



FOR DECISION

SECOND ITEM ON THE AGENDA

Agenda of the International Labour Conference

Agenda of the 100th Session (2011) and of the 101st Session (2012) of the Conference and proposals for the item “Employment and social protection in the new demographic context” originally placed on the agenda of the 98th Session (2009) of the Conference

Introduction

1. In November 2009, the Governing Body had before it documents on: the agenda of the 100th Session (2011) of the Conference;¹ proposals for the agenda of the 101st Session (2012) of the Conference;² and arrangements to deal with the item “Employment and social protection in the new demographic context” originally placed on the agenda of the 98th Session (2009) of the Conference.³
2. The Governing Body decided to postpone the consideration of the first two items until March 2010, and took note of the document on the third item which informed the Governing Body that consultations were being held on this issue and that a new paper would be submitted in March 2010.
3. As a general rule, in November each year the Governing Body holds a first discussion on items proposed for the agenda of the International Labour Conference to take place two-and-a-half years later. It then takes a final decision on the agenda in March of the following year. Nevertheless, the Governing Body may also decide, as it did for the agenda of the 100th Session, to postpone the completion of the agenda of the Conference concerned to a later session.

¹ GB.306/2/1.

² GB.306/2/2.

³ GB.306/2/3.

4. At the present session, the Governing Body therefore has to decide on the agenda of the Conference in 2011 and 2012 and to give guidance on how to deal with the item “Employment and social protection in the new demographic context”.

Agenda of the 100th Session (2011) of the Conference

5. The agenda of the 100th Session (2011) of the Conference will contain the following standing items:
 - Reports of the Chairperson of the Governing Body and of the Director-General;⁴
 - Programme and Budget proposals for 2012–13 and other financial questions; and
 - Information and reports on the application of Conventions and Recommendations.
6. According to regular practice, the Conference deals with three technical items. One of these would be a second discussion on the item: “Decent work for domestic workers”, with a view to standard setting, following a first discussion at the 99th Session (2010) of the Conference.
7. In addition, in March 2009, the Governing Body decided to include on the agenda of the 100th Session (2011) the item: “A recurrent discussion on the strategic objective of social protection (social security)”, under the follow-up to the ILO Declaration on Social Justice for a Fair Globalization (the Social Justice Declaration). In the same session, the Governing Body also decided to postpone the choice of a third technical item, so as to allow the Office to take into account the outcome of the 2009 Conference discussions on the ILO crisis responses.

Proposals

8. Six items were submitted in November 2009: the five remaining items among the proposals presented by the Office in March 2009 – updated where necessary, mainly to reflect the current crisis context – and a new proposal for standard setting as a follow-up to the 2009 Conference discussions on the ILO crisis responses and the Global Jobs Pact. During the discussion in November views were expressed that the latter proposal should be reviewed to be less tied to the Global Jobs Pact.
9. Furthermore, in view of the outcome of the discussion at the same session in the Committee on Employment and Social Policy on combining flexibility and security for decent work,⁵ it is proposed to withdraw the proposal for a general discussion on flexicurity⁶ for the time being.

⁴ Including the Global Report on discrimination in occupation and employment under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work (subject to any decisions the Conference might take on the review of this follow-up mechanism).

⁵ See GB.306/ESP/3/1 and GB.306/12(Rev.).

⁶ This proposal was entitled “Flexicurity as a tool facilitating adaptation to changes in the globalized economy”.

10. Accordingly, the five proposals that are submitted again are the following (see Appendix I):
- (a) proposal for standard setting (following the 2009 Conference discussions on ILO crisis responses);⁷
 - (b) decent work in global supply chains (general discussion);
 - (c) finance with a social purpose (general discussion);⁸
 - (d) youth entrepreneurship: transforming jobseekers into job creators (general discussion); and
 - (e) the right to information and consultation in the context of economic restructuring (general discussion).
11. *In light of the above, the Governing Body is invited to complete the agenda of the 100th Session (2011) of the International Labour Conference, by selecting one of the following five proposals:*
- (i) *proposal for standard setting (following the 2009 Conference discussions on the ILO crisis responses);*
 - (ii) *decent work in global supply chains (general discussion);*
 - (iii) *finance with a social purpose (general discussion);*
 - (iv) *youth entrepreneurship: transforming jobseekers into job creators (general discussion); and*
 - (v) *the right to information and consultation in the framework of economic restructuring (general discussion).*

Place and agenda of the 101st Session (2012) of the Conference

Place

12. *It is proposed that the 101st Session (2012) of the Conference be held in Geneva.*

Agenda

13. The agenda of the 101st Session (2012) of the Conference will contain the following standing items:

⁷ This proposal has been revised in light of the comments made during the November 2009 session.

⁸ The previous title was “finance with a social agenda: microfinance for decent work”. The text has been refocused in order to deal more generally with financial systems that are responsive to the needs of households and enterprises and integrate social responsibility.

