

DECENT WORK

Potential implications for DFID and for the Labour Standards and Poverty Reduction Forum

**Background paper for DFID Labour Standards and Poverty Reduction
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This paper has been researched and prepared for discussion at DFID's Labour Standards and Poverty Reduction Forum by Ergon Associates. It does not necessarily represent the views of DFID.



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Executive summary

Originally developed by the International Labour Organisation (ILO) seven years ago, the concept of ‘decent work’ has gained international currency in recent years and has been endorsed by a wide range of international actors including various UN bodies, the European Commission, and the G8.

It is proposed that the Millennium Development Goals are amended so that MDG1 – to eradicate extreme poverty and hunger - includes a new target ‘To achieve full and productive employment and decent work for all, including women and young people’. Four new MDG indicators are also proposed to measure decent work outcomes.

Since the MDGs form a key part of DFID’s Mission Statement, this amendment has a number of potential implications for the Department, notably a higher profile for employment-related issues in general within development debates, a heightened interest in how projects and policies contribute to decent work outcomes or to the reduction of decent work deficits, increased scrutiny of the impact of DFID’s work against the proposed decent work indicators, and development of internal performance monitoring criteria for projects and programmes in order to ensure that there is measurement of progress towards implementation of the revised MDG.

The concept of decent work is generally accepted as covering a wide range of issues which can be organised under four ‘pillars’. These are:

Employment creation and enterprise development: covering measures that promote ‘employment-rich’ growth and pro-poor growth. It also encompasses programmes and policies that enhance productivity; macro-economic and fiscal policies that aid employment growth; creating an environment conducive for entrepreneurial activity; linking trade policies to employment; promoting education and training (i.e. employability); addressing youth employment and employability; and adopting policies that help improve the management and governance of labour migration.

Social protection: policies that provide safety nets so reducing the level of risk to workers’ lives, health and well-being, including social security and unemployment benefits; basic health provision for rural and informal workers including occupational health and policies addressing HIV; social transfers and cash benefits for those not able to work or too old or young for work ; development of policies that address fairness at work (e.g. anti-discrimination, excessive hours); promotion of pension systems.

Standards and rights at work: measures that promote compliance with the fundamental principles and rights at work (Core Labour Standards), and also to those other Conventions ratified by individual states.

Governance and social dialogue: activities that promote social dialogue between governments, employers and workers, including institution-building, labour law reform and strengthening enforcement, promoting collective bargaining, strengthening dialogue and consultation processes.

While decent work can be categorised in this way in terms of the kinds of activities that can be pursued, it is important to understand that decent work is not a set of prescriptive policies. Rather it is a strategic goal that can be used as an overarching agenda for a range of potential interventions. It can also be seen as an analytical framework for identifying problem areas – ‘decent work deficits’ – where priority attention can be focused in national poverty reduction strategies and in targeting particular donor programmes.

DFID has a clear commitment to promoting many aspects of the decent work agenda, reflected in its White Papers and other policy documents. DFID also has a large number of funding programmes and in-country projects that address decent work issues. However, DFID does not tend to use the term decent work in its internal discussions nor does it explicitly endorse decent work as a strategic goal. Equally, it does not use decent work either as an organising principle for its programmes or as a principle for assessing the outcomes of activities.

We do not suggest that DFID should re-orientate its structures and programmes so that decent work becomes a new organising principle. However, in order to maximise contribution to achieving the new MDG target, there is scope for greater co-ordination and integration of DFID's activities related to the employment sphere in general

This may be achieved by a process of mainstreaming the concept of decent work through DFID's activities as a whole, so that consideration of the strands within decent work is made at all levels of activity. This could be in terms of central policy formulation, national planning with partner governments, relations with international bodies, in-country projects or sectoral activities.

It would be possible to develop a range of tools to assist DFID in undertaking such a mainstreaming activity. These could include:

- **Policy framework:** A clearer stand-alone endorsement of decent work as a policy goal for DFID in the context of the MDGs, possibly in the form of an Issues Paper.
- **Training/awareness-raising:** Development of greater consistency of knowledge through guidance and training sessions for DFID staff working in areas that are likely to have an employment dimension or impact.
- **Learning from good practice:** The development of existing good practice examples to demonstrate effective ways of working on decent work issues. This could be derived from DFID country programmes, or from the activities of other multilateral agencies and multi-stakeholder initiatives
- **Practical guidance:** Development of specific tools to assist DFID staff to integrate decent work into their activities. These could include: self-assessment questionnaires which seek to ensure that the right questions are asked and that decent work issues are identified during the course of normal day-to-day activities; guidance toolkits on the meaning and application of the decent work pillars.
- **Development of indicators:** In order to be able to assess DFID's contribution to the achievement of the MDG target, there is a case for the proposed MDG1 indicators to be built into projects, where relevant. There is also a need for development of additional indicators for projects to reflect the broader dimensions of the decent work pillars.

1. Introduction

This paper has been written as a background discussion paper for the Department for International Development's Labour Standards and Poverty Reduction Forum, which brings together DFID staff with stakeholders from trade unions, NGOs, the academic community, the private sector and development specialists to discuss how labour rights issues impact upon DFID's work.

In recent years the concept of 'decent work' has gained international currency and wide endorsement such that the Millennium Development Goals (MDGs) are to be amended to include a new target of achieving full and productive employment and decent work by 2015. The centrality of the MDGs for DFID's mission means that this new development has the potential to affect how DFID works and how the department assesses its impact.

This paper aims to provide a context for discussions about the ways that the emergence of decent work might affect the development agenda and DFID's work in particular. It focuses on the origins, scope and meaning of decent work, particularly as it had been developed by the ILO and interpreted by other organisations. This discussion includes some of the key issues for debate within the decent work agenda both in terms of its scope and how it could be operationalised. The paper also provides a brief discussion of how DFID's policies and activities currently relate to the decent work agenda. Finally, it offers some