfinance has been found to give more voice to women in household internal decision-making related to the credit-financed activity and in managing the entire household budget. Still, many women, especially in rural areas, have difficulties accessing financial services because of discrimination in access to literacy, property rights and social attitudes. RCPB, NYESIGISO, PAMECAS and other savings and credit cooperatives in West Africa therefore launched dedicated schemes for group transactions, not requiring collateral for loan amounts of less than US\$50.
22. Other decent work deficits are being addressed by MFIs that:
  - help HIV/AIDS-affected workers to save for medical treatment;
  - design savings and investment products for families of migrant workers receiving remittances;
  - offer access to life and health insurance;
  - organize home or contract workers in savings and credit clubs;
  - give young jobseekers a chance to start up;
  - integrate people with disabilities into mainstream microfinance services;
  - make it possible for employers in the informal economy to provide benefits to their workers, such as health insurance, etc.

### *Objectives*

23. The debate at the ILC in 2011 would have two outcomes:
  - information sharing about good practices on what works, when and under which circumstances in gearing microfinance to decent work, providing the factual underpinning of any future strategy;
  - secondly, the ILC debate will identify options for partnerships between social partners, governments and MFIs. It will show areas for capacity building of social partner organizations as well as of MFIs<sup>6</sup> and guide constituents in the rolling out of large-scale initiatives that use microfinance for decent work.

<sup>5</sup> L. Mayoux: "Microfinance and the empowerment of women – Review of key issues", Social Finance Programme Working Paper No. 23 (Geneva, ILO, 2000).

<sup>6</sup> The Financial Sector Charter adopted in 2004 in South Africa with the participation of the social partners shows that this proactive approach is feasible and leads to results to the benefit of the working poor, small entrepreneurs and worker households.

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*Points to be discussed*

24. Points to be discussed could include the following :

- How can instruments used in social finance promote productive employment and decent work?
- How does microfinance help move operators from the informal to the formal economy?
- What can social partner organizations do to better protect workers and independent producers against over-indebtedness?
- How best assist ministries of labour in the management of microfinance components in social funds?
- How can employers' organizations:
  - (a) help lower investment costs and promote the emergence of risk-sharing arrangements for small and medium-sized enterprises;
  - (b) facilitate access to capital for member enterprises;
  - (c) encourage savings by workers, facilitate remittances, etc.?
- How can workers' organizations:
  - (a) through pension funds and socially responsible investment give awards to MFIs that tackle decent work deficits;
  - (b) partner with MFIs to ensure the provision of affordable and secure savings and credit facilities for workers;
  - (c) enhance the financial competence of workers to ensure a better appreciation of the risks and opportunities of financial contracts?

3. **Flexicurity as a tool facilitating adaptation to changes in the globalized economy (general discussion)**

**Summary**

Flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies and modern, adequate and sustainable social protection systems are the main elements of a coherent policy mix that is today coined "flexicurity". Flexicurity policies are instruments to cope with change in globalizing economies and should be designed and implemented through social dialogue and collective bargaining between the social partners and be adapted to particular firm/sector and country circumstances. While there is general agreement on common elements, a thorough discussion on the feasibility of flexicurity policies in the framework of decent work and the Global Employment Agenda (GEA) is still warranted.

25. Flexicurity has developed from a buzzword to a serious policy issue. While it has been conceived in the European Union context, its potential reach is universal as it assumes a strong need for adaptation to change in today's global economies, which in turn also requires labour market security. Flexibility and adjustment security are the two sides of a same coin that should help firms and their workers to cope with the demands of the globalized economy.
26. In a context that sees firms, despite efforts of internal adjustments, less able today than formerly to guarantee lifelong or even long-term employment security for their workers,

new types of security outside companies have to complement, but not substitute in-firm security.