- Reports of the Chairperson of the Governing Body and of the Director-General;⁹
 - Programme and budget and other financial questions; and
 - Information and reports on the application of Conventions and Recommendations.
- 14.** In March 2009, the Governing Body decided that the length of the cycle for the recurrent discussions under the follow-up to the Social Justice Declaration would be seven years. The first recurrent discussion will take place in 2010 on employment and the second in 2011 on social protection (social security). These two strategic objectives, as well as fundamental principles and rights at work, will be discussed twice in the seven-year cycle (for social protection, the second discussion will cover labour protection) and social dialogue will be discussed once. Each year's examination will consider the strategic objective in question in light of the other strategic objectives and in the context of the cross-cutting issues of gender equality and non-discrimination. It is proposed that fundamental principles and rights at work be the strategic objective addressed in the third recurrent discussion. As regards the scope of the discussion, three options are described in paragraph 5 of the proposal (see Appendix II).
- 15.** 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, subject to any other decision taken by the Governing Body. Consequently, items proposed for the agenda of the 101st Session include those items that will not be placed on the agenda of the 100th Session of the Conference (contained in Appendix I).
- 16.** As indicated above the Conference examines in principle three technical items each year. In the present situation, depending on the selection of the Governing Body for the third item that will complete the agenda of the 100th Session (2011) of the Conference, two possibilities exist. The first would be for the Governing Body to select for 2011 the standard-setting proposal with a double-discussion procedure. The second would be for the Governing Body to select the standard-setting proposal with a single-discussion procedure or another proposal for a general discussion. In the first case, in addition to the recurrent item discussion, the Governing Body will have to choose one item to complete the agenda of the 101st Session of the Conference (2012); in the second case, besides the recurrent item discussion, the Governing Body will have to choose two additional items.
- 17. *Against this background, the Governing Body is invited:***
- (a) to include in the agenda of the 101st Session (2012) of the Conference the recurrent item discussion on the strategic objective of fundamental principles and rights at work and specify the option for the scope of the discussion; and*
 - (b) to complete this agenda by selecting one or two of the items not placed on the agenda of the 100th Session of the Conference (2011), depending on the selection of the Governing Body for the agenda of the 100th Session of the Conference (2011) as described in paragraph 16 above.*

⁹ Including the Global Report on freedom of association and the right to collective bargaining under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work (subject to any decisions the Conference might take on the review of this follow-up mechanism).

Proposals for the agenda of future sessions of the Conference

18. Since 1997, the Governing Body has extended the scope of its November session discussions to include an examination of items that could be considered for inclusion in the agenda of future sessions of the Conference. In November 2008, the Governing Body called for further research on two of the items proposed in this context:
- (a) export processing zones: possibility of a general discussion; and
 - (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).
19. These proposals were updated and included in the proposals submitted in November 2009. As the Governing Body did not have the opportunity to discuss them, they are submitted again at the present session (see Appendix III). The Governing Body may wish to give the Office guidance in order to advance their level of preparation and to indicate other topics to be developed.
20. *The Governing Body is invited to indicate, for future Conferences, the items for which research work and consultation might be accelerated among the proposals contained in Appendix III, and any other item to be developed.*

Proposals for the item “Employment and social protection in the new demographic context” originally placed on the agenda of the 98th Session (2009)

21. Informal consultations carried out during the November 2009 session of the Governing Body confirmed the continued interest of constituents for a discussion on this topic, scheduled initially for the 2009 session of the Conference and suspended subsequently to enable the Committee of the Whole discussion on the global financial crisis.
22. In view of the wide interest on the topic, the report prepared by the Office for the Conference discussion has been reviewed and reformatted for publication under the title *Employment and social protection in the new demographic context*, to be published in March or April 2010. This could be followed by an active strategy for dissemination and capacity-building initiatives with constituents, including at the International Training Centre of the ILO (Turin Centre).
23. Regarding modalities and timing of a possible discussion, the following alternatives may be considered:
- Inclusion of this theme within the recurrent item discussions respectively on employment (2010) and social protection (social security, 2011). However, since the preparation of the recurrent item report on employment has been finalized, and given the range of issues that will be considered by the related Conference committee in 2010, it may not be able to deal with the demographic dimension in an adequate and in-depth manner. Moreover, in view of the integrated nature of the policy issues across employment and social protection, it appears counter-intuitive and artificial to discuss them in separate sessions.

- Consideration of this topic for discussion during a future Conference session. In view of the recurrent item discussions on employment and social protection in 2010 and 2011, this could be considered as of 2012.
- Organization of a meeting of experts instead of a Conference discussion. For reasons of calendar and capacity of the two responsible sectors in the Office such a meeting could not be organized before October 2011.

24. In light of the above, the Governing Body is invited to give guidance to the Office as regards the different options for a possible discussion on the item “Employment and social protection in the new demographic context”.

Geneva, 18 February 2010.

Points for decision: Paragraph 11;
Paragraph 12;
Paragraph 17;
Paragraph 20;
Paragraph 24.

Appendix I

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

1. Proposal for standard setting (following the 2009 Conference discussions on the ILO crisis responses)

Summary

In November 2009 the Governing Body proposed the development of a standard-setting item as a follow-up to the 2009 Conference discussions on the ILO crisis responses and the Global Jobs Pact. The Governing Body discussion showed that while there were questions as to the direct link with the Global Jobs Pact, there was wide interest in a standard-setting item to be put on the agenda of the Conference, that could take the form of a Recommendation, in order to provide guidance for governments and the international community to create a policy framework to protect against major economic and financial crises and their social consequences.

In examining this item, due account will have to be taken of the fact that these issues will also be discussed at the next session of the Conference in June 2010, at the Conference Committee on the Application of Standards when it reviews the General Survey on employment of the Committee of Experts on the Application of Conventions and Recommendations, and at the recurrent item committee on employment. The latter will examine, inter alia, the priorities with respect to ILO work across all means of action, including in the field of standard setting.

