



FOR INFORMATION

SIXTEENTH ITEM ON THE AGENDA

Report of the Director-General

Third Supplementary Report: Measuring decent work

1. Further to the discussion at the 306th Session (November 2009) of the Governing Body,¹ this paper covers two issues on which further information was requested:
 - (a) the role of decent work country profiles in the strategic orientations of the work of the Office, with special regard to Decent Work Country Programmes; and
 - (b) work on numerical indicators for progress on fundamental principles and rights at work.

Decent work country profiles and the Strategic Policy Framework

2. The primary purpose of the profiles is to provide information useful to the strengthening of the capacity of constituents to make progress across all the dimensions of decent work. They are constructed to enable comparisons to be made with a point in the country's recent past and with other countries. The profiles follow a framework developed under the guidance of a Tripartite Meeting of Experts held in September 2008.² The framework proposes a parsimonious set of main indicators that all countries could aspire to assemble plus additional indicators where information should be provided if available. In addition to statistical indicators, a narrative covering a set of legal framework indicators is provided for each of ten substantive dimensions of decent work.
3. This approach takes forward the objectives of the ILO Declaration on Social Justice for a Fair Globalization. The work on the profiles is an important contribution to implementing the aims set out in Part II, Method of Implementation, section B of the Declaration:

... Implementation of the Decent Work Agenda at national level will depend on national needs and priorities and it will be for member States, in consultation with the representative

¹ GB.306/17/5.

² See GB.303/19/3.

organizations of workers and employers, to determine how to discharge that responsibility. To that end, they may consider, among other steps:

- (i) the adoption of a national or regional strategy for decent work, or both, targeting a set of priorities for the integrated pursuit of the strategic objectives;
- (ii) the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made; ...

4. Decent Work Country Programmes are the primary vehicle for ILO action in support of constituents. The profiles support key stages in the process of designing and evaluating these programmes.³

5. First, at the stage of selecting priorities, the profiles enable the Office and constituents to review where progress has been disappointing or where efforts appear to be yielding results and could be reinforced. By informing discussion they should help identify gaps in capacity building. Furthermore, comparisons with the profiles of other countries may yield useful insights for policy development and implementation. Profiles could also be a useful input to the increasingly important effort to align ILO programmes with overall national development strategies and multilateral support mechanisms such as the United Nations Development Assistance Framework (UNDAF) process or Poverty Reduction Strategies. In the future, updating of profiles could be undertaken as part of the programming cycle of Decent Work Country Programmes in order to ensure that constituents and the Office have this important baseline information available when reviewing priorities.

6. In the pilot phase, ILO offices have used the consultative phase of the preparation of profiles to connect to discussions with constituents reviewing Decent Work Country Programmes. Initial reports suggest that this has proved helpful both in providing information to help improve Decent Work Country Programmes and in helping those involved in the preparation of profiles to focus on information needs arising from programme priorities. Other countries have moved in a similar direction. In Zambia, constituents argued during a special session of the Advisory Committee of the Decent Work Country Programme that systematically monitoring progress on decent work will inform policy-makers and help them identify progress and weaknesses. This in turn will help to establish priorities for the next revision of the country's programme. Constituents also identified a short set of decent work indicators and recommended their use for monitoring the Sixth National Development Plan that is currently being drawn up.⁴ One consequence of these synergies is likely to be the development of proposals to strengthen national statistical collection and analysis capacities to fill information gaps.

7. The Office review of decent work statistics clearly indicates that there are important information gaps among Members that need to be filled in order that they may develop baselines and monitor progress on their national strategies for decent work. In many cases, particularly among many developing countries, this reflects a lack of capacity in the relevant national statistical institutions (including national statistics offices, ministries of labour, and social security institutions) to produce statistics on key aspects of decent work that are essential for the production of indicators. The data sources which are lacking or require strengthening include labour force surveys and other related household surveys; establishment surveys on employment, wages and hours of work; and administrative records. This is a need which should be addressed as a priority in order to continue the

³ See GB.307/TC/1.

