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A vertical strip on the left side of the cover features a close-up photograph of various wooden planks, showing different wood grains and textures.

Decent Work and a Fair Globalization: National Policy Responses

Report of the Seminar

**An ILO Staff Seminar
Turin, 27-29 September 2005**

DECENT WORK AND A FAIR GLOBALIZATION: NATIONAL POLICY RESPONSES

ILO Staff Seminar
27-29 September 2005, Turin Centre

I. INTRODUCTION

Session I - National Policies to face up to globalization: challenges to the ILO (A. Berar)

1. The 2005 Annual Decent Work Staff Seminar (Turin, 27-29 September) focused on how the ILO could support integrated national policy responses to challenges of fair globalization. The objective of the seminar was to stimulate exchange of ideas, sharing of information on work in progress and brainstorming on new ideas and methodologies for promoting decent work and fair globalization.
2. In her introduction, Azita Berar recalled the Director-General's Report to the 2004 ILC and its discussion by constituents which analysed the potential role of the ILO in a fair globalisation and identified six broad areas for follow-up drawing on the recommendations of the report of the World Commission on the Social Dimension of Globalization (WCSDG). The development of integrated local, national and regional policies to address globalisation is the first of such action areas. It is at the crossroad of international and national policy concerns and brings together all strategic components of the Decent Work agenda. She then outlined the numerous challenges at the conceptual and operational levels encountered to develop substantive national responses.
3. The Programme of the Seminar (see attached in Annex I) was conceived in a manner to enable the review of new conceptual developments on the one hand and country realities of policy making and policy response on the other. Discussion of new work in progress and innovative pilot strategies aimed at examining the internal coherence of the decent work agenda for fair globalization and its translation into country programmes. The Seminar identified conceptual and process gaps that need to be addressed as a matter of priority.
4. Around 50 participants from the field and headquarters shared knowledge and experience on current initiatives inside and outside the ILO, policy frameworks at national and global levels, new concepts and perspectives, and research findings, and discussed ways forward. Annex II lists the names of participants.
5. This report presents the highlights of the presentations and discussions during the seminar. It follows a thematic structure. More detailed information on the content of the presentations may be obtained from the seminar website <http://training.itcilo.org/decentwork/StaffConf2005/welcome.htm>. A list of documentation is given in Annex III.

II. POLICY SPACE AND POLICY COHERENCE

Session II - *Policy space and policy coherence: a review of concepts and initiatives*

Chair: G. Rodgers

Panellists: Y. Akyuz, J. Sorensen, G. Rodgers

- *Policy space: developing countries' perspectives (Y. Akyuz)*
- *Policy coherence initiatives: ILO, UN, others (G. Rodgers, Y. Akyuz)*
- *Coherence, coordination, alignment and harmonization debate at the country level (J. Sorensen)*

6. In Session II, Gerry Rodgers introduced the question about national policy space and policy coherence at international and national levels in the light of the discussion of the World Commission on Social Dimension of Globalization. Yilmaz Akyuz assessed the international policy environment and highlighted factors which constrain developing countries while identifying hopeful areas where developing countries could exercise a greater measure of control over their development. The issues surrounding national policy space and policy coherence stimulated great interest and lively discussion.
7. In an integrated world economy, the ability of a country to shape and direct its development is influenced and constrained by what is happening outside its territorial borders. Yet, national citizens and constituencies expect their governments and national policy makers to effectively make improvements in the quality of life in their countries.
8. First, there are overlapping policy and institutional frameworks that influence development paths and narrow policy choices:
 - Multilateral rules set by international organizations, including the WTO, Bretton Woods Institutions and the UN, which govern trade and financial markets. Multilateral rules are in turn modified by regional and bilateral agreements.
 - Regional level rules, primarily regional trade agreements such as the NAFTA, MERCOSUR, ASEAN and those of the EU.
 - Bilateral agreements on trade, investment between countries, such as preferential trade agreements under the General Systems of Preferences (e.g. EU, USA) and donor conditionalities.
9. Second, the reality is that external constraints are bigger for developing countries (DCs) than for industrialised countries (ICs). A few industrial countries exert undue influence in shaping the global framework, and enjoy greater policy autonomy and greater scope for unilateral action.
10. However, while in general, policy autonomy of developing countries is highly circumscribed, there is perhaps more policy space than has been effectively used in many developing countries to promote development and to determine the pattern of integration in the world economy, which explains in part the diversity of experience. Possible policy spaces are trade, where countries could pursue preferential market access, limited reciprocity and temporary exceptions from certain rules and subsidies; financial capital markets and foreign direct investments, which are not subject to any global regime; and labour migration.

11. An alternative way of dealing with the global environment is to reduce one's external vulnerability and increase self-reliance. This is increasingly dominating the thinking in Latin America, on the premise that externally oriented development and catching up with the rich industrialised countries are becoming more and more difficult.
12. Is it possible to "measure" the national policy space? This was one of questions raised during the seminar. Aside from the constraints imposed by multiple policy frameworks, many other factors also weaken the policy autonomy and negotiating power of developing countries: lack of necessary resources and technical expertise; dependence on development aid, donor funds for direct budgetary support, and FDI. Preferential treatment is sometimes accorded to political "allies" and hinges on political behaviour. Financial markets, while not under a multilateral regime, have made many national economies vulnerable and are thus not so easy for developing countries to handle.

Policy coherence in support of decent work: what are the challenges?

13. Following the discussion on policy space, Gerry Rodgers presented the international policy coherence initiatives supported by the ILO. Yilmaz Akyuz proposed a "systemic" approach to understanding and forging coherence between different policy frameworks. In view of the dominating importance of multilateral trade framework, it would be valuable to take account of negotiations under the Doha Development Agenda, which was presented by Edwini Kessie in the session on trade policies and labour market (Session VII).
14. The WCSDG had recommended that policy coherence initiatives be undertaken by the relevant international organizations on key aspects of the social dimension of globalization. The objective would be to progressively develop integrated proposals that appropriately balance economic, social and developmental concerns on specific issues. Two informal technical consultations, which engaged the staffs of several UN agencies, the World Bank, IMF and WTO, had already been organized by the ILO in 2004 on the issue of growth, investment and employment in the global economy. These consultations recognized that employment was a key goal for which policy coherence was important and that it would be useful to collaborate in identifying policies that enhance the employment impact of globalization.
15. The approach to assessing the multiple policies at various levels and to promoting policy coherence cannot be piecemeal, taking one policy at a time. Rather, one should adopt a "systemic coherence" approach, which requires looking at all policy frameworks and determining if and how the various multilateral rules and practices, and the policies of industrialised countries and developing countries in the areas of trade, investment, finance, debt, labour, etc, reinforce each other in support of economic growth and development. The stress is not only on how each policy affects development, but also on the interfaces and complementarities between the policies and their net effects. "Systemic coherence" had preoccupied the Bretton Woods and Havana Conferences, but their goals have only been partially achieved and current arrangements are in direct contrast to what had been envisaged.
16. Partial, piecemeal or fragmented outlook on policies lead to inconsistencies and competing outcomes among policies governing trade, finance, prices, etc., and leave out

important issues outside the international agenda. For example, the preoccupation on trade liberalization and negative impact of trade restrictions deviate attention from the adverse effect of premature and excessive liberalization on jobs, wages, social spending and so on. Another example is that the removal of subsidies meant to protect domestic agricultural producers from vagaries of the global markets would not be realistic if the international agenda does not address the problem of commodity price instability. The effects on developing countries of global financial arrangements and financial and macroeconomic policies of industrialised countries have not received as much attention as trade.