Without anticipating the Conference discussions and their outcome, it can be assumed that strengthening the governance mechanisms for employment policy reviews will be given due consideration by the recurrent item committee. This may include, inter alia, examining issues such as the need and opportunity of reviewing or updating the Recommendations that complement the Employment Policy Convention, 1964 (No. 122). Another alternative could be a standalone Recommendation that would provide a strengthened review mechanism, possibly including peer reviews as foreseen in the Social Justice Declaration.

1. At the November 2009 session of the Governing Body a proposal suggesting standard setting as a follow-up to the Global Jobs Pact was submitted.¹ It presented the rationale for a possible new instrument to guide governments and the social partners in their policy-making and action in confronting critical economic global crises. Discussions during the Governing Body session showed that while there were questions as to the direct link with the Global Jobs Pact, there was interest in a standard-setting item on the agenda of the Conference, that could take the form of a Recommendation, in order to provide guidance for governments and the international community to create a policy framework to protect against major economic and financial crises and their social consequences.
2. It was suggested that a possible new instrument draw on the principles of the Declaration of Philadelphia and the Social Justice Declaration, the Global Employment Agenda as well as on the Decent Work Agenda and the Global Jobs Pact, to establish guiding principles and policy guidance to deal with preventive crisis protection and effective crisis responses. The instrument would address the need for an integrated approach between macroeconomic and financial policies and employment and social policies. Furthermore it would strengthen policy coordination among nations and improve the policy coherence between different international organizations.
3. In presenting the rationale for this proposal, numerous connections were made to employment, social and equality challenges, to economic policies and lessons that need to be drawn from the current global crisis. In examining this item, due account will naturally

¹ GB.306/2/1, appendix.

have to be taken of the fact that these issues will also be discussed at the next session of the Conference in June 2010: in the Conference Committee on the Application of Standards when it reviews the General Survey concerning employment instruments in light of the ILO Declaration on Social Justice for a Fair Globalization; and, in particular, in the Committee on the Strategic Objective of Employment, when it discusses the recurrent item report on employment, which will examine, inter alia, the priorities with respect to the ILO's work across all means of action, including in the field of standard setting.

4. Without anticipating the Conference discussions and their outcome, it can be assumed that strengthening the governance mechanisms for employment policy reviews, in particular for the effective implementation of Convention No. 122 and other related instruments, will be given due consideration by the recurrent item committee. The issue of availability of relevant and up to date employment guidelines for assisting the enhanced review mechanisms would be part and parcel of that discussion.
5. Addressing this objective may include, inter alia, examining issues such as the need and opportunity of reviewing or updating the employment policy Recommendations (Nos 122 and 169), that provide more detailed guidance on employment policy. Adopted respectively in 1964 and 1984, these Recommendations may, however, require significant updating to address the decent work challenges that governments and social partners face in considerably different national and international contexts to achieve fair globalization. Another alternative could be a standalone recommendation that would guide a strengthened review mechanism, possibly including peer reviews as foreseen in the Social Justice Declaration.
6. Deriving its principles from the policy discussions at the Conference, this would help constituents address policy coordination and coherence at national and international levels, as well as exchange best practices that have emerged through the analysis of employment policies.

Employment

2. Decent work in global supply chains
(general discussion)

Summary

The growth of supply chains that often stretch across the globe as a result of increasing globalization is generating much debate on the implications 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 would address 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 productive employment and decent work outcomes in global supply chains. Special attention would be paid to the potential economic, social and employment effects that economic crises might have on 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).

7. 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 significant creation 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.

8. 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 supporting the development, diversification and upgrading of their enterprise base.
9. Increased market openness and foreign direct investment, 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.
10. 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. A new trend is the growth of multinational enterprises based in developing countries.
11. A decision to outsource often is a 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, and access to infrastructure. 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 depend to a large extent on national policy frameworks.
12. 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.
13. The growth of supply chains and outsourcing raises issues surrounding the application of international labour standards. For a number of reasons, including inadequate resources, governments in developing countries do not always adequately monitor labour practices and enforce labour standards. 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 and fundamental principles and rights at work are not being observed in many areas of international business activity.
14. For a number of reasons, including growing concerns regarding labour and social practices in 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 for suppliers and various implementation and monitoring schemes. These initiatives raise many questions, especially the issue of one enterprise assuming some responsibility for the labour practices of another enterprise, which it does not own or control.

15. There is a lack of clarity regarding the division of responsibilities between enterprises and governments in terms of 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.
16. Workers' organizations, in particular, have expressed 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 principles and 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. The right to information and consultation is especially critical in the current economic and financial crisis. Employers' organizations have expressed 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 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.
17. Supply chains can also have a significant effect on national policy-making in the field of national taxation policy, competition or investment policies and even in the realm of social policies covering, for example, social security and welfare provision.

Some issues for discussion

18. The discussion would focus on how employment and decent work can be promoted in global supply chains. Issues to be covered may include:
 - What are some of the key structural changes and trends in global supply chains?
 - What are the key drivers of these trends?
 - How are these trends affected by the economic and financial crisis?
 - 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 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 monitoring systems 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 for governments, workers' and employers' organizations of the structural changes in global supply chains and their impact on productive employment and decent work?
 - 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

19. The intended outcomes of the Conference discussion would be:

- a stocktaking of the international debate on the impact of structural changes in global supply chains on the quantity, quality and distribution of employment, in the context of the 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.

3. Finance with a social purpose (general discussion)

Summary

The financial crisis demonstrated the importance of financial strategies that serve the real economy and respond to the needs of households and enterprises. One of these strategies is microfinance. Its growth and impact are evidence that socially responsible finance is possible, feasible and sustainable.