⁴ See Advisory Committee for the Zambia Decent Work Country Programme and ILO: *Monitoring and assessing progress on decent work in Zambia*, Report of the Special Session of the Advisory Committee, Siavonga, 25 and 26 January 2010 (forthcoming).

important work of monitoring countries' progress towards decent work. The recently created Department of Statistics will have to be strengthened, including by reinforcing its presence in field offices, in order to provide countries with the needed support in terms of technical cooperation, assistance and training. In particular, the Office should help Members to mobilize resources for this purpose.

8. Second, the profiles should in principle aid evaluation of Decent Work Country Programmes. At this stage, experience in this regard is limited, but the Office and constituents in pilot countries are well aware of the possible utility of a comprehensive profile in assessing results and policy impact. It is necessary to caution however that many Decent Work Country Programmes include specific projects which should include information gathering and evaluation within their design. Apart from very large national programmes where the country profile should be of overall relevance, smaller, more targeted projects require a more focused lens to identify impact. Profiles will also add considerable texture and detail to reporting under the Millennium Development Goals (MDGs) target 1.B: achieve full and productive employment and decent work for all, including women and young people.
9. A key role in the preparation of profiles is assigned to ILO offices. The implementation of the proposal for Decent Work Technical Support Teams envisaged in the field structure review will further support this. During the pilot phase in 2009, the methodology developed in 2008 was thoroughly tested and a production process worked out. This involved extensive teamwork and an integrated approach to ensure that the responsible departments were able to verify information. Such an approach fits very well with the proposals for country technical teams which could also benefit from close involvement in the process of preparing country profiles. The profiles will further provide important base data for more specific methods for measuring field office performance.
10. The envisaged work on country profiles will be organized as part of outcome 19 of the Strategic Policy Framework 2010–15 on mainstreaming decent work, and will include work with countries on enhancing the quality of statistics and the measurement of decent work. To cover all countries that are likely to need such support will require additional resources beyond those allocated in the current Programme and Budget, particularly to reinforce efforts to collect data at the national level. A technical cooperation programme is being developed to accelerate the delivery of profiles.

Numerical indicators for progress on fundamental principles and rights at work

11. During its 303rd Session (November 2008) the Governing Body noted that the Tripartite Meeting of Experts on the Measurement of Decent Work had stressed that rights at work should be an integral part of the framework for measuring decent work. The meeting endorsed two complementary proposals to achieve this objective: the compilation of legal framework indicators that provide textual information on rights at work and cover, among others, aspects such as maternity leave provisions, minimum wages, or unemployment insurance; and the development of reliable and reproducible numerical indicators to monitor progress in the implementation of fundamental principles and rights at work.⁵
12. With respect to the first proposal, the pilot decent work country profiles already include the legal framework indicators. This proved an ambitious but worthwhile undertaking. It facilitated a balanced report analysis and helped to overcome the shortcomings of earlier

⁵ GB.303/19/3, paras 15–18.

approaches to measuring decent work, namely the inadequate consideration of rights at work. Comments by the ILO supervisory bodies provided an authoritative source for assessments of legislation and practice in a country, including cases of progress noted by the Committee of Experts on the Application of Conventions and Recommendations. Other existing ILO databases were a useful supplementary source for legal information. In some cases, the names of legal indicators were slightly modified to align them more closely with the terminology of ILO Conventions.⁶