17. The recent developments in the debate on coordination and harmonization at the country level, were introduced by Jan Sorensen. The issue of policy coherence applies to multiplicity of national planning framework governing agencies of the United Nations system and national governments. Two main UN coordinating mechanisms, which directly concern the ILO's country-level work (i.e. decent work country programme), are the common country assessment (CCA) and the UN development assistance framework (UNDAF). UN national frameworks aim at making the members of the UN Country Team to pool resources, share information, undertake jointly analysis of development problems and challenges, and formulate together programmes for action. Outside the UN system, the other frameworks that may be relevant to ILO country work and to national governments are the PRSP and the Country Assistance Strategies of the World Bank.

II. LABOUR STANDARDS IN THE GLOBAL ECONOMY

Session V - *ILS and a fair globalization*

Chair: L. Wirth

Panellists: C. Doumbia-Henry, K. Tsotroudi

18. The role of International Labour Standards in global trade and production was discussed in Session V and VI, which looked at this subject matter from slightly different angles. Linda Wirth introduced the general discussion on International Labour Standards.
19. The WCSDG called for a fair and inclusive globalization that is based on universally shared values, and that ensures the requirements of human dignity for all. Calling for better governance of globalization, the Commission noted, "*Globalization has developed in an ethical vacuum, where market success and failure have tended to become the ultimate standard of behaviour, and where the attitude of 'the winner takes all' weakens the fabric of communities and societies.*"
20. Cleopatra Doumbia-Henry presented the new vision and strategy of the Labour Standards Department (NORMES) for promoting understanding and realisation of International Labour Standards, which remains the distinct comparative advantage of the ILO. Katerina Tsotroudi expanded on the role of ILS in promoting a fair globalization and argued that ILS were key policy tools .
21. The issue of ILS in trade agreements and multilateral policy frameworks, the contribution of ILS to development agenda stimulated lively and frank discussion, including on difficult questions, on the practical linkage between ILS, trade, growth and employment.

The threefold vision of NORMES

22. *NORMES' "Green vision" – Renewal*: move from global ILS setting started in 1919 towards significant and more balanced progress in universal application by 2019 (100th anniversary of the ILO). In this context, application encompasses not only ratification, implementation and enforcement of ILS but also advocacy, technical cooperation and assistance. ILS are the benchmark against which progress made is to be measured. The strategy to implement this vision comprises the following five axes:
- From monitoring to an integrated and coherent set of services: While NORMES assumes major responsibility for ILS related work, ILS are the business of the whole Office, not the isolated business of NORMES.
 - Implementing ILS through technical cooperation (TC) geared towards helping countries to implement ILS.
 - More resources to the 8 and the other 65 conventions: ILO TC should not focus only on the 8 core conventions but should also aim at implementing the wide range of other conventions.
 - Making the case for Standards: The Office will build empirical evidence demonstrating the economic advantage of ILS.
 - Production of new ILS from 2007 onwards: There is no standards-setting item on the ILC agenda as from 2007 as a result of employers' strong resistance to developing any new ILS. The ILO has reached a crisis point and needs to demonstrate concrete results and impact by 2019.
23. *NORMES' Blue vision – Trust*: Have a modernized, integrated and coherent supervisory system that can deliver in the face of globalisation challenges. The strategy is to investigate how the current system can be improved to support both the monitoring and the integrated coherent services as well as to create and implement both an inducement and escalation process.
24. *NORMES' Red vision – Visibility*: The vision is to improve the effectiveness of ILO communication on ILS. To achieve this vision, the strategy that will be implemented includes:
- Change from inside-out to outside-in messaging. Recognizing that NORMES has not been that successful so far in getting ILS messages around in the Office, NORMES aims to provide ILO colleagues and Constituents with ILS information in a useful format.
 - Free the information: The Office receives an impressive quantity of information related to the implemented of ILS that is not widely shared. The objective is to make 70% of this information available for public use; the remaining 30%, being of confidential nature, will only be shared for internal use.
 - Speak to be heard
 - Assert empirical evidence on economic impact of ILS
 - Make sure stories are accessible.

ILS as tools for promoting fair globalization

25. There are three schools of thought on the role that laws play in the global economy:

- Minimum state intervention, based on the assumption that private bargaining always leads to more efficient outcomes than statutory intervention
 - Institutional legal frameworks are necessary to ensure that market operate efficiently and hence produce efficient outcomes.
 - Institutional legal frameworks are necessary for their wealth redistribution effect. Laws determine the distribution of costs and benefits among various stakeholders. The World Commission seems to be close to this school of thought.
26. International Labour Standards are policy tools. They set basic principles and objectives, covering policy areas of the DW agenda: employment, training, human resources development, social protection, conditions of work, occupational safety and health, social safety net, social dialogue. They are also relevant to the workers operating in the informal economy (home workers (C 177), rural workers (C.141), plantation workers (C. 110), indigenous and tribal people (C.169)). They are legitimate and credible tools that have a persuasive moral force because they are the result of democratic, transparent and participatory process at the international level.
27. ILS may be used for different purposes and contexts:
- To design national policies and institutional frameworks, including legislation
 - To guide collective bargaining, incl. global frameworks agreements and regional collective agreements
 - To serve as a reference for voluntary initiatives (CSR, ethical investment, etc.)
 - For advocacy and social mobilisation
28. ILS are relevant for the formulation of DWCP.
- LS country profile can serve as a basis for national consultations and the setting of national priorities
 - DWCP should contribute to the virtuous circle: respect-ratify-implement
 - ILS should be used to set operational targets to serve as TC objectives and benchmarks for the evaluation of TC outcomes
 - There is a need for empirical studies making the economic case for ILS as well as for examples of best practices.
29. The highly animated discussion gave support for the “new vision-strategy” of NORMES as well as recognition of the importance of ILS in the governance of globalization and in ILO practical work. However, the discussion also pointed to the need for work along three lines:
- Make the ILS more “accessible” through “user-friendly” tools that would enable ILO staff and constituents to apply ILS in formulating DWCPs and development strategies. Since 2003, the supervisory mechanism has been reorganized around 20 thematic families of ILS in a attempt to facilitate the use of TC and advocacy to bridge the gap between current national capacities and the provisions of ILS.
 - Develop tools necessary to make more explicit the link between ILS and the development agenda, poverty reduction, and labour market flexibility.
 - Promote ILS in an integrated way, i.e. not one labour standard in a stand-alone programme that is not linked to other and broader social and economic policies.