Against the backdrop of the financial crisis, the Conference discussion would be an opportunity to extract the lessons learnt from the innovations for policy formulation. It would thus be a timely opportunity to define the ILO position on socially responsible finance, translating into action the Declaration of Philadelphia and the Social Justice Declaration.

Rationale

20. Several sessions of the Conference have identified access to credit and finance as a key constraint for decent work and productive employment, whether in the context of sustainable enterprises, rural development, youth employment, cooperatives, social protection, gender, the informal economy or migration. The Governing Body has also requested the Office to explore ways to gear financial systems more towards decent work and make finance more inclusive. To deepen the analysis, better understand these mechanics and locate entry points for policy, the Office started pilot initiatives in the framework of the joint outcome on social finance. Partnering with 21 leading institutions worldwide, the Office tested a variety of financial innovations to tackle decent work issues concretely, guided by local employers’ and workers’ organizations. In parallel, the Office started several initiatives to strengthen the capacity of workers’ and employers’ organizations to guide and assist their members in the access to and management of finance. This also covers governments that seek the advice of the Office in the design and management of social funds meant to absorb the shocks of the financial crisis.
21. The Conference discussion would review good practices in the use of financial instruments for productive employment and decent work and define the implications for policy-making. It would identify good practices in capacity building of the social partners and ministries of labour, and help them interact more effectively with ministries of finance and central banks.

Relevance for decent work

22. Financial institutions can promote decent work in a variety of ways:

- Improvements in the access to finance enhance entrepreneurship, investments and productivity and stimulate the demand for labour; the closer financial intermediaries operate to smaller enterprises, the better they are able to respond quickly to the demand for finance. Financial institutions with a social purpose in particular, e.g. credit unions, municipal savings banks, promotional banks, community banks and microfinance institutions, demonstrate in different ways how to keep financial intermediation firmly responsive to the needs of households and enterprises in the real

economy, whilst operating on market-based principles. This applies also to the design of individual financial products and services. Credit can be packaged in such a way that parents are induced to keep their children at school and not to make them work. An institution in Morocco, for example, gives parents an interest rebate if they produce a school attendance certificate for their children.

- A programme in Bangladesh covering close to 1 million women provides free food grain for an 18-month period to destitute, female-headed households that are at the highest risk of hunger. The programme uses food grain relief assistance to attract the hardcore poor and cater to their immediate consumption needs, but then adds skills training 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. This approach would merit to be better known in a situation of continuing food crisis.
- Finance can also be an effective tool to address debt bondage, a fundamental violation of labour rights. An institution in Pakistan, for example, combines social mobilization, training and savings to make sure that *haaris*, a group of former bonded labourers, do not slip back into debt bondage.
- Financial contracts represent a path out of informality. For a variety of reasons, some financial institutions provide incentives to their clients to formalize. A business association in Egypt, for example, links lending to clients' 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.
- Improvements in the access to finance can change the distribution of working time between men and women. 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.
- Financial institutions with a social purpose address a host of other decent work issues:
 - (a) help HIV/AIDS-affected workers to save for medical treatment;
 - (b) design savings and investment products for families of migrant workers receiving remittances;
 - (c) offer access to life and health insurance;
 - (d) organize home or contract workers in savings and credit clubs;
 - (e) give young jobseekers a chance to start up;
 - (f) integrate people with disabilities into mainstream services;
 - (g) make it possible for employers in the informal economy to provide benefits to their workers, such as health insurance, etc.

Objectives

23. The discussion at the Conference would:

- create knowledge about good practices: what works, when and under which circumstances in gearing finance to decent work, and how this knowledge can best be rolled out in the context of the Global Jobs Pact;
- identify possible partnerships between social partners, governments and financial institutions. The debate will throw light on possible areas for capacity building of the social partners and guide government policy to support such initiatives.

Points to be discussed

24. Points to be discussed reflect the ILO policy statement in this field of work² and would include:

- How can financial instruments and institutions promote productive employment and decent work?
- How can finance move operators from the informal to the formal economy?
- What can workers' and employers' organizations do to better protect workers and independent producers against abuses in finance, avoid over-indebtedness, ensure transparent pricing and enhance ethical behaviour by bank staff?
- How best to assist ministries of labour in the management of funds set up to help create jobs for those laid off as a result of the financial and economic crisis or otherwise excluded from the labour market?
- How can employers' organizations:
 - (a) influence the portfolio orientation of financial institutions towards entrepreneurship development;
 - (b) better interact with financial institutions to deal with the credit crunch affecting SMEs, lower investment costs and promote risk-sharing instruments suitable for SMEs;
 - (c) articulate their members' needs with regard to a better access to capital;
 - (d) encourage savings by workers and facilitate remittances?
- How can workers' organizations:
 - (a) through pension funds and socially responsible investment promote social finance institutions;
 - (b) partner with local financial institutions to ensure the provision of affordable and secure savings, insurance 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, complementing collective bargaining efforts to protect real purchasing power of workers?
- How can the Office generally help constituents better interact with ministries of finance and central banks, especially with regard to consultations on financial policies that are likely to impact productive employment and decent work?

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

Summary

The challenge of improving young people's access to decent work opportunities and engaging young women and men in the economy and society is a global challenge. Youth entrepreneurship is increasingly recognized as a valuable strategy for unleashing the productive and innovative potential of young people. It empowers them to create jobs and contribute positively to a sustainable economy and society. The International Labour Conference deliberated on youth employment in 2005 and youth entrepreneurship was briefly touched upon. In light of youth unemployment rates and the global financial and economic crisis, it would seem appropriate to further explore how youth entrepreneurship can advance the Decent Work and the Global Employment Agendas.