13. With respect to the second proposal, the Office has investigated the scope for developing numerical indicators for fundamental principles and rights at work, starting with freedom of association and the right to collective bargaining. The Office could progressively move on to cover the remaining three areas of the ILO Declaration on Fundamental Principles and Rights at Work (1998 Declaration), namely the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation. The Governing Body emphasized that these indicators should be reliable and reproducible, and fully in accordance with international labour standards and the supervisory system. This work was discussed with the Committee of Experts at their meeting in December 2009.
14. The wider context of this work is that recent years have seen a rapidly growing interest in the use and construction of a range of new indicators to assess such diverse phenomena as country credit risk, governance, democracy, and international labour standards. These indicators are based on such methods as expert assessments, coding of legislation, and the coding of textual sources addressing progress towards the application of international labour standards in practice. There have been a number of initiatives to construct indicators of international labour standards, undertaken by academics but also by such agencies as the Organisation for Economic Co-operation and Development and the World Bank. This raises concern both as to whether these indicators are consistent with the letter and spirit of ILO Conventions, as well as whether the most credible sources of information and expertise are drawn upon. Other international organizations have expressed considerable interest and support for the ILO's work in a field where the credibility of the results requires strong legitimacy and professional competence.
15. In 2009 the Office undertook a pilot project to develop indicators of progress towards the application of the four categories of fundamental rights at work, beginning with freedom of association and collective bargaining rights as defined in Conventions Nos 87 and 98 and related ILO jurisprudence. The indicators are constructed from coding of ILO textual sources and national legislation, specifically:
 - (a) Comments made by the Committee of Experts;
 - (b) Reports of the Conference Committee on the Application of Standards;
 - (c) Country baselines under the 1998 Declaration Annual Review;
 - (d) Representations under article 24 of the ILO Constitution;
 - (e) Commissions of Inquiry appointed under article 26 of the ILO Constitution (complaints);
 - (f) Committee on Freedom of Association cases; and
 - (g) National legislation.

⁶ See GB.306/17/5, para. 22.

16. The methodology used involves reviewing the ILO standards supervisory sources according to 150 criteria. Though the number of criteria is sizeable, it is built up from a manageable number of groupings. That is, these criteria are split into those referring to workers' organizations and employers' organizations, each of which is divided into such categories as fundamental civil liberties violations, right to establish and join organizations and the right to collective bargaining. These categories are further divided into de jure and de facto evaluation criteria. Key premises on which these indicators are constructed are definitional validity, transparency and reproducibility. The latter means that all the elements of an eventual aggregation of the results of the evaluation are readily traceable to a specific information source and that two evaluators working independently should arrive at the same country assessment.
17. The end result of the process is an objective method of summarizing numerically a country's overall performance in relation to the goals of the 1998 Declaration in regard to freedom of association and collective bargaining. A very similar methodology is envisaged for the remaining three areas of the 1998 Declaration, namely the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation. At this stage in the developmental work, the methodology is proving reasonably robust and has been subject to substantial peer review, most importantly in preliminary discussions with the Committee of Experts in December 2009. The Committee remarked on the seriousness with which this project was being undertaken and on its potential importance for the ILO. Based on these discussions, the Office will present the Committee of Experts with detailed results for a wider range of member States. Depending on the outcome of the review process with the Committee of Experts a presentation is envisaged at the Governing Body in March 2010. A full report providing a numerical indication of the application of freedom of association by Members could be prepared for initial review by the Committee of Experts in December 2010.
18. The Governing Body is invited to take note of the:
- (a) development of decent work country profiles as part of the plans for implementing the Strategic Policy Framework 2010–15 and the Programme and Budget for 2010–11, especially as regards Decent Work Country Programmes and strengthening the field structure;
 - (b) continuing work on numerical indicators for progress on fundamental principles and rights at work, to be reviewed by the Committee of Experts in December 2010 and to be reported on to the Governing Body in March 2011; and
 - (c) need for the ILO to help member States collect and produce statistics on the key aspects of decent work needed to improve the monitoring of progress on decent work. In this context, consideration should be given to strengthening the Department of Statistics, including in field offices, to provide countries with the support they need in terms of technical cooperation, assistance and training. In particular, the ILO should help member States to mobilize resources for this purpose.

Geneva, 25 February 2010.

Submitted for information.