III. TRADE, EMPLOYMENT AND LABOUR MARKET POLICIES

Session VII - *Trade policies and labour market reforms*

Chair: J.M. Salazar-Xirinachs

Panellists: A. Ghose, E. Kessie (WTO), M. Luebker, J. Ritchotte

- *The Doha Development Agenda (E. Kessie, WTO)*
- *Trade, FDI and labour markets in developing countries (A. Ghose)*
- *Free Trade Agreements and Fundamental Rights (J. Ritchotte)*
- *International outsourcing: trends and policy issues (M. Luebker)*

30. José Manuel Salazar-Xirinachs introduced the session on trade policies and labour market. Issues marking the Doha negotiations on agriculture, services and non-agricultural market access were presented by Edwini Kessie of WTO. Ajit Ghose looked particularly at the employment implications and impact of trade as well as FDI, and pointed out possible strategies for optimising employment growth benefits. Malte Luebker focused on the practice of global outsourcing, which has potentials for job creation and other benefits for different parties but also carries risks and conflicting interests.
31. Developing countries support multilateral negotiations within the WTO because they consider being better off than left alone vis-à-vis powerful nations and groups. Under the Doha Declaration, negotiations on agriculture, services and non-agricultural market access, which were supposed to have been concluded by 1 January 2005, have not made substantial progress. A number of controversial issues between developing and developed countries continue to mark the negotiations. Agriculture, while constituting only 10% of world trade is the most controversial, due perhaps to its employment and food security implications. Questions related to market access in developed countries where tariffs are significant, domestic support extended to local producers (e.g. in the US, India and Brazil), export credits and food aid preoccupy the negotiations. As regards non-agricultural market access, negotiations concern access into developed countries' markets and domestic protection of "infant industries" in developing countries (where import tariffs could make up a substantial part of public revenue for many African countries). Negotiations over trade in services concern cross border supply and outsourcing (e.g. call centres), and, for developing countries, include the movement of persons, which some (e.g. US Congress) say is not a trade issue.
32. Of the expected or proclaimed benefits from increased and freer movement of goods and capital, employment growth ranks among the top priority for developing countries. Although the pattern of trade and the content of trade and financial policies adopted by countries have altered the nature of employment challenges, employment creation remains a national responsibility.
33. Trade, in theory, affects employment by (i) stimulating growth, and (ii) increasing the employment intensity of growth. But based on actual experience of developing countries, the outcome is influenced by two factors: manufacturing capability and initial macroeconomic and labour market conditions. Developing countries that remained dependent on exports of agricultural and primary commodities derived zero or negative

growth benefits from trade. Those developing countries that succeeded in expanding manufactured exports, the Asian and Latin America countries, witnessed mixed results, with Asia enjoying more growth and employment intensity outcomes, although in overall terms the net outcomes were hardly favourable.

34. Foreign direct investment (FDI) is also expected, in theory, to stimulate employment growth by (i) indirectly, increasing investment and thus economic growth, and (ii) directly, through the activities of multinational enterprises. However, research results have shown that (i) FDI crowds out domestic investment, and thus does not augment investment, but increases foreign currency reserves, and (ii) multinational enterprises improve technology and management, increase labour productivity but reduce employment intensity.
35. Policies should seek to maximise employment benefits of trade growth. A number of elements for national employment strategies in the context of globalization were suggested:
 - Monetary and fiscal policies should aim at establishing macroeconomic balances and development of the social-physical infrastructure.
 - Poor countries with low savings rate cannot base their strategies on expectations FDI inflow, but they would need official aid.
 - Developing countries that have become important exporters of manufactured goods can use FDI inflow for improving the quality of employment.
 - Caution must be exercised in opening the capital account to foreign capital because this reduces national space for independent monetary and fiscal policies, without necessarily attracting FDI.
 - Trade policies need to be complemented with labour market policies. Labour market policies are necessary to maximise comparative advantage and to help workers cope with churning in the labour market.
36. International outsourcing has triggered an emotional debate mainly because it has been perceived as having destroyed jobs in industrialized countries. It has potentially both positive and negative effects, which are different between sending and receiving countries, but also between employers and workers, and between interest groups within the same country. Active national policies are necessary to maximise the benefits and minimize the costs. The employment gain of developing countries could be maximised with investment in human capital formation, and with attention on the quality of jobs created and employment security. Sending countries could cushion the labour market effects of outsourcing and facilitate the re-employment of displaced workers. Because of
37. Specific suggestions for the ILO:
 - Constituencies might need assistance in building their capacity in formulating policy options that would allow them to maximise benefits from trade.
 - Technology is an important factor in trade and in employment, yet the ILO has not worked on this policy area. It was suggested that the ILO give this more attention.
38. There has in fact been a significant trend towards linking trade with labour standards through free trade agreements. Trade rules have increasingly dealt with issues “behind the border”. John Ritchotte pointed out the number of US-led free trade agreements that incorporate labour standards clauses, and José Manuel Salazar-Xirinachs presented the case of the CAFTA, which has a chapter on labour.

39. A number of US-led regional free trade agreements and bilateral free trade agreements include references to, or clauses and chapters on labour standards. The side agreement (NAALC) of NAFTA (1993) outlines labour laws and standards, including issues such as the right to strike, child labour, minimum wage and occupational safety and health, that will be respected. It states that persistent failure to enforce these standards can lead to sanctions such as monetary penalties. The USA has continued to pursue trade and labour linkages since the ILO Declaration of Fundamental Principles and Rights at Work and following the Seattle (WTO) debacle. The US-Jordan free trade agreement, as all subsequent US FTAs (e.g. with Singapore, with Morocco), includes a labour chapter. The Most Favoured Nation discussion between the USA and Vietnam included topics for technical cooperation such as ILS, skills, employment services, OSH, labour inspection, HIV/AIDS and social safety nets.
40. Chapter 16 of the CAFTA agreement signed very recently, deals with labour. The parties re-affirm their obligation as members of the ILO and their commitments under the 1998 Declaration; and commit themselves to ensure that these rights are recognized and protected by domestic laws. They recognise that it is inappropriate to encourage trade or investment by weakening or reducing the protection afforded in domestic laws and that a deficit in legislation cannot create legal advantages from a competitive perspective. The labour chapter also contains procedural guarantees (access to justice; fair, equitable and transparent proceedings and appeal procedures).
41. The Joint Declaration of Trade and Labour Ministries of Central America in Washington in 2004 stressed the fact that expanding trade and improving labour standards are mutually reinforcing goals and that the main challenge is to create a “culture of compliance” with labour standards.
42. While recognizing that the inclusion of labour standards in regional and bilateral trade agreements represented an opportunity the ILO should seize, the seminar discussion concluded that the Office should hold wider debate and assessment of the risks at stake. It is essential that the ILO supervisory system remains the key reference for the monitoring of trade agreements’ implementation. If not, the ILO would run the risk of having other institutions interpreting International Labour Standards.