² GB.294/11(Rev.), appendix.

25. There are more than 1 billion young people aged 15–24³ in the world today, of which 85 per cent live in developing countries. According to UN projections from 2007, the 50 poorest countries in the world will more than double their population, from 0.8 billion in 2007 to 1.7 billion in 2050. Further, it is estimated that almost 100 million young people will be entering the global workforce every year for the next ten years.⁴ Globally, in 2008 the number of unemployed youth increased to 76 million, and the youth unemployment rate increased by 0.4 percentage points. Given the current economic downturn, the youth labour market situation is all the more worrisome in view of the lack of progress in addressing youth labour market issues during more prosperous years. As analysed in a recent report based on labour market data up to 2007, global trends suggest that little progress has been made in improving the position of youth in labour markets, and young people still suffer disproportionately from a deficit of decent work opportunities.⁵ To achieve the goal of providing decent work opportunities for all women and men, strong policy and programmes will be essential to stimulate a sound socio-economic recovery for today and for future generations.
26. According to the same report, young people are generally three times more likely than adults to be unemployed, making up 47 per cent of the world's unemployed. High unemployment is only part of the problem, as underemployment and poor working conditions are also prominent. There is strong empirical evidence from both developing and developed countries indicating that high rates of youth employment contribute to socio-economic stability. The importance of absorbing this rapidly growing supply of labour is reflected by the fact that youth employment is a priority outcome in over 40 Decent Work Country Programmes.
27. When, during its 93rd Session (2005), the International Labour Conference discussed youth employment, youth entrepreneurship was discussed under active labour market policies. Increasingly, youth entrepreneurship is understood, accepted and adopted as a strategy for unleashing the productive and innovative potential of young people to enable them to participate actively in the economies of their countries. Furthermore, the need to enhance support to vulnerable women and men hit hard by the crisis, including youth, and the provision of entrepreneurial skills development, especially for unemployed young people is one of the key principles for promoting recovery and development in the Global Jobs Pact. Finally, the Social Justice Declaration recognizes the importance of sustainable enterprises in creating greater employment and income opportunities for all.
28. The promotion of youth entrepreneurship is a component of the ILO's youth employment programme. Increasingly, member States promote youth entrepreneurship within national action plans or as part of a national youth employment strategy. The promotion of youth entrepreneurship is one means of creating employment and ensuring that countries are able to benefit from the socio-economic potential of their young population. 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 at the same time generally having limited business experience and material assets. Many young entrepreneurs are found in the informal economy and one in five working youth continues to live in extreme poverty.
29. Entrepreneurship education should start at an early age and young entrepreneurs should be supported by a conducive entrepreneurship culture, an enabling business environment and

³ The definition of youth may vary from country to country. The standard UN definition comprises the age group between 15 and 24.

⁴ ILO: *Facts on youth employment*, Geneva, June 2006.

⁵ ILO: *Global employment trends*, Geneva, Jan. 2009.

effective entrepreneurship development tools to achieve their full potential. To be successful, the promotion of youth entrepreneurship must be approached comprehensively, emphasizing sectors with job-creation potential while adopting a broader approach to link youth to decent work opportunities. Through entrepreneurship education and business start-up training – and support programmes – including business incubators, cooperatives and microcredit – young women and men can acquire the necessary attitudes, knowledge, skills, behaviour, experiences, support services and assets that increase their chances to obtain decent work by being more employable or by starting a business. Strengthening the voice of young entrepreneurs is key to address the specific barriers they face and can facilitate graduation from self-employment in the informal economy to successful entrepreneurship.

30. Youth is not a homogenous group and programme strategies must be adapted to the needs of young women and men at different stages of education and work. Youth entrepreneurship programmes should implement targeted approaches to serve the needs of youth facing multiple barriers, such as gender, poverty, disability and HIV/AIDS. For young people coming out of crisis situations, self-employment is often the only available immediate option and comprehensive support programmes are needed to avoid high business failure. Furthermore, responses may vary depending on whether young people are in school, preparing for the transition to work and a career, or out of school and already in the labour market looking for a job. Specific efforts may be needed to promote young women's entrepreneurship development.
31. The ILO has supported member States' efforts to promote youth entrepreneurship in a number of areas such as entrepreneurship culture, entrepreneurship education in secondary, technical/vocational and higher education institutions, business start-up, targeted business development services, the enabling environment and support to youth cooperatives and microfinance. In addition, the link between youth and social entrepreneurship, in which sustainable enterprises balance financial and non-financial objectives, is a promising area for stimulating youth entrepreneurship development among unemployed youth and marginalized populations in society.
32. Over the past five years, the Office has published a number of working papers focusing on youth entrepreneurship and is currently undertaking a global study about the impact of ILO-supported entrepreneurship education in secondary and vocational schools and in universities. The study looks at the extent to which entrepreneurship education graduates are more likely than other young people to start an enterprise and thus become active job creators for themselves and others and it looks at whether these graduates become better employees since they know more about entrepreneurship. However, there is still little documentation about youth entrepreneurship, and limited guidance on how to effectively and comprehensively promote it. It would be important to delve deeper into this vital area to tap its full job-creation, empowerment and enterprise potential as an integral part of the Global Employment Agenda.
33. The discussion at the Conference could focus on the following questions:
 - What is the nature, size and dynamics of youth unemployment and the potential role of youth entrepreneurship for employment creation and sustainable enterprise development?
 - What are the specific barriers to youth entrepreneurship, how are these being addressed through policies and programmes and what are the lessons learnt?
 - What is the role of the education system in educating future entrepreneurs and at which level and age could entrepreneurship education be introduced?
 - What is an ILO definition of youth entrepreneurship?
 - What should be the role of employers' and workers' organizations?