27. Such a partial shift from employment security towards a wider notion of labour market security can be observed in the set of common principles on flexicurity for modernizing the European labour markets that the European Council agreed upon in late 2007. They are a deliberate combination of “flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies and modern, adequate and sustainable social protection systems”.<sup>7</sup> The Council’s conclusions note also that flexicurity policies should be designed and implemented through social dialogue and collective bargaining and that there is no single labour market model, but rather adaptation of the common principles to particular country circumstances. These principles have also been endorsed by the European social partners and are now driving the labour market reform agendas of the EU Member countries.
28. In their essence, these flexicurity principles are compatible with decent work principles, are integrated in the Global Employment Agenda and the Employment Policy Convention, 1964 (No. 122), as they, with the flexicurity agenda of the European Commission, propose active policies for creating inclusive labour markets with low segmentation and high levels of employment. However, some important challenges remain, which could be subject to a general discussion:
- Flexicurity is about the life cycle of individuals and about the firm’s needs for adjustment. For individuals, work–life balance requires a mix between flexible and stable jobs over their working life.<sup>8</sup> Can the needs of individuals – and especially also those of mothers and parents in general – for flexibility, stability and security be matched to employers’ needs for flexibility, and what policies are required in order to allow such a balance, taking into account the requirements of different sectors of the economy?
  - Quality work triggers higher work satisfaction and higher satisfaction leads to higher productivity. Work satisfaction is inter alia dependent on job/employment security.<sup>9</sup> When firms offer less job/employment security, can the new securities outside the workplace (e.g. through training and other active labour market policies) trigger a genuine feeling of employment/employability security that allows for work satisfaction and underpins productivity?
  - In the context of developing countries, arguing in terms of flexicurity often reveals the absence of important elements of flexicurity policies, such as active and passive labour market policies and representative actors and strong institutions of social dialogue. What policies are required to create a sound and sustainable policy environment that allows some security outside the workplace, by the same token providing firms with enhanced adjustment flexibility?
  - What are the costs and benefits of flexicurity policies for firms, individuals and public authorities and how can they be shared fairly?

<sup>7</sup> Council of the European Union, 15497/07.

<sup>8</sup> “We observe more flexibility for young people and more stability for older workers” (P. Auer, S. Cazes: *Employment stability in an age of flexibility: Evidence from the industrialized countries*, ILO, 2003).

<sup>9</sup> The Fourth European Working Conditions Survey (European Foundation for the Improvement of Living and Working Conditions, 2007) shows that job security ratings have the strongest impact on work satisfaction.

#### 4. Youth entrepreneurship: Transforming jobseekers into job creators (general discussion)

##### Summary

Reducing youth unemployment and engaging young women and men in the economy and society is both a major and essential challenge. Youth entrepreneurship is increasingly being recognized as a valuable strategy for unleashing the productive and innovative potential of young people. It empowers them in entrepreneurial potential, to create jobs and contribute positively to a sustainable society. The ILC deliberated on youth employment in 2005 and youth entrepreneurship was briefly touched upon. It is now opportune to further explore how youth entrepreneurship can advance the Decent Work and the Global Employment Agendas.

29. Nearly 40 per cent of the world's population is under 20 years of age and more than one billion young women and men are aged between 15 and 24. A major part of this young population (85 per cent lives in the developing countries and it is estimated that almost 100 million young people will be entering the global workforce every year for the next ten years. According to UN projections of 2007, the 50 poorest countries in the world will more than double population in size from 0.8 billion in 2007 to 1.7 billion in 2050. This would mean an extraordinary challenge of creating decent work opportunities for 3 billion young people under the age of 25.
30. According to a recent ILO study, youth are generally three-and-a-half times more likely than adults to be unemployed since labour markets, particularly in developing countries, are unable to absorb the often massive and rapidly growing supply of young labour. Reducing youth unemployment and engaging young people productively in the economy and wider society is both a major and essential challenge. There is strong empirical evidence from both the developing and developed countries indicating that unemployed young people have a greater tendency to engage in anti-social behaviour, drug abuse, armed conflicts and even terrorism.<sup>10</sup>
31. Youth entrepreneurship is being increasingly understood, accepted and adopted as a valuable strategy for unleashing the productive and innovative potential of young people.<sup>11</sup> The empirical evidence suggests that a conducive entrepreneurship culture, enabling business environment and requisite entrepreneurship development tools can be very helpful in this regard.<sup>12</sup>
32. However, programmes to promote entrepreneurship as a career path for young people need to be carefully planned; entrepreneurship is both demanding and inherently risky, particularly for young people who are already passing through a tenuous and vulnerable transition in life, while generally also lacking business experience and material assets. Even those who succeed as entrepreneurs often end up in the informal sector of the economy.
33. The International Labour Conference in its 93rd Session (2005) deliberated on the issue of youth employment. The subject of youth entrepreneurship was also briefly discussed under the area of active labour market policies. However it is imperative to go deeper into this

<sup>10</sup> UN (2002): "First Regional Forum on Youth: Security, opportunity and prosperity", ECOSOC document OPA/AC.33/1; ILO (2005): "Being real about youth entrepreneurship in eastern and southern Africa: Implications for adults, institutions and sector structures", SEED Working Paper No. 72, Geneva; World Bank (2007): World Development Report, "Development and the Next Generation", Washington, DC.

