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**FOR DEBATE AND GUIDANCE**

## NINETEENTH ITEM ON THE AGENDA

**Report of the Director-General:  
Third Supplementary Report****Tripartite Meeting of Experts on the  
Measurement of Decent Work**

1. In its March 2008 session, the Governing Body approved convening a Tripartite Meeting of Experts on the Measurement of Decent Work. The primary objective of the Meeting was to seek guidance on the different options for measuring the various dimensions of decent work in order to prepare comprehensive recommendations for consideration by the Governing Body.<sup>1</sup> The Meeting took place in Geneva from 8 to 10 September 2008 and was attended by five Government experts, five experts nominated following consultation with the Employers' group, five experts nominated following consultation with the Workers' group, five independent experts selected directly by the Office and several observers. The Employers' and Workers' groups also nominated advisers.
2. The Office had earlier provided the Governing Body with an overview of its past activities towards the measurement of decent work, outlined what conclusions could be drawn from this, and made several proposals for future work.<sup>2</sup> It also provided outlines of a global methodology for measuring decent work<sup>3</sup> which were developed in greater detail in a discussion paper submitted to the Tripartite Meeting of Experts.<sup>4</sup> The present paper summarizes the main points of debate and outlines how the Office proposes to proceed.<sup>5</sup>

**Opening and general debate**

3. In his introduction, the representative of the Director-General emphasized that monitoring progress towards decent work was a long-standing concern of the ILO's constituents. He

<sup>1</sup> GB.301/PFA/8.

<sup>2</sup> GB.300/20/5 and GB.301/17/6.

<sup>3</sup> See the appendix in GB.301/17/6.

<sup>4</sup> TMEMDW/2008.

<sup>5</sup> The Chairperson's report of the Meeting is available on request and will be published online at <http://www.ilo.org/integration/lang--en/index.htm>.

recalled that the ILO Declaration on Social Justice for a Fair Globalization, adopted in June 2008, reaffirmed the commitment of the ILO and its Members to the four strategic objectives of the Decent Work Agenda. The Declaration highlighted the importance of national, regional and global strategies towards decent work, and emphasized that member States might consider the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate progress made. Thus, the Meeting came at a crucial point in time. The Meeting elected Mr Geoff Bowlby, the Government expert nominated by Canada, as its Chairperson.

4. The discussion paper prepared by the Office had set out a number of principles to guide the measurement of decent work, amongst them that it should: cover all four strategic objectives of the Decent Work Agenda; be based as far as feasible on data and information that covers all workers, including those in the informal economy; have conceptual relevance for countries in all stages of development; and that indicators should also be reported separately for men and women to reflect gender differences. The discussion paper had put great emphasis on rights at work, arguing that they were relevant across the entire Decent Work Agenda. It, therefore, suggested combining statistical indicators with information on rights and their implementation in a global template to structure decent work country profiles. The complementary application of quantitative indicators and contextual information on rights at work and the legal framework were seen as essential for all aspects for decent work.
5. The Meeting had a thorough debate on the conceptual framework for the measurement of decent work, and the challenges it posed. Experts nominated by the Employers' group raised concerns as to how far the objective to monitor progress could be achieved through a global template. They opposed a globally applied, ILO-driven template for measuring and monitoring countries' status on and progress towards decent work and compulsory reporting on decent work indicators. They supported the prospect of developing a menu of relevant statistical information and indicators that could enable countries, with or without assistance of the ILO, to assess their own situation with respect to decent work, applied on a voluntary basis. Decent work was essentially a national matter, and it should be the prerogative of national constituents to define the concept according to their specific context and priorities. Thus, there could be no common global set of indicators to monitor progress towards decent work. One participant questioned whether it was possible to account for the diversity of different employers, including small enterprises in the informal economy.
6. Several Government experts, independent experts and experts nominated by the Workers' group argued that the ILO's tripartite structure enabled it to develop a viable template, and lent their support to the framework proposed by the Office. It would enable measurement of change over time and allow comparing experience among countries. Experts nominated by the Workers' group re-emphasized that decent work was a universal concept and that its meaning was accepted and given. Constituents had agreed in the Declaration on Social Justice for a Fair Globalization that monitoring progress was an important component. Decent work was not inaccessible to measurement and a consistent framework was needed. Fundamental principles and rights at work had to be a central element. The purpose of the Meeting was to discuss indicators in detail, rather than to revisit the debate on whether decent work should be measured.
7. Several experts expressed their doubts as to whether it would be feasible to collect data on the major dimensions of decent work in all countries, given that statistical capacity was often underdeveloped. However, others pointed to progress in data collection and argued that all countries should be included, where necessary with technical cooperation from the Office. Participants from several countries affirmed that the proposed set of indicators was

feasible in their respective countries. Experts argued that a parsimonious but well-targeted set of indicators would help statistical offices to focus on these indicators.