- What is the unique contribution of the ILO in this domain as compared to other multilateral and bilateral institutions and donors?
 - How could an expanded youth entrepreneurship programme make a significant contribution to the current challenges faced by member States, in light of the global financial crisis and projected increase in youth unemployment?
 - What are effective ways of promoting decent work through youth entrepreneurship? What would be the most appropriate strategy for the ILO’s work in this area?
 - What partnerships exist and what is the place of the ILO in these?
 - What are effective and efficient measurements of youth entrepreneurship and its impact on employment creation and the development of sustainable enterprises?
34. The intended outcomes of the Conference discussion would be:
- stocktaking of the international debate on youth entrepreneurship and the policies and programmes being implemented by global actors in this field;
 - review of the ILO strategy on youth entrepreneurship;
 - guidance for the Office on effective youth entrepreneurship policies and programmes;
 - development of an ILO definition of youth entrepreneurship;
 - guidance for the Office on measurement of youth entrepreneurship.

Social dialogue

5. 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. The current financial crisis has further amplified the need for, and has accelerated the pace of, adjustments required. One possible approach is to restructure the enterprise, which can take a 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 International Labour Conference would provide an 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 usefulness of this policy tool to help mitigate social hardship and facilitate recovery measures in times of crisis;
- 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 international law and practice providing for information and consultation around such issues; and
- an assessment of the implications for the ILO’s work.

Background

35. 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 coupled with the financial crisis. Many enterprises are facing more intense competition than before. This leads to pressures to adapt workplaces to match the efficiency, output and quality of market leaders – or, in many cases, to close down.⁶ 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.

36. There are many examples where the social partners have collaborated successfully in responding to structural and other changes generated by the current crisis, mobilizing the full potential of their enterprises.⁷ 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 enterprises by seeking the understanding and support of the workforce in implementing proposed changes. Through this approach, workers 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. Different solutions are being negotiated by the social partners at all levels, often leading to agreements on packages that deal with issues such as job security, working time, wages, lifelong learning possibilities and new methods of work organization.
37. 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 in case of 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 rather than recognizing the need for ongoing social dialogue at enterprise level and adequately considering the economic and employment impact of decisions taken.
38. Increasing globalization of capital, product and labour markets means that decisions affecting enterprises and their workers are often taken by multinational enterprises. Information and consultations at this level are not very well developed. This is in spite of the attempts of some multinational enterprises and regional integration groupings, especially in Europe, where adoption of the Works Council Directive in 1994 has led to the development of a wide variety of consultation and information exchange practices.⁸ Even in this situation, however, the main objective of providing workers with a real voice in corporate decision-making processes has only been achieved in some cases. In addition, many of the relevant European works councils' procedures remain predominantly directed to provision of information with the minimum information requirement often oriented

⁶ ILO: *Changing patterns in the world of work*, Report of the Director-General, Report I(C), International Labour Conference, 95th Session, Geneva, 2006.

⁷ L. Rychly: *Social dialogue in times of crisis: Finding better solutions*, Geneva, ILO, DIALOGUE Working Paper No. 1, 2009.

⁸ As reflected in 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.

towards the past rather than the future situation of an enterprise.⁹ Against this background and with a view to reinforcing the role of European works councils, the European Commission adopted in 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.¹⁰ European works councils currently operate in 820 companies across the European Union, covering some 14.5 million employees.¹¹

39. The issues faced, and the approaches to consultation and information adopted are not uniquely European phenomena however. Of the 71 countries included in the ILO's *Termination of Employment Digest*, 45 report some level of consultation with employees' 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 retrenchments has been agreed by the social partners, but does not yet have the force of law.
40. 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;¹² a situation that exists both at the level of nations and individual enterprises. The lack or weakness of such institutions and procedures of dialogue between governments and between employers and workers and their representative organizations makes it difficult to achieve consensus on important issues that affect enterprises operating within and across borders. As noted in a recent report on social dialogue, the current crisis led many governments to intensify their appeal to social partners to negotiate or participate in joint consultations. This is true even in countries with less dialogue-oriented administrations, not only in Europe but also in Asia or Latin America.¹³

The ILO's response

ILO normative action

41. 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, was clearly articulated in the Declaration of Philadelphia when it called on the Organization to develop programmes with a view to promoting "effective recognition of the right to collective bargaining and

⁹ A. Weiler: *European works councils in practice*, European Foundation for the Improvement of Living and Working Conditions, Luxembourg, 2004.

¹⁰ The consolidated text of the Directive as amended by the European Parliament is accessible at: www.europarl.europa.eu/sides/getDoc.do?type=TA&refer.

¹¹ For the full text of the proposal for a directive, please consult European Commission web site at: <http://ec.europa.eu/social/BlobServlet?docId=458&langId=en>.

¹² ILO: *A fair globalization: Creating opportunities for all*, report of the World Commission on the Social Dimension of Globalization, Geneva, 2004.

¹³ L. Rychly: op. cit.

cooperation between management and labour in the continuous improvement of productive efficiency ...” (paragraph 3(e)).

42. 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.¹⁴

ILO technical cooperation

43. 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 Office assists the constituents to draft labour laws, including those that address the impacts of economic reorganization.
44. 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 Office continues to provide support to CARICOM and its member States to promote harmonization with the model legislation.