<sup>11</sup> Bronte-Tinkew and Z. Redd (2001): "Logic Models and Outcomes for Youth Entrepreneurship Programs", report to the DC Children and Youth Investment Trust Corporation, Washington, DC.

<sup>12</sup> J.C. Hayton et al.: "National culture and entrepreneurship: A review of behavioural research", in *Entrepreneurship Theory and Practice*, 2002, Vol. 26, No. 4, pp. 33–52.

vital area to tap its full job creation, empowerment and enterprise potential as an integral part of the Global Employment Agenda. The discussion will likely centre on the following questions:

- the nature, size and dynamics of youth unemployment – the present and potential role of youth entrepreneurship;
- policies and programmes to promote youth entrepreneurship – what are the lessons learnt?
- role of employers' and workers' organizations;
- what can be done to promote good/decent jobs through youth entrepreneurship?
- what would be the most appropriate strategy for ILO's work in this area?

### ***Social protection***

#### 5. A recurrent discussion on labour protection or social security

##### **Summary**

Under the follow-up to the Declaration, two preliminary proposals for a recurrent discussion in June 2011 are submitted below. One concerns labour protection, the other social security. The Governing Body may decide that one or both of them should be developed for the March 2009 session of the Governing Body (see paragraphs 4, 5 and 8 above).

### ***Labour protection***

34. Globalization has intensified the process of job creation and destruction raising growing concerns over the quality of working life such as wages (particularly minimum wages), working time, work–family balance, and occupational health and safety. Changes in the area of labour protection are complex and multidimensional and their impacts on individual workers vary considerably. There is an urgent call for an integrated, coherent policy framework which recognizes the interconnections between different aspects of working conditions and between working conditions and other key dimensions of decent work, such as non discrimination and equality or productive employment or social dialogue and the type of industrial relations institutions. In order for such framework to be feasible and relevant, it must be based on a more accurate understanding of ILO member States' realities, trends and needs. The recurrent report on labour protection will provide for the first time a comprehensive picture of developments, main issues and policy challenges of labour protection today.
35. This report will contain four parts. The first will introduce the issues of working conditions and occupational safety and health situating them within the Decent Work Agenda and Decent Work Country Programmes (DWCPs). The second part will provide an overview of main trends and developments in the field of labour protection across the world and explore their interrelations with other socio-economic variables such as employment levels, labour productivity or inflation. The review will rely on statistical data for key OSH and working conditions variables and on information concerning the scope and impacts of policy developments. The third part will assess the relevance and effectiveness of ILO's work in the area of labour protection, including its ability or failure to establish meaningful synergies with other programmes addressing the other dimensions of decent work. This will pave the way for identifying in the fourth part the main elements of a coherent policy framework on labour protection in a globalizing world, and setting ILO's priorities, strategies and clear timelines for the subsequent six years. An emphasis will be put on the role of social partners, social dialogue and legislation and labour administration.



36. Much of the preparatory work needed for the report has already been under way. In the area of occupational health and safety, the Office has been implementing the Global Strategy on Occupational Safety and Health which was adopted in 2003, while the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), was adopted in 2006 to set up a framework for tripartite collaboration. A General Survey on the Occupational Safety and Health Convention, 1981 (No. 155), is being undertaken and its results will be discussed in the Conference Committee on Application of Standards at the 2009 ILC. Traditionally, General Surveys dealt with distinct dimensions such as working time, minimum wages, occupational safety and health and maternity protection, but there has never been a General Survey that has addressed all these aspects together. The Office maintains a global database concerning the regulation of working conditions (minimum wages, working time and maternity protection) which is widely used in policy research and developments.<sup>13</sup> Analytical and research work has also gained momentum, which are published or will be published in a series of global reports on working time, wages, and work–family balance.<sup>14</sup> In addition, trends and developments at the regional level have been investigated in collaboration with national experts, with a view to promoting social dialogue on the improvement of working conditions at the national and regional levels.