8. Some independent experts argued in favour of a composite index to measure progress towards decent work, drawing on the experience of other organizations that had successfully established indices such as the Human Development Index. Other experts highlighted fundamental problems with an index for the purpose of measuring decent work, such as the need to weight its different dimensions and thus to make judgements about their relative importance. Several participants and the Office recalled that constituents had already reached consensus not to develop an index.
9. In response to the debate, an Office representative explained that the word “template” was used in the sense of a comprehensive framework for a decent work country profile, and that the Office would maintain flexibility and adapt it to country circumstances and national priorities by including additional indicators and information. However, it was important to maintain a common core.

### Statistical decent work indicators

10. Based on a review of different sets of indicators that had been proposed by the ILO over the past years, the discussion paper had suggested a set of 18 main indicators that could be supplemented with 16 additional indicators where data are available. Further, it listed eight indicators for the economic and social context of decent work. The paper also provided a discussion of advantages and limitations for each indicator.<sup>6</sup>
11. The Meeting reflected on the merits of statistical indicators for monitoring progress towards decent work. Several participants reported that very similar lists had been successfully applied in their countries, and endorsed the Office proposal as sound. Others argued that it was not always clear what message the proposed statistics would convey, and highlighted difficulties in interpreting trends. Several experts considered that indicators should be based on international statistical standards to guide not only their definition, but also their interpretation. Experts called on the Office to provide precise definitions of indicators, particularly when already available, and to highlight potential problems that could arise when interpreting indicators. Participants also suggested giving preference to existing indicators and highlighted the cost implications of collecting additional data.
12. Experts then reviewed the indicators proposed by the Office. They considered that the official list of Millennium Development Goal (MDG) indicators established a precedent, but felt that the Meeting should not be constrained in its choice and recommend the most suitable indicators.<sup>7</sup> Among other changes, the Meeting recommended using “Youth not in education and not in employment” instead of youth unemployment as a main indicator, and that the proportion of own-account and contributing family workers in total employment be designated an additional indicator to be used where statistics on informal employment are not available. Likewise, the indicator “Health-care expenditures not financed out of pocket by private households” should be re-designated from a main to an additional

<sup>6</sup> See appendix table 3 in TMEWDW/2008.

<sup>7</sup> See official list of MDG indicators, effective 15 January 2008. Experts recommended the inclusion of all four indicators for MDG Target 1.B either as main indicators (1.5 Employment-to-population ratio; 1.6 Proportion of employed people living below \$1 (PPP) per day), as additional indicators (1.7 Proportion of own-account and contributing family workers in total employment), or as context indicators (1.4 Growth rate of GDP per person employed). For a full list of indicators see the Chairperson’s report mentioned in footnote 5.

indicator. Experts also recommended defining the low pay rate as the proportion of employed persons with less than two-thirds of median hourly earnings, and to restrict the female share of employment in managerial and administrative occupations to ISCO-88 groups 11 and 12.<sup>8</sup> The indicator for excessive hours of work should be based on usual hours worked and, in line with Convention No. 1 (Hours of Work (Industry) Convention, 1919), 48 hours per week should be used as the only threshold. A number of additional refinements were suggested.<sup>9</sup>

13. The Meeting also identified indicators requiring further developmental work, such as statistical indicators for stability and security of work, for combining work, family and personal life, and for employment of persons with disabilities. Experts further recommended the development of quantitative indicators for maternity protection as well as for paid annual leave and sick leave. Indicators could be based on the duration, benefit level and the percentage coverage of workers. Experts also stressed the need to include indicators for discrimination of rural, indigenous and migrant workers or along the lines of ethnicity or race where this was relevant. Furthermore, experts nominated by the Employers' group suggested that adequate indicators for sustainable enterprises needed to be developed and could refer to (i) education, training and lifelong learning, (ii) entrepreneurial culture, (iii) enabling legal and regulatory framework, (iv) fair competition, and (v) rule of law and secure property rights.
14. An Office representative stressed that the ILO was aware of difficulties in interpreting changes in indicators, and that it was often necessary to have further contextual information. This had guided the Office in combining statistics with legal framework information and in including indicators for social and economic context. The Office also took note of the request to provide definitions for all indicators on the basis of agreed international standards, and of the request to further develop a number of indicators. The template would be applied in a flexible way and could be adapted to specific needs and circumstances of countries.

## **Rights at work and the legal framework for decent work**

15. An Office representative introduced the proposals on rights at work and the legal framework for decent work. She emphasized that rights at work were relevant across the entire Decent Work Agenda, and that the Office had made two complementary proposals to reflect this: (i) to provide a textual description of the legal framework and the actual application of rights, as well as data on benefit levels, coverage and other relevant aspects; (ii) to develop indicators for countries' compliance with the fundamental principles and rights at work (FPRW). This necessitated a transparent and objective rating according to standard evaluation criteria, and would be based on information on the actual application of FPRW and the extent to which a country's laws comply with them.
16. Experts underscored the importance of rights within the Decent Work Agenda. As one expert said, the fundamental principles and rights at work represented an oath of allegiance to the ILO. The aspirational component of the fundamental principles and rights at work

<sup>8</sup> ISCO-88 group 11 refers to legislators and senior officials, and group 12 corporate managers. The indicator will have to be adapted to ISCO-08 once countries implement the new classification.