International Labour Conference discussion and outcomes

45. 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, skills requirements, work organization and location of enterprises;
 - recent developments in labour–management relations at enterprise level, including new forms of consensus building through information and consultation, that proved useful to mitigate the impact of the crisis;
 - related developments in social dialogue at national and transnational levels;

¹⁴ 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. para. 57).

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

Appendix II

Proposal for a recurrent discussion in 2012 on the strategic objective of fundamental principles and rights at work

1. Since 2000, an annual Global Report has been submitted to the Conference on one of the four categories of fundamental principles and rights at work (freedom of association and the right to collective bargaining, elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and elimination of discrimination in respect of employment and occupation).
2. The cycle started with a Global Report in 2000 on freedom of association and the effective recognition of the right to collective bargaining. The latest Global Report submitted to the Conference in 2009 was on forced labour. In 2010 it will be on child labour. A Global Report on discrimination is scheduled for 2011. In this way, by 2012 each topic will have been discussed three times in a cycle of four years. The discussion of each Global Report, in line with the intention of the ILO Declaration on Fundamental Principles and Rights at Work (1998 Declaration), has resulted in plans of action adopted by the Governing Body at its November sessions. Thus, four plans already exist and have been regularly updated on each category of fundamental principles and rights at work. It is also to be noted that the programme and budget contains an outcome for each of the four categories, which takes into account these plans of action.
3. In 2010, the Conference will discuss an item to review the follow-up procedures to the 1998 Declaration. The review coincides with the introduction of the recurrent discussions at the Conference. It will also elaborate on the ways to review the different elements of the follow-up, including the Global Report procedures, with a view to synchronize them with the reports for recurrent discussions.
4. The scheme of recurrent discussions by the Conference was introduced under the follow-up to the Social Justice Declaration adopted in 2008.¹ In March 2009, the Governing Body decided that the length of the cycle to discuss recurrent items on all strategic objectives would be seven years. The first recurrent discussion will be in 2010 on employment and the second in 2011 on social protection (social security). It is proposed that the recurrent discussion in 2012 be on fundamental principles and rights at work. Over a cycle of seven years, the strategic objective of fundamental principles and rights at work would be discussed twice.

Content and nature of the recurrent discussion report

5. In the informal consultations that took place on the follow-up of the Social Justice Declaration, including the cycle of recurrent discussions, three possibilities have been mentioned regarding the categories of principles and rights that should be covered in the recurrent discussions on fundamental principles and rights at work:
 - (a) to have all four categories of fundamental principles and rights covered in the recurrent discussion report;
 - (b) to have freedom of association and collective bargaining covered in the report to the 2012 Conference and then the three remaining categories, i.e. forced labour, child

¹ ILO Declaration on Social Justice for a Fair Globalization, 2008, Annex, II(B).

labour, and non-discrimination, covered in the next report on fundamental principles and rights at work; or

- (c) to have the report in 2012 cover two of the categories (freedom of association and collective bargaining and non-discrimination) with the remaining two categories (child labour and forced labour) to be dealt with in the next report in the same cycle.
6. The last two options could provide for a more in-depth and detailed discussion of the topics covered. The first option would make it possible to discuss all the four categories every four years. Under the other options each category of rights would be discussed every seven years. The interrelationship of the fundamental principles and rights at work and the need for a coherent plan to combine activities is another argument for the first option. A coherent plan covering the four categories of the fundamental principles and rights at the same time can synchronize and integrate action on all four components in a way that they would complement each other.
 7. As regards the nature of the report, it is important to note that the purpose of the Global Reports included provision of a dynamic picture of the state of affairs as regards the promotion of the fundamental principles and rights at work; an assessment of the effectiveness of ILO action in this regard; and the elaboration of a plan of action for the future. While the functioning of the follow-up to the 1998 Declaration will be reviewed by the Conference in June 2010, it is not probable that its basic purpose will be altered. The aims of the follow-up coincide with the purpose of the recurrent discussions, which is to serve the Organization so as to: (i) better understand 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.²
 8. The recurrent report will need to provide a dynamic and global picture of the developments and the situation across regions concerning the respect, realization and promotion of the rights and principles that are covered. It will need to present recent global trends in the application and promotion of those rights and principles. The recurrent item discussion will benefit from article 19 General Surveys as important sources of information.
 9. The report should discuss ILO policy and activities in the preceding period and their achievements or failures as regards promoting the rights and principles concerned. This should give transparency to ILO activities and a possibility for the Conference to discuss means of improving the impact of ILO action. The report would lay out the elements of an ILO plan of action to promote fundamental principles and rights at work through various means such as research, technical assistance and technical cooperation and partnership with other public and private actors. A practical outcome would be the adoption and review by the Conference of an integrated plan of action for the ILO for the coming years.

² *idem*.