IV. LABOUR MIGRATION

Session IV - *Migration and globalization: the multilateral framework and national policy agendas*

Chair: J. Makhetha

Panellist: I. Awad

43. Judica Makhetha opened the session on labour migration. Ibrahim Awad explained the draft multilateral framework for labour migration, in follow-up to the resolution of the 92nd Session of the ILC (2004) to develop “*a non-binding multilateral framework for a rights-based approach to labour migration which takes account of national labour market needs.*”

44. The draft multilateral framework on labour migration addresses a number of policy areas on employment, rights and labour standards, and social protection, contains guidelines distilled from existing good practices in countries of destination and origin, and presents in an annex more than 100 best practices. A tripartite meeting of experts, to be held at the end of October, will review the draft multi-lateral framework and introduce amendments. The 2006 March session of the Governing Body will be asked to endorse the conclusions of the meeting of experts.
45. Labour migration policies need to cover a wide range of policy instruments to meet the diverse concerns of countries involved. Countries of destination and of origin have a number of distinct concerns and policy objectives. Countries of origin are concerned with maintaining an equilibrium in labour market that might be due to excess supply of labour; curbing illegal migration on the insistence of countries of destination; maximising economic benefits of migration, such as from remittances which form a sizeable GDP share in some countries; and ensuring the welfare of migrant workers in countries of destination, and their families especially those left behind. On the other hand, countries of destination are concerned with sustaining economic activities due to shortage of labour in domestic market; protecting their labour market to allow priority to nationals; and ensuring fair and competitive labour markets, e.g., by making sure that migrant labour is not less costly than nationals.
46. In response to the ILC conclusion, MIGRANT has also drawn up a plan of action that is based on actual work of the various ILO units. It is hoped that this plan would promote greater coherence among these activities. MIGRANT will focus on migration policies and institutions and protection of migrant workers, while collaborating with other units in view of the fact that other broad policy areas have a bearing on labour migration, such as education and training policy, labour market demand assessment and labour market instruments, informal employment and labour inspection.
47. The discussion focused on the rationale of the multilateral framework, its relation to ILO Conventions, and to interests of certain groups of migrants. It was highlighted that the Workers' Group had proposed the multilateral framework in the light of the WCSDG report. The World Commission had identified the absence of a multi-lateral framework on labour migration as a significant gap in the governance of globalization.
48. The multilateral framework is not meant to replace the ratification of ILO conventions, nor to re-interpret ILO conventions and recommendations. It is a means for engaging with other organizations to adopt or to take into account the perspective and values of the ILO regarding equal treatment and equal opportunity, and thus, it is a means of promoting policy coherence around the issues of labour migration. By providing guidelines based on good practices, the multilateral framework would also help countries acquire the capacity to ratify the two ILO conventions on migration. ILO Conventions remain to be key instruments that should be promoted. In contrast, the UN Convention on migration has never been ratified by any country of destination because it is extremely complex and long.
49. Although the World Commission had contemplated a regional framework, the ILO has always worked through global instruments rather than regional ones. Moreover, it is not sure a regional framework would be viable. In the Arab region, which is a major destination country for labour migration, none has ratified a regional instrument.

50. There are important differences between men and women migrants with respect to patterns of migration, occupations, social protection issues, and workers' needs. Gender-specific issues and gender equality are addressed in a specific section of the multi-lateral framework but these are also mainstreamed in other sections. The ILO Plan of Action also deals with gender equality concerns.
51. Many other social and economic issues surrounding migration also need to be addressed. Poverty is one of the root causes of migration. Short-term migration and return create social imbalances at time of migrant's reintegration, indicating need for rehabilitation plans. Policy support for remittances is good in helping workers and their families and communities to maximise the benefits from migration. However, this support should not discriminate against those who do not migrate. Finally, labour migration also consists of micro entrepreneurs and self-employed people, as in Lesotho.

V. NATIONAL RESPONSES TO GLOBALIZATION: country examples taking an integrated approach

Session III - National follow-up on Fair Globalization and DWCPs: country examples *Chair: F. Fluitman*

- *Argentina (M.A. Pángaro, P. Poschen)*
- *Tanzania (A. Musindo)*

52. Argentina and Tanzania illustrate examples of integrated national policy responses to globalisation and the multi-sectoral process that might be involved in formulating a national agenda of action. Fred Fluitman opened the discussion on these country examples. Maria Alejandra Pángaro and Peter Poschen presented the case of Argentina, while Alexio Musindo presented Tanzania. These two countries are among pilot countries for the follow-up to the World Commission recommendations. National partners and the ILO have collaborated in formulating an integrated programme that incorporates actions in the several development and policy areas and brings coherence between social and economic policies.

Argentina

53. The economic and political situation in Argentina provided a good opportunity for specific follow-up to the recommendations of the WCSDG. In 2001, Argentina went through a deep economic and social crisis which generated high levels of unemployment and poverty and a decline in job quality. Income distribution worsened, average wages fell in real terms and many enterprises disappeared. This process of decline highlighted the negative social effects globalization and structural adjustment programmes can have on national economies and societies. Conditions for a Decent Work Country Programme were also favourable. The Government responded rapidly with a high level of commitment to the concept of decent work and to policy integration. Decent work became a national priority as illustrated, amongst others, by the fact that it was made a separate objective under the national millennium development goals.