<sup>9</sup> Among others, these included having the heading "Collective bargaining coverage rate" rather than "Collective wage bargaining coverage rate", expressing the number of employers who belong to an employers' organization as a rate and simplifying "Children in wage employment or self-employment" to "Child labour" as defined by the draft ICLS resolution.

also received attention, and their key role for the ILO was highlighted. Experts argued that the legal content of decent work was essential for an integrated measurement of decent work, and that the proposed legal framework information added richness and context for the interpretation of statistical indicators. In some countries, it was possible to specify the exact proportion of workers covered by a legal arrangement. Experts recommended to add several legal framework indicators, namely paid annual leave and employment protection legislation (including notice of termination in weeks). They also advised that information on maternity leave should specify weeks of leave, replacement rate and coverage, and that pensions should cover both public and private pensions.

17. Experts endorsed the proposal to develop indicators for the compliance with the FPRW. The required indicators were a manageable set, and their absence would lead to an incomplete picture and present a major shortcoming. Experts agreed that measurement had to be reproducible and based on a standard coding framework. They highlighted that the Office had already undertaken substantial developmental work,<sup>10</sup> and thus demonstrated the feasibility of such indicators. The Meeting suggested beginning with an indicator for freedom of association and collective bargaining, followed by elimination of discrimination in respect of employment and occupation. It also considered whether compliance indicators would lead to a duplication of work with the Committee of Experts, and possibly to inconsistencies and emphasized that these aspects should be carefully reviewed so as to ensure that the ILO supervisory machinery was not undermined. Resource implications were also mentioned.
18. Representatives of the Office affirmed that the FPRW had an aspirational nature, but that, at the same time, the eight core Conventions, given their high rate of ratification, also represented the baseline from which to measure the achievement of the legal commitments made by a majority of Governments. They emphasized that compliance indicators would be consistent with the work of the Committee of Experts and the ILO's other supervisory organs, and would utilize the information generated by them. The Office could draw on objective criteria developed by the Committee of Experts and on previous work, as had been highlighted in the debate. It was thus possible for the Office to generate reliable and reproducible indicators, and the experts' request to develop them was acknowledged. As suggested by experts, significant resources were needed to produce compliance indicators.

## **Thematic organization and preparation of decent work country profiles for pilot countries**

19. The experts agreed to order statistical indicators and legal framework information according to substantive elements of the Decent Work Agenda, and suggested some amendments to the titles and their order.<sup>11</sup> Experts felt that the revisions recommended by the Meeting were a "very good starting point" for the Office to test the framework by compiling decent work country profiles for selected pilot countries including from low-income, middle-income and high-income countries. It was also pointed out that, while the development of decent work indicators was work in progress, many statistics were already available.

<sup>10</sup> See David Kucera (ed.): *Qualitative indicators of labour standards: Comparative methods and applications*. Dordrecht and Geneva: Springer and ILO.

<sup>11</sup> The amended titles are "Combining work, family and personal life" and "Social dialogue, workers' and employers' representation"; the others follow the Office proposal in TMEMDW/2008.

20. Participants appreciated that revisions to the measurement framework done by the Office during the Meeting reflected the systematic work undertaken by the experts, and were a concrete achievement of the Meeting. Another expert clarified that the revised proposal was a record of what had been discussed, not yet an agreement. Designation and choice of indicators would need further examination in the light of experience with the pilot country profiles. Experts stressed that, while important progress had been made by the Meeting, the indicators for measurement of decent work were still not complete owing to the need to reach a workable compromise between the desirable and the feasible.

## Next steps for the Office

21. Following the guidance provided by the Tripartite Meeting of Experts, the Office proposes to follow up on its conclusions and to undertake the next steps towards the measurement of decent work through country profiles. These include:
- (a) Providing the full report of the Tripartite Meeting of Experts to the 18th International Conference of Labour Statisticians (ICLS), to be held from 24 November to 5 December 2008 in Geneva.
  - (b) Compiling definitions for statistical indicators on the basis of agreed international statistical standards and providing guidance on the interpretation of indicators, including a discussion of limitations and possible pitfalls.
  - (c) Carrying out developmental work on statistical indicators in areas highlighted by experts, such as maternity protection, paid annual leave, sick leave and sustainable enterprises, and generating reliable and reproducible indicators for compliance with fundamental principles and rights at work.
  - (d) Preparing decent work country profiles for a limited number of pilot countries, including low-, middle- and high-income countries.
  - (e) Reporting to the Governing Body in November 2009 on the experience gained in the pilot countries with a view to extending further the coverage of decent work country profiles.

Geneva, 23 October 2008.

*Submitted for debate and guidance.*