### *Social security*

37. In 1944 the Declaration of Philadelphia recognized the “solemn obligation of the International Labour Organization to further among the nations of the world programmes that will achieve” inter alia, “the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”.<sup>15</sup> This mandate was reconfirmed by the 2008 Declaration on Social Justice for a Fair Globalization.<sup>16</sup> The fundamental role of the ILO in social security was explicitly spelled out by the International Labour Conference in 2001 in the context of a general discussion that concluded that “... each country should determine a national strategy for working towards social security for all”<sup>17</sup> and proposed that “... a major campaign be launched in order to promote the extension of social security coverage”.<sup>18</sup> In 2003, the Global Campaign on Social Security and Coverage for All was launched, with a view to achieving concrete improvements in social security coverage in as many countries as possible and placing social security at the top of the international policy agenda.
38. In 2002 the Governing Body declared the following eight social security Conventions up to date i.e. Social Security (Minimum Standards) Convention, 1952 (No. 102); Equality of

<sup>13</sup> See [www.ilo.org/public/english/protection/condtrav/database/index.htm](http://www.ilo.org/public/english/protection/condtrav/database/index.htm). For the latest report on this database, see *Working conditions laws 2006–07: A global review*, available at [www.ilo.org/public/english/protection/condtrav/pdf/work\\_laws.pdf](http://www.ilo.org/public/english/protection/condtrav/pdf/work_laws.pdf).

<sup>14</sup> For instance, see S. Lee, D. McCann and J. Messenger, 2007, *Working time around the world: Trends in working hours, laws, and policies in a global comparative perspective*, ILO and Routledge; ILO, forthcoming, *Global Wage Report*, ILO.

<sup>15</sup> cf. Constitution of the International Labour Organization, Annex (Declaration of Philadelphia), Article III(f) and (h).

<sup>16</sup> cf. ILO Declaration on Social Justice for a Fair Globalization, Article IA(ii).

<sup>17</sup> Resolution and conclusions concerning social security, International Labour Conference, 89th Session, 2001, para.16.

<sup>18</sup> Resolution and conclusions concerning social security, International Labour Conference, 89th Session, 2001, para.17.

Treatment (Social Security) Convention, 1962 (No. 118); Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121); Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128); Medical Care and Sickness Benefits Convention, 1969 (No. 130); Maintenance of Social Security Rights Convention, 1982 (No. 157); Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168); and the Maternity Protection Convention, 2000 (No. 183), as well as a number of recommendations (inter alia, Income Security Recommendation, 1944 (No. 67)).

39. Ten years after the last general discussion on social security in the ILC a review of the global developments in social security and ILO activities in the field is in order. The role and shape of social security systems have been changing fundamentally during the last decades. In industrialized countries reforms have sought to make national social security systems compatible with new challenges such as ageing, changing social realities, and the globalization processes. In developing countries and among international organizations (such as the UN, UNICEF and WHO) it is increasingly recognized that investments in basic social security systems with a wide coverage at early stages of national development are a powerful tool to combat poverty and support the achievement of the Millennium Development Goals.
40. In 2007, the Office analyzed to what extent the existing framework of up to date ILO instruments support the mandate of the Global Campaign and issued a technical paper.<sup>19</sup> The findings were reported in the framework of a review of the role of ILO standards and Campaign activities to the ESP in November 2008.<sup>20</sup> The main findings were that the up to date social security Conventions have had a positive impact on the development of social security schemes in most countries worldwide and serve as models for regional instruments and national laws. However, they show limitations in promoting the provision of a defined priority minimum benefit package.
41. The recurrent review on social security could benefit from the information on law and practice contained in a General Survey, based on article 19 and article 22 reports on social security standards. This General Survey would be discussed in June 2011 in the Conference Committee of Application of Standards. It could cover the up to date instruments and inform on new developments in social security law and practice in member States on the need for promotional activities to support countries to make use of ILO standards as well as the obstacles that countries might encounter when envisaging the possibility of ratifying the ILO Conventions. Based on that survey, as well as an analysis of ILO activities in social security knowledge generation and management, policy developments and technical cooperation, the suggested recurrent review in 2011 can then develop a general plan of action that advances the basic mandate of the Organization to promote policies to extend social security to all.