54. A new Memorandum of Understanding between the Government of Argentina and the ILO was signed during the 2004 ILC. The Decent Work Country Program (2004-2007) was launched with the cooperation of INTEGRATION and CRISIS. Building on the achievements of the IFP/CRISIS project in the country, the Argentina DWCP is based on two components: (i) effective integration of economic, social, employment and labour policies, and (ii) national employment and labour policies that are coherent and effectively delivered through the decentralized structure of the Ministry. The former includes the development of tools for the analysis of integrated policies as well as of institutional mechanisms. The second concerns, inter alia, active employment and vocational training policies, the fight against child labour, regularization of employment and the extension of social protection. The Government recognized that its intervention could not be limited to launching conventional labour market policies and identified the need for a higher degree of integration of economic and social policies with those for employment and labour. Specifically, it raised the minimum wage repeatedly, increased pensions and implemented a large transfer programme for poorer households.
55. As a result, economic growth was achieved beyond immediate recovery, exceeding Government's target for 2005, and employment expansion was likewise significant. The Argentinean experience could also serve as basis for reflection on the development of mechanisms and policies for integration and promotion of decent work. Yet a question remains unresolved: how to redress the growing income inequalities that seem to be associated with globalization. The way Argentina broke free from global constraints (e.g. conditions imposed by IFIs) and chose to its own way of re-stimulating the domestic economy demonstrated that a country has national policy space.

Tanzania

56. The Office of President Mkapa, who co-chaired the World Commission, is leading the process of defining the national responses to globalization. Consensus is deepening on the need to systematically analyse the impact of globalisation in order to inform policy shift. In 2004, the President's Office-Planning and Privatization (PO-PP) facilitated the formation of a Multi-Disciplinary Task Force on globalisation drawing members from various sectors, NGOs and higher learning and research institutions such as Research Institution on Poverty Alleviation (REPOA) and Economic and Social Research Foundation (ESRF). These institutes play the role of adviser to the Government and are the main drafter of PRS II. Their membership in the Task Force has given them a vehicle for influencing the decision making process.
57. The Task Force has undertaken a number of key steps towards the formulation of an agenda of action:
- Circulated the English version of the WCSDG report and simplified/translated the WCSDG report synopsis into Kiswahili.
 - Analysed the Commission's recommendations and developed an agenda for action in research and dissemination/advocacy.
 - Extracted key issues from the WCSDG report and prioritised and categorized the issues/recommendations into 3 thematic areas: macroeconomic policies; capacity-building and democratic governance.

- For each prioritised set of recommendations, identified, on-going initiatives/strategies, gaps and challenges and proposed areas of intervention/research areas to be implemented in the medium term.
 - Organised a workshop to map out a strategy for substantive and institutional follow-up on globalisation and to narrow priority actions in research, advocacy strategy and the issue of institutional coordination.
58. With respect to the research agenda, the following areas emerged as the most important ones that should be considered and moved forward: (i) growth analysis, including enhancing domestic investment in relation to FDI, macro-micro linkages, patterns of growth and quality of growth; (ii) rural transformation, productivity and formal-informal linkages; (iii) trade and regional integration; (iv) social impact of globalization in Tanzania, and (v) employment and labour market studies.
59. The ILO has supported the nationally led process by extending technical inputs to informal discussions at national level and by providing incremental seed capital for needs defined by the Steering Committee. Specific needs include a research on ‘Rethinking the Youth Unemployment Problem in Tanzania in the Era of Globalization’, and stock taking of existing research agenda on globalisation to contribute to the national dialogue on globalisation that will take place during the Poverty Policy Week in November 2005. The next steps will be, amongst others, to set up an institution to follow-up on globalisation issues and to launch the research papers. Special attention should be made not to overemphasise research to the detriment of the implementation side.

VI. RESPONSES TO GLOBALIZATION: INDUSTRY AND ENTERPRISE LEVELS

Session VI - *Industrial restructuring, global production chains and policy responses*

Chair: B. Kyloh

Panellists: G. Bhattacharya, P. Itschert, D. Lamotte, P. Pinoargote, C. Vargha

- *Post MFA examples*
 - *Country responses: Bangladesh, Cambodia, Madagascar and Morocco (C. Vargha, G. Bhattacharya)*
 - *The European response (P. Itschert)*
- *Governance rules: ILS, voluntary codes and national labour law (C. Vargha, P. Pinoargote)*
- *Decent Work and competitiveness: an integrated tool (D. Lamotte)*

60. With an introduction by Bob Kyloh, Session VI focused on the opportunities, risks and tensions of industry restructuring and industry-level responses to pressures from global markets, and recent trends related to corporate governance, labour standards and corporate social responsibility.

Industrial restructuring, global production chains and policy responses

61. A case in point is the export garment industry, which is undergoing major changes due to the phase-out of the Multi-Fibre Arrangement. Corinne Vargha gave an overview of the

new global environment for garment exporting countries and highlighted the national responses of Morocco and Cambodia. Gopal Bhattacharya presented the case of Bangladesh. Morocco and Bangladesh, two countries where the Decent Work Pilot Programme (DWPP) focused on this subject and an ILO project in Cambodia have provided insights for the ILO. Patrick Itschert shared the European experience and perspective of changes in the global garment market.

62. The phasing out of the system of export quotas for garments at the end of 2004 has drastically changed the logic for the sourcing and marketing of products and for investment in the sector. The new context has put additional competitive pressure on traditional market requirements like price, quality and turn-around between order and delivery. In addition, the social and environmental conditions of production have emerged as an important new market factor.
63. With support from the DWPP, the garment industry in Morocco has adopted a plan of action to upgrade the sector through an integrated strategy emphasizing decent work as a productive factor and as an asset for marketing. Briefly, the integrated plan contains actions in three areas: social dialogue, social upgrading of enterprises and skills and training. The approach to industry restructuring in Morocco has generated interest in other countries. Madagascar has requested for ILO assistance for upgrading the garment industry in the EPZ.
64. Countries like Cambodia, which has developed a reputation for respecting labour standards, are doing better than expected under the new market conditions. The Better Factories Cambodia project helped the garment industry make improvements in their working conditions and thus secure their quota in the US market. Factors of success are: sector-wide inclusion; credible, transparent system of monitoring compliance; and responsive to needs of both workers and industry.
65. The very large garment industry of Bangladesh made up of about 3,500 production units employing some 1.5-1.8 million workers has so far fared rather better than expected. Production has changed in composition but large-scale closures have been avoided and both employment and export seem to have actually increased. This is in part the fruit of preventive measures taken by manufacturers and exporters, buyers and the Government before the quota phase – promotion of social compliance, consolidation of suppliers and buyers, trade negotiations, etc. The ILO is involved at the insistence of its national constituents, and its value-addition has been the promotion of social dialogue, particularly tripartite partnership, in setting the post-MFA agenda, and advocating for more explicit consideration of employment and social protection issues in the industry competitiveness strategy. Thanks to its technical expertise in the sector the ILO has managed to get a place at the table amidst much larger players like the Asian Development, the World Bank and UNDP.
66. Introduced by Patrick Itschert, the European Union context presented a counterpoint. In the EU, where the sector still represents 2.7 million jobs, the garment industry was one of the first to be affected by globalization. The industry has basically been wiped out in Northern Europe and is struggling in Southern Europe. The real impact of the abolition of the quota system may not be felt until 2007. Even so European trade unions have not sought to return to quotas. They rather advocate free, but fair trade. While textile and footwear use more capital, the garment industry continues to be labour intensive. With

wages representing 45 per cent of the production cost, the huge wage gradient from EUR 15/hour in the EU to EUR 0.20 in Bangladesh cannot be compensated. The strategy of European producers must therefore concentrate on the high end of the market, on the advantage of proximity and on social responsibility.