Appendix III

Proposals for the agenda of future sessions of the Conference

1. *Export processing zones (EPZs)*

1. Several countries around the world have established export processing zones (EPZs) in order to stimulate economic growth by attracting foreign direct investment (FDI). The ILO defines 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”.¹ EPZs take a variety of names and forms in different countries (including free trade zones, special economic zones (SEZs), industrial development zones (IDZs), bonded warehouses, free ports and maquiladoras). The number of EPZs around the world continues to grow and some of them continue to raise questions and concerns in terms of respect for workers’ rights, application of labour law, employment creation, working conditions and in terms of how EPZs benefit the domestic economy and social cohesion of the countries concerned.
2. The ILO has been monitoring developments in EPZs for over 20 years. At several successive sessions, the Governing Body instructed the Office to continue examining the question of EPZs. The Programme and Budget for 2006–07 included an InFocus Initiative on EPZs, which undertook a number of activities.² In March 2008 the Governing Body discussed a paper on the latest trends and policy developments in EPZs³ and invited the Office to continue examining the issue and to provide further detailed information and statistical data. It further requested a progress report to be submitted to the current session of the Governing Body.
3. Throughout 2008 and 2009 the Office developed a number of research activities. These activities aimed at gathering both quantitative and qualitative information about industrial relations practices in EPZs (especially in the areas of freedom of association and collective bargaining, labour inspection, and social dialogue), with particular reference to the conclusions of the 1998 Tripartite Meeting of Export Processing Zones-Operating Countries.⁴ Broadly, three types of research activities were developed:
 - (a) *Statistical data on EPZs*: The development of EPZs is a dynamic process that takes place in the context of economic globalization. The phasing out of the Multifibre Arrangement (MFA), trade liberalization under the World Trade Organization (WTO) agreements and bilateral and multilateral trade and investment agreements have facilitated the expansion of EPZs in the last few years. The current crisis may however have created important pressures on the operation of these zones, especially in major FDI host countries such as China and Mexico. These trends make the collection of accurate and up to date statistical data more challenging. The Office is exploring the possibility of launching a pilot survey of a sample of five to ten member States with large concentrations of workers in EPZs. The purpose would be to study

¹ See www.ilo.org/public/english/dialogue/sector/themes/epz/epzs.htm.

² These were reported in GB.303/3/2 (Appendix II, p. 4).

³ See GB.301/ESP/5 and GB.301/13(Rev.).

⁴ ILO, *Note on the proceedings*, Tripartite Meeting of Export Processing Zones-Operating Countries (Geneva, 28 September–2 October 1998), TMEPZ/1998/5.

the relationship between EPZs and national economies and to collect data on, among others: employment trends and levels, with a special emphasis on women's work and by sector; and working conditions, including working time, occupational safety and health and migrant workers. This project design faces two additional challenges: from a statistical viewpoint there is no common definition of EPZs and therefore any endeavour aimed at developing sound, reliable and comparable data faces the risk of distortion; and national statistical offices and ministries of labour rarely collect information and data on EPZs. Such data are usually collected by ministries of finance or ministries of economic development, which are not the traditional counterparts of the ILO.

- (b) *EPZ country studies*: In order to build a stronger knowledge base on EPZs, the Office has commissioned research papers on: the legal, institutional and economic context within which EPZ models operate in the selected countries; the relations between EPZs and the broader economy as well as their contribution to economic and social development goals; social protection for workers in EPZs as compared to the rest of the economy; the situation of social dialogue; labour regulation; and a comparative assessment of the performance of comparable enterprises within and outside EPZs in terms of costs and benefits and the respective impact of EPZs on national economies. So far, the project has focused on Honduras, Nicaragua and South Africa. A fourth study on China is under development. Based on the abovementioned studies, a synthesis report will be prepared for publication.
 - (c) *Good practices in the area of labour inspection in EPZs*: Studies have been commissioned in order to provide an overview of good labour inspection practices in EPZs in Bangladesh, Costa Rica, Honduras, Indonesia, Kenya, Madagascar, Mauritius and Sri Lanka. The focus of these studies is on any activities that: create the appropriate conditions which could promote the effective enforcement of regulations regarding conditions of work and the protection of workers in EPZs; provide technical information and advice to employers and workers concerning the most effective means of complying with such regulations; and inform relevant authorities about problems of implementation of regulation, and report on practices which may not be specifically covered by the existing regulation. Based on these studies, a volume with guidelines on good labour practices in EPZs will be published as well as a number of working papers.
 - (d) *Voluntary corporate initiatives in EPZs*: Research is under way to examine the actual or potential contribution of private corporate social responsibility (CSR) initiatives in promoting workers' socio-economic rights in South Africa. The study examines whether CSR practices by enterprises, MNEs and their suppliers based in industrial development zones may fill in possible regulatory gaps left by public regulation. The research will be completed in 2010.
4. In addition, in 2008, the Office has undertaken the following technical cooperation activities: the APRODEF project in Madagascar on strengthening productivity in EPZs through decent work; and a training session for labour officials, labour inspectors and EPZ authority officials in Sri Lanka. In 2009, the Office developed a two-year project on freedom of association and the right to collective bargaining in EPZs funded by the Swedish International Development Cooperation Agency. The project aims at producing a global tool to promote the right to organize in EPZs by providing a framework to assess gaps and opportunities for action in relation to the law and practice.

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

- 5. In 1992 the Governing Body considered a proposal for a potential 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 the time, the topic was proposed for a general discussion, but the proposal was not taken up.

6. The social and economic developments that have resulted from globalization have been widely documented. While globalization has 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 tensions. The current economic downturn has exacerbated these tensions. The international organization of production has also manifested itself in labour disputes that involve a number of actors across different national jurisdictions.
7. Labour disputes 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.
8. As an agenda item for the Conference, a general discussion could examine the numerous existing international labour standards⁵ as well as national legislation and practice. The discussion would provide the Office as well as the constituents with recommendations for follow-up action and could 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.
9. 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;
 - innovative mechanisms for the prevention and resolution of disputes involving a number of actors from different countries;
 - the role(s) of the social partners; and
 - prospects for further research, advisory services and technical cooperation.
10. Should the Governing Body decide to undertake a general discussion in a future session of the 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.

⁵ 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).