<sup>19</sup> ILO, 2008: *Setting social security standards in a global society – An analysis of present state and practice and of future options for global social security standard setting in the International Labour Office*. Social Security Policy Briefings, Paper No. 2 (Geneva).

<sup>20</sup> See GB 303/ESP/3.

## Social dialogue

### 6. The right to information and consultation in the context of economic restructuring (general discussion)

#### Summary

Globalization and rapidly changing markets have led businesses to adopt numerous strategies in an effort to maintain and increase their competitive advantage. One possible approach is to restructure the enterprise, which can take a wide variety of forms. Given the considerable impact that the outcomes of economic restructuring may have on the workforce, the enterprise and society at large, it is important that such restructuring be accompanied by appropriate forms of social dialogue – embedded in the enterprise – providing for effective responses to the challenges arising from these external pressures. This discussion would not represent an infringement on the right of managers to manage, or of enterprises to consider restructuring among a number of options for maintaining their position in a given market. Rather, the inclusion of this item on the agenda of the 2010 ILC would provide a timely opportunity for constituents to reflect on the importance of social dialogue as a tool for effectively managing change. It would enable a clearer understanding of:

- the issues to be addressed during enterprise restructuring;
- how good labour–management relations can facilitate outcomes from restructuring which balance flexibility and security concerns;
- recent changes in national and transnational law and practice providing for information and consultation around such issues; and
- an assessment of the implications for the ILO's work in various areas.

#### Background

42. Pressures on enterprises to restructure in response to national and international developments are increasing, owing to such factors as: changes in the situation of sectors – including the public sector – in national economies, the increase in new forms of productive organization, including the rapid expansion of global supply chains, following the decline of “mass production” and the impact of globalization. In the latter case, many enterprises are facing much more fierce competition. This leads to pressures to adapt workplaces to match the efficiency, output and quality of market leaders – or, in many cases, to close down.<sup>21</sup> Whatever the cause, enterprise restructuring may result in social costs of various types, including job losses, higher unemployment, inequality of treatment among workers, greater insecurity in the workplace and industrial and social conflicts.
43. There are many examples where the social partners have collaborated successfully in responding to structural and other changes by mobilizing the full potential of their enterprises. Mention should be made of those efforts to improve the adaptability of enterprises relying on a consultative approach and directed towards achieving a balance between “flexibility” and “security”. While not challenging the employer’s need to restructure in an efficient and effective manner, such an approach can increase the competitiveness of their enterprises by seeking the understanding and support of the workforce in implementing proposed changes. Through this approach, workers and their representatives can continue to benefit from decent wages and working conditions and, by providing inputs into the proposed changes, they have the opportunity to affect the best possible outcomes for the workforce. In this context, changes are emerging in the traditional labour–management relationship. The patterns of negotiation are changing, as is the content of bargaining and the approaches adopted by the actors involved. In this respect, many solutions are being negotiated by the social partners at all levels, often leading to agreements on packages of “offsetting” issues such as job security, working time, wages, lifelong learning possibilities and/or new methods of work organization.

<sup>21</sup> ILO: *Changing patterns in the world of work*, Report of the Director-General, ILC, 2006.