67. Trade unions in the EU have been proactive through social dialogue in all sub-sectors and by signing international framework agreements with multinational firms. They have weighed in with public procurement which represents some 15 per cent of turn-over and actively engaged in social labelling including through name-and-shame campaigns over perceived social dumping. In discussions with the European Commission they have advocated local restructuring and reinsertion to avoid migration. The experience of the garment sector as a precursor of globalization offers many lessons for other sectors which will follow. In the view of the trade unions, the social implications of trade call for joint work by WTO and ILO.
68. There are major deficits in information about trends in the garment sector and on the diverging attitudes towards labour standards. The impact in Bangladesh may have been stronger than reported and that 200,000 may have been lost as well as reductions in income because of the elimination of overtime which constituted an important part of total income for workers. Employment observatories might be useful to fill the information gaps.
69. Concerning the adoption of social and labour standards, the manufacturers and exporters had adopted different strategies depending on their markets and their assessment of risk. Procurement at the low end of the market was dominated by price and largely disregarded standards. In Cambodia, Bangladesh and Morocco there was pressure to comply. In these countries and in Europe the social partners have started to cooperate to keep the sector competitive. The ability to trace the origin and a conscious effort to build decent prices for goods were important for the success of a high-road strategy.

Corporate governance: Corporate Social Responsibility

70. Paola Pinoargote gave an overview on the scope of Corporate Social Responsibility (CSR) and the work of MULTI. CSR covers a wide range of initiatives and voluntary commitments made by companies to integrate social and environmental components into their business management, and thus to “perform better” than the national laws strictly require. Workplace actions include codes of conduct and corporate policies, model codes by employers and workers’ organizations, and multi-stakeholder action such as the Ethical Trading Initiative. To capture the commitments, ensure accountability and monitor compliance, several different private standardised management systems have been developed, e.g. AA1000, SA8000 and ISO 9000. In order to use any of these logos, companies must be certified and respect the standards set out. There are also inter-governmental frameworks that promote and support CSR: the ILO’s Tripartite Declaration, the UN Global Compact, OECD guidelines for multinational enterprises, and the EC standards.
71. Based on ILO research, 260 codes of conduct as of 2001 refer to ILS. There are forty-two international framework agreements between multinational enterprises and global trade federations, as of 2005, and between 52% to 96% of them refer to the Multinational

Enterprises (MNE) Tripartite Declaration principles (minimum wages, safety and health, employment discrimination, forced labour and freedom of association and collective bargaining).

72. Special caution should be taken when signing agreements engaging the ILO in working with private “standard setting” enterprises, not to compromise the supremacy of the Organisation.

Corporate governance, CSR and the ILO

73. Corinne Vargha highlighted a few key issues regarding the work of the Office in relation to CSR. There are two broad issues that need to be addressed by the ILO. First, although the ILO has been involved in promoting CSR for some time, its work is quite fragmented and lacking an integrated approach. The ILO work, primarily taking a workplace-based approach, has covered a wide range of initiatives such as corporate and multi-stakeholder codes of conduct and guidelines, and accreditation, certification, monitoring or inspection services. ILO units have used different entry points, such as core ILS and trade, child labour, working conditions and productivity, ILS and productivity, and occupational safety and health. The most common international labour standards referred to in ILO CSR initiatives are child labour, forced labour, non-discrimination, OSH, wages and benefits, working hours and harassment and abuse. Different approaches have also been used in ILO CSR work: awareness raising, monitoring and remediation (e.g. Cambodia), enterprise upgrading (e.g. Turkey, Haiti, Morocco, Madagascar) and/or capacity building. The overall result is many parallel and fragmented initiatives. A wealth of knowledge, experience, methods and tools has been generated but there is little cross-fertilization between them and no comprehensive approach or set of tools, which is built systematically around the four pillars of decent work. The challenge therefore to the ILO is to extract and document lessons from the many initiatives and consolidate its expertise.
74. Promotion of effective cooperation between private and public inspection services for improved governance Many actors are currently engaged in monitoring CSR - private firms, NGOs, workers’ organizations, quality control firms, which have developed and tested their own methodologies. Private monitoring schemes work in parallel and with little connection or cooperation with public inspection services. These private schemes, which have increased in recent years, are being challenged on five issues: (i) reliability and transparency, or lack of them; (ii) absence of coordination between schemes and auditing fatigue; (iii) high cost of compliance; (iv) vulnerability to same weaknesses as public inspection services, and (v) the fact the voluntary initiatives alone will not solve problem of compliance with labour standards.
75. For the ILO, the question is how it should deal with the issue of private and public monitoring of ILS (governance). The Labour Inspection Convention 81, art. 5, envisages that the competent authority could make appropriate arrangements to promote effective cooperation between inspection services, other government services and private institutions engaged in similar activities. The discussion expressed support that it was timely for the ILO to look carefully at the missing link between private and public inspection services, and draw lessons from its TC work and Article 19 and 22 reports. The upcoming General Survey on labour inspection should discuss the issue of public

and private monitoring and the link between them. Public and private inspection services can both exist but the modalities need to be discussed with all partners involved.

Decent Work and competitiveness: an integrated tool

76. In response to demand from constituents in Morocco, Lesotho and Indonesia and to opportunities in business development services, the ILO has developed a comprehensive manual “*Productivity and competitiveness – upgrading through improved labour management relations and workplace practices*”. David Lamotte presented this package, which aims at building the capacity of small and medium enterprises in upgrading working conditions and labour-management practices while improving productivity and competitiveness. It combines the expertise across the Office and is supported by INTEGRATION/NPG. It will be adapted and used first in the ILO project in the Morocco textile and garment industry.
77. In the discussion, it was pointed out that the market was undeniably an important factor in business management options and decisions. Whether companies choose to go on the path of high labour standards or that of low labour standards depends also on market access and what the market requires: who they produce for and the requirements. It is not easy to convince enterprises if they don’t see the “demand” for it.

VII. LOCAL DEVELOPMENT IN THE GLOBAL ECONOMY

Session VIII - Local development in the global economy

Chair: L. Tegmo-Reddy

Panellists: M. Bhattacharya, A. King Dejardin, A. Posthuma

- *New perspectives and challenges for local development*
 - *Role of public policy, public/private partnerships and communities*
 - *Local policies and decent work*
78. Leyla Tegmo-Reddy introduced the discussion on the local development in the context of the global economy. The WCSDG Report stressed the role of local development in achieving fair globalization. The capacity to harness the benefits of globalization does not solely rely on national capacity but the specificities of territories within countries. For these reasons, the “local” area or territory is increasingly being required to play a role as a base of competition, economic coordination and industrial organization, and technological change.
79. Anne Posthuma gave an overview of the environment in which the role of local development has increased, outlined the links between the local and the global, and briefly gave the key elements of the ILO LED approach. Amelita King Dejardin underscored the failure of existing approaches and perspectives of LED to address “decent employment” and labour market issues, and the existence of a real demand for an integrated decent work approach to local development. Manas Bhattacharya gave an example of how a local community could deal with the effects of globalization.

Territorial or local dimensions of globalization

80. Trade liberalisation, freer movement of capital, technological innovation, localisation of global production systems, political decentralisation and demand for greater people's participation in governance have increased the role of local development and heightened awareness among international and national policy institutions of the importance of regions and territories in national development and in the global economy. Alongside globalization of the sources and markets of resources, capital, technology and products, *location* (countries and particular territories within them) has acquired greater importance as enterprises tend to place their activities in a restricted number of places.
81. The economic and social impacts of globalization on countries are uneven not only across economic sectors and population groups but also across territories. Global shifts shape the opportunities and constraints to local development. Social and economic costs of declines in global markets affect specific areas. Thus even the informal weaving economy in Kota, India, which is not integrated into the global economy, has been affected by global trends when imitation Kota embroidery posed unfair competition.
82. Based on the discussion, "local" did not have the same notion. Some equated local development with community development and with micro interventions. However, in local development lingo, "local" refers to any territory at sub-national level (e.g. region, state, province, city, municipality), which is usually defined in terms of political and administrative boundaries. A territory may also be a cluster of contiguous units/areas, cutting across political and administrative boundaries (e.g. the Maputo-Mpumalanga Corridor involving Mozambique and South Africa). Local policy makers and policy networks refer to sub-national governments, industry and business associations, workers' organizations, public-private partnerships, local economic development agencies, development councils, forums and the like.

LED approaches, employment and decent work

83. A review of current, dominant perspectives and approaches to local economic development (LED) shows that employment creation and improvement in people's quality of life are proclaimed ultimate goals of local economic development. However, conventional LED instruments for achieving these goals focus on "economic" aspects, i.e., market access and demand, investment, infrastructure, enterprise development and competitiveness, skills development, and technology. The importance of governance, social institutions and private-public partnerships has also been recognized more recently but largely in relation to how these factors facilitate business growth and economic coordination. Little attention is devoted to social (e.g. structural inequality and discrimination) and labour market issues and to policies that address them. There is the usual assumption that economic growth will automatically result in employment. However, the nature of local employment challenges is more complex, and demands an approach that integrates economic and social dimensions.
84. ILO's work with local actors in selected areas in the Philippines since 2003 has yielded insights into the potential of local policies to promote decent work: (i) Local decision-makers are more amenable to integrated policy thinking, can more easily develop a holistic vision of development issues, and can more easily coordinate activities in

different domains, a basic tenet of the decent work policy approach. (ii) There is a strong demand for approaches and practical tools for strengthening the local economic base and promoting wider opportunities for employment and livelihood. Dynamic local governments at municipal, city and provincial levels are creating and engaging in more comprehensive and assertive local employment and social agenda.

85. The ILO project with a cluster of homebased weavers in Kota, India, demonstrated an integrated local-level strategy for improving the competitiveness of a traditional activity in the informal economy. Cultural pride, and indigenous skills and abilities were combined to face competition from others. The main challenges were to build up a critical mass of support functions through stakeholders' network, work with inadequate local and institutional settings, stimulate progressive adjustments of the local economic system to changing economic conditions and sequencing and avoiding mismatch between program components. As for the decent work aspects, the project addressed distributional aspects along the value chain, productivity and income issues (including OSH), job quality, conflict management between groups and local pressure groups without global concerns.
86. From the broad ILO LED viewpoint, several specific issues and challenges need to be addressed: (i) how to unleash a more participatory mechanism and process to ensure "fair localization"; (ii) the role of ILO social partners and how they can engage more effectively at the local level; (iii) how to engage the workers in the informal economy who are often at the marginal edge of global production systems; (iv) ensuring the link between local and national governance, for example in poverty reduction strategies; (v) dealing with the issues and potential benefits from the interface between local and global production systems; (vi) local governance issues; and (vii) possible trade-offs between the need for quick economic outcomes and lengthy participatory processes.
87. On the operational side, the main challenges faced by ILO LED activities would be scale, sustainability, capacity-building, policy impact, policy-oriented research, impact and support to field offices, specialists, DWCPs and TC projects. The 2006-07 Programme Operational Outcome on decent work and local development entails several requirements, partnerships and field support, and will involve creating a global knowledge-sharing network on DW and local development
88. The discussion raised the role of labour demand in local development. While indispensable, expanding labour demand is often not enough, especially in poor areas. Employment patterns and opportunities differ between rural and urban areas, and are interrelated to factors at local and national levels. Where a territory or cluster is integrated into the global production chain, the higher rungs of the chain and the chain leaders influence options at the local level. In poor areas, employment creation would need a combination of measures dealing with productivity and income enhancement measures, income transfers, reduction of risks and vulnerability
89. The substantial expertise of the ILO in local-level approaches (e.g. employment-intensive public works, health insurance, informal economy, community-based training, child labour and others) was noted. However, these instruments have largely been implemented separately. The ILO does not have an integrated approach, particularly one that emphasizes the synergies between the elements of the decent work agenda and their combined contribution to local economic development. A major challenge for the ILO

would be to promote an approach to local economic development that explicitly aims for more and better employment (employment-centred), integrates a decent work perspective, and harmonises economic and social objectives.

90. The Philippine Local Development and Decent Work (LDDW) Resource Kit, which was developed by SRO Manila and INTEGRATION/NPG together with local and national partners in the Philippines, uses or builds upon many ILO methods and tools, and provides other new tools aimed at helping local governments and institutions integrate decent work goals into local economic development strategies and undertake local employment promotion policies.

VIII. RECOMMENDATIONS FOR FUTURE WORK OF THE ILO

Session IX - Moving forward

Chair: A. Berar, F. Fluitman

Panellists introducing examples of new research and tools:

R. Diez de Medina, U. Efendioglu, P. Peek

91. The seminar participants grouped themselves into three to propose possible items for future ILO work based on the previous discussions: (1) research agenda, (2) policy tools and instruments and (3) regional priorities.