44. Existing procedures for informing and consulting employees and their representatives are essentially twofold in nature. First, informal rules may be agreed between the social partners themselves at various levels through bargaining. Legal frameworks may also be developed, providing for information sharing and consultation where major “events” concerning workers take place, such as threatened or actual redundancies, transfers of undertakings, delocalization and other forms of restructuring affecting an enterprise. In many countries, legal provisions are frequently based on a reactive approach (i.e. dealing with the often unanticipated economic and social consequences of developments. Commonly they do not sufficiently recognize the need for ongoing social dialogue at enterprise level nor adequately consider the economic and employment impact of decisions taken.
45. Increasing globalization of capital, product and labour markets means that decisions affecting enterprises and their workers are often being taken by transnational bodies. Information and consultations at this level are still not well developed. This is in spite of the attempts of some MNEs and regional integration groupings, especially in Europe, where adoption of the Works Council Directive<sup>22</sup> in 1994 has led to the development of a wide variety of consultation and information exchange practices in European-wide enterprises. Even in this situation the main objective of providing workers with a real voice in corporate decision-making processes has only been achieved in a minority of cases. In addition, many of the relevant European Works Councils’ procedures have remained predominantly directed to provision of information and the minimum information requirement is often oriented towards the past rather than the future situation of an enterprise.<sup>23</sup> Against that background and with a view to reinforcing the role of European Work Councils, the European Commission adopted on 2 July 2008, a legislative proposal to improve the role of European Works Councils in informing and consulting employees, in particular in the event of significant change in the structure of companies. European Works Councils (EWCs) currently operate in 820 major companies across the EU, covering some 14.5 million employees.<sup>24</sup>
46. However, the issues faced, and the approaches to consultation and information adopted in such cases, are not uniquely European phenomena. Of the 71 countries included in the ILO’s *Termination of employment digest*,<sup>25</sup> 45 report some level of consultation with employee representatives in the event of collective redundancies. For example, the Labour Relations Act of South Africa sets out requirements for engagement in a “meaningful joint consensus-seeking process” with employees and their representatives whenever the employer proposes dismissals based on operational requirements or changes in terms and conditions of employment. This process allows for workers’ representatives and management to seek agreement on measures to avoid, minimize the number of, change the timing of or otherwise mitigate the adverse impacts of dismissals. It also provides for access to information on the reasons and need for such measures. In Botswana, a code of good practice on termination of employment (Trade Disputes Act) providing for similar consultations surrounding any proposed business reorganization that is expected to lead to

<sup>22</sup> Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community.

<sup>23</sup> “European Works Councils in practice”, European Foundation for the Improvement of Living and Working Conditions, 2004. “European Works Councils in practice”, European Foundation for the Improvement of Living and Working Conditions, 2004.

<sup>24</sup> For the full text of the proposal for a directive, please consult European Commission web site <http://ec.europa.eu/social/BlobServlet?docId=458&langId=en>.

<sup>25</sup> Including countries from Africa, the Americas, Asia and the Pacific, and Europe.

retrenchments has been agreed by the social partners, though it does not yet have the force of law.

47. Finally, in recent years, global markets have grown rapidly, without the parallel development of economic and social institutions necessary for their smooth and equitable functioning,<sup>26</sup> a situation which exists both at the level of nations and individual enterprises. The lack or weakness of such institutions and procedures of dialogue between governments and/or between employers and workers and their representative organizations makes it difficult to achieve consensus on important issues which affect enterprises operating within and across borders and can threaten social peace.

### *The ILO's response*

#### ILO normative action

48. The ILO's concern that workers in the enterprise be informed and consulted on issues which affect them and, more generally, in fostering ongoing cooperation between management and labour around enterprise development, were clearly articulated in the Declaration of Philadelphia in 1944. The Declaration called on the Organization to develop programmes with a view to promoting "effective recognition of the right to collective bargaining and cooperation between management and labour in the continuous improvement of productive efficiency ..." (paragraph 3(e)).
49. This constitutional obligation is reflected in various later instruments, such as the Co-operation at the Level of the Undertaking Recommendation, 1952 (No. 94), the Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113), and the Communications within the Undertaking Recommendation, 1967 (No. 129). Recommendation No. 129 provides detailed guidance on how to build mutual understanding and confidence within enterprises, stating that information should be provided to workers and their representatives and consultations should take place with them before decisions on matters of major interest are taken by management (Paragraph 2). The Recommendation provides that management should give workers information on a whole range of subjects, including, inter alia, with respect to "the general situation of the (enterprise) and prospects or plans for its future development" and to explain decisions which are likely to affect workers, directly or indirectly (Paragraph 15(2)). The Workers' Representatives Recommendation, 1971 (No. 143) (Paragraph 6(2)(f)), refers specifically to consideration of priority to workers' representatives in case of workforce reduction. These Recommendations emphasize that information and consultation processes should coexist with and complement the institution of collective bargaining. Similar provisions, some addressing more specific situations, are developed in a number of other ILO instruments.<sup>27</sup>

#### ILO technical cooperation

50. The ILO provides technical advice and assistance on issues with respect to the provision of information to and consultation with workers and their representatives within the framework of activities and projects in the field of social dialogue and related areas, such as labour legislation, employment and working conditions. In the area of labour law reform, the ILO assists the constituents to draft labour laws, including those that address the impacts of economic reorganization.

<sup>26</sup> *A fair globalization: Creating opportunities for all*, report of the World Commission on the Social Dimension of Globalization (Geneva, ILO, 2004).

<sup>27</sup> For example, the Termination of Employment Convention, 1982 (No. 158), and the Seafarers' Welfare Convention, 1987 (No. 163). See also the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (e.g. art. 57).

51. For example, in the Caribbean Community (CARICOM), the Office provided technical support to the drafting of model harmonization legislation regarding termination of employment. This model legislation sets out procedures for information and consultation during economic restructuring which involves possible redundancies, in line with the relevant international labour standards. The ILO continues to provide support to CARICOM and its member States to promote harmonization with the model legislation.

#### International Labour Conference discussion and outcomes

52. A Conference discussion on this item could address, inter alia, such areas as:

- recent economic and social developments having major impacts on the competitiveness, job security, employment conditions, skill requirements, work organization and location of enterprises;<sup>28</sup>
- recent developments in labour–management relations at enterprise level, including new forms of consensus building through information and consultation;
- related developments in social dialogue at national and transnational levels;
- changes in national and transnational legislative frameworks and other institutional provisions and arrangements for information and consultation; and
- consequences for ILO work, with a special focus on technical advice and cooperation.

53. Consideration could also be given in the context of a general discussion to the possible need to revise and update the existing ILO standards dealing with information, consultation and cooperation at enterprise level.

<sup>28</sup> For example, changes resulting from the impact of takeovers, mergers and acquisitions, joint ventures, subcontracting and transnationalization of undertakings.

## Appendix II

### Proposals for the agenda of future sessions of the Conference

#### 1. *Export processing zones (EPZs)*

1. The ILO has defined EPZs as “industrial zones with special incentives set up to attract foreign investors, in which imported materials undergo some degree of processing before being (re)exported”.<sup>1</sup> These zones take a variety of names and forms in different countries (e.g. including free trade zones, special economic zones (SEZs), bonded warehouses, free ports and *maquiladoras*). The number of EPZs has continued to grow throughout the world in recent years. Their development is a very dynamic process where changes may occur very rapidly in a context of globalization (e.g. impact of Multifibre Arrangement (MFA) termination, World Trade Organization (WTO) agreements). At the same time, some EPZs continue to raise questions and concerns in terms of rights, application of labour law, employment creation, working conditions and in terms of how they benefit the domestic economy and social upgrading of the countries concerned.
2. The ILO has been monitoring developments in EPZs for over 20 years in view of their importance in the globalization context. At several successive sessions, the ILO Governing Body instructed the Office to continue to examine the situation in EPZs. The Programme and Budget for 2006–07 created an InFocus Initiative (IFI) on EPZs, based on social dialogue and involving a multidisciplinary approach within the ILO. In 2007, tripartite roundtables took place in Madagascar and Costa Rica. A working paper<sup>2</sup> was published in 2008 on economic development and working conditions in EPZs and country studies were made available on the ILO web site. The IFI also set up an intranet site with a view to fostering knowledge sharing within the ILO on the subject.<sup>3</sup>
3. The Governing Body in March 2008 discussed a paper presented by the Office on latest trends and policy developments in EPZs.<sup>4</sup> This paper highlighted the situation within and outside EPZs in some selected countries. The Governing Body invited the Office to continue to examine the issue and to provide further detailed information and specific statistical data about the situation of industrial relations practices (e.g. freedom of association and collective bargaining, labour administration and labour inspection, social dialogue practices) in EPZs with particular reference to the conclusions of the 1998 Tripartite Meeting of Export Processing Zones-Operating Countries.<sup>5</sup> The Office was requested to present a progress report in November 2009.

<sup>1</sup> See [www.ilo.org/public/english/dialogue/sector/themes/epz/epzs.htm](http://www.ilo.org/public/english/dialogue/sector/themes/epz/epzs.htm).

<sup>2</sup> W. Milberg, M. Amengual: *Economic development and working conditions in export processing zones: A survey of trends*, WP3 (Geneva, ILO, 2008).

<sup>3</sup> See [www.ilo.org/public/english/dialogue/epz.htm](http://www.ilo.org/public/english/dialogue/epz.htm).

<sup>4</sup> See GB.301/ESP/5 and GB.301/13(Rev.).

<sup>5</sup> ILO, *Note on the proceedings*, Tripartite Meeting of Export Processing Zones-Operating Countries (Geneva, 28 September–2 October 1998), TMEPZ/1998/5.

## **2. *New trends in the prevention and resolution of industrial disputes***

4. In 1992, the Governing Body considered a proposal for a potential International Labour Conference agenda item regarding dispute settlement. This was subsequently the subject of deliberations during a number of Governing Body sessions, including a detailed report at the 261st Session, and most recently in March 1999. At this time, the topic was proposed for a general discussion, but this proposal was not taken up.
5. The social and economic developments that have resulted from globalization have been widely documented. While these phenomena have given rise to economic growth in a number of countries, the unequal distribution of its benefits and the rapidity with which changes have taken and are taking place have led to increased social and industrial tensions. While labour disputes have occurred throughout history, and are recognized as a natural occurrence in the labour and employment relationship, the prevention, wherever possible, and the efficient and effective settlement of labour disputes are key features of sound labour relations. As such, a stocktaking and discussion of new developments in relation to dispute prevention and resolution systems would be beneficial.
6. As an agenda item for the International Labour Conference, a general discussion should examine the numerous existing ILO Conventions and Recommendations<sup>6</sup> as well as national legislation and practice and the principles on the right to strike developed by the Governing Body's Committee on Freedom of Association and the ILO's Committee of Experts on the Application of Conventions and Recommendations. This discussion would provide the Office as well as the constituents with recommendations for follow-up actions, and could also represent an opportunity for the constituents to discuss the possibility of updating and consolidating several related ILO Recommendations, as outlined in the conclusions of the Working Party on Policy regarding the Revision of Standards.
7. The subjects that could be considered during a general discussion include, inter alia:
  - the overall trends and developments in dispute prevention and resolution;
  - different approaches to individual and collective disputes, and to rights and interest based disputes;
  - the roles of conciliation, arbitration and mediation services, as well as industrial labour tribunals and courts;
  - means of strengthening traditional methods of dispute settlement and integrating new approaches, tools and techniques, referring to key features (i.e. the legal framework, institutions, mechanisms and procedures) of successful systems;
  - the role(s) of the social partners; and
  - prospects for further research, advisory services and technical cooperation.
8. Should the Governing Body decide to undertake a general discussion in a future session of the International Labour Conference, it may wish to request the Office to launch a research programme aimed at identifying the current situation with respect to legislation, institutions and practice on the subject. An analysis of the principles developed by, and the interpretation of, the ILO supervisory bodies regarding the right to strike could also inform such a discussion.

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<sup>6</sup> The Voluntary Conciliation and Arbitration Recommendation, 1951 (No. 92), the Examination of Grievances Recommendation, 1967 (No. 130), the Co-operation at the Level of the Undertaking Recommendation, 1952 (No. 94), the Communications within the Undertaking Recommendation, 1967 (No. 129), the Collective Bargaining Convention, 1981 (No. 154), the Collective Bargaining Recommendation, 1981 (No. 163), the Labour Relations (Public Service) Convention, 1978 (No. 151), and the Labour Relations (Public Service) Recommendation, 1978 (No. 159).



**3. *The role of the workplace in providing access to prevention, treatment, care and support for HIV/AIDS***

9. The Conference is scheduled to elaborate a Recommendation on HIV/AIDS in the world of work, which should be adopted in 2010. Depending on the outcome of this process, it might be useful to examine at a later session of the ILC, in the context of a general discussion, the ways in which the measures envisaged by this resolution are translated into a strategic plan for its implementation, including the integration of AIDS responses in Decent Work Country Programmes and promoting further the partnerships at country level that ILO constituents can build upon.
10. The Conference could also examine the way in which the ILO's efforts, within UNAIDS, to achieve Universal Access contribute to the Millennium Development Goal on HIV/AIDS to halt and reverse the spread of the epidemic by 2015. The discussion could also look at the links between the existing body of ILO standards that are relevant to HIV/AIDS to ensure the coherence of the framework for the implementation of the Recommendation.