1. Research agenda

92. Prior to the group discussion on research agenda, three research ideas were presented to the seminar. Mr. Peek underscored to importance of obtaining the right statistics. What is not measured is ignored; what is not measured is not acted upon. Available statistics today inadequately capture the social dimensions of globalization processes, the impact of various economic policies on decent work, and the interactions between policies. The inadequacy of statistics and information hamper policy coherence. It is therefore important for the ILO to undertake efforts towards the development and collection of more suitable statistics.
93. Rafael Diez de Medina drew attention to the need for the ILO to assess systematically and empirically the impact of globalization using reliable statistical methods. There are several alternative statistical models and methods for analysing the effects of globalization. Some possibilities for using Computable General Equilibrium (CGE) models, and Social Accounting Matrix in measuring impact on specific aspects of decent work (e.g. wages, union and wage bargaining, discrimination) exist. The ILO could take the following road map towards strengthening the quantitative analytical capacity of the Office: inclusion of DW indicators in macro disaggregations; capacity building of ILO staff and constituents; strengthening national statistical capabilities; build on policy coherence initiatives of the ILO.
94. Umit Efendioglu presented a proposal for research into decent work in global production systems is expected to clarify how the economic and social dimensions can be integrated in upgrading global production systems, and what are the elements of a national and local strategy. Thus far, there are several knowledge gaps in this area: what are the

interlinkages between economic and social upgrading strategies? Do economic and social upgrading work hand-in-hand or does one take the lead? Does the improvement in quality of employment lead to an improvement in productivity and what are the implications for employment generation?

95. The Group on Research Agenda identified six priority themes, and ranked them according to importance, as follows:

- (i) *Globalization and inequality*. The ILO could contribute to understand how labour market developments (wages, gender disparities, rural-urban divides, and the rise in informality) are linked to globalization, and how they lead to shifts in the income distribution; how labour market institutions such as social dialogue, collective bargaining and labour standards influence these dynamics; and how they can help to contain rising inequality.
- (ii) *Policy coherence for decent work*. The proposed research would look into policy coherence at the multinational and national levels; into macro, meso, and micro dynamics at the national level; as well as internal coherence of the four pillars of the decent work agenda. Issues such as global production systems and technology should also receive attention.
- (iii) *International Labour Standards*. The economic impact of labour standards should be better understood and the economic case for ILS made. Research should be done to develop new standards in order to adapt to the changing world of work.
- (iv) *Statistics* (same rank as ILS above). Existing statistics should be improved and new ones developed.
- (v) Improved *labour market analysis*
- (vi) How to promote *economic activity at the micro-level*

96. In subsequent discussion, several participants underlined that the inequality topic should urgently be addressed by the ILO, and not be left to other organizations. It would provide the ILO with an opportunity to highlight the equity function of labour market institutions. Other participants asked where all the proposed research should be done and how to ensure that research outcomes reach and impact upon DWCPs and TC at country level.

2. Policy tools and instruments

97. Proposals for policy formulation and specific tools covered three areas, namely international labour standards, migration, and policy coherence.

- (i) *International Labour Standards (ILS)*. There no clear ILO policy or position on ILS in a number of policy areas, namely:
 - a. ILS and trade agreements
 - b. ILS and CSR – ISO, public/private inspection, certification
 - c. ILS and economic performance
 - d. ILS and business case – productivity and competitiveness
 - e. ILS and migration
 - f. ILS statistical indicators (draft indicators available but not yet approved)

98. To aid policy formulation, research may be required; in some cases, what is needed is synthesis of available material in the ILO. The ILO policy would need to be articulated clearly in policy briefs or reports.

- (ii) *Migration policy.* Policy formulation should be based on labour market analysis and its policy and institutional implications at the country level and also include work on the non-binding multilateral framework.
- (iii) *Policy coherence, policy integration and national responses.* There is need for a clearer understanding of what policy coherence means at the international and national levels. Tools that are needed: (a) a manual on employment implications of public finance and fiscal policy (macro-level; (b) ex-ante and ex-post impact assessment of economic-social policy on decent work, which could be used for meso and local policy levels; and (c) an integrated framework for local decent work agenda that includes local employment development strategies and guidelines on integration economic and social policy instruments. The assessment of public finance and fiscal policies is important in determining impact on employment and decent work goals for two reasons: first, the increasing donor direct budgetary support to national governments; and second, PRSP priorities are reflected in public resources allocation.

3. Regional priorities

99. Priorities necessarily differed between regions, but six common areas applicable to all regions were identified.

- (i.) *Migration.* Guidance from research and a framework from headquarters; and policy guidance on internally displaced persons. It was suggested that local economic development will have a role to play.
- (ii.) *Youth employment.* Policy guidance, tools, better statistics and an integration with child labour policy would be useful.
- (iii.) *Link between the decent work agenda and economic and trade policies.* Guidelines for interaction with the IFIs; and capacity building of constituents to engage in partnerships.
- (iv.) *Response to crisis and conflict.* Research, capacity strengthening of local and national authorities, and practical tools to work in conflict would be useful.
- (v.) *Vulnerable groups,* including indigenous people. Need a rights-based approach and to promote employment, cooperatives and to facilitate the entry of vulnerable groups into social protection programmes.
- (vi.) Upscaling of ILO activities with respect to *HIV/AIDS*.

100. Other concerns that were raised: (i) need for capacity building and for strengthening constituents, in collaboration with ACTRAV and ACT/EMP; (ii) some countries faced priorities different from those presented, as in the case of Nepal with child labour or in the case of Bangladesh with the leather industry; (iii) a coherent ILO approach is also needed to address internal labour migration (a delegation from China had sought advice on this). However, it was unclear whether and how this falls into the domain of

MIGRANT, and if it should be taken up by other units that are active in areas such as discrimination and equality.

Conclusions

101. The seminar was an assessment of where ILO stood vis-à-vis the bigger picture. In presentations and the discussions, the implications of changes in the world of work for the activities of the Office came up, and challenges were named. The seminar showed that fair globalization and the decent work agenda needs an interdisciplinary lens, rather than parallel views simply put together. The seminar provided an opportunity for an interdisciplinary discussion that touched on difficult topics.
102. Filling the information and knowledge gap calls for a much more pro-active approach. As a result of the seminar, the participants came to know better who was doing what (even though not all units were represented). Part of the issues discussed fit in with the ILO programme and budget, while others did not. There is need to bring the suggested priorities to the attention of relevant units and management, e.g. the research and publications Committee. A series of follow-up actions were suggested to be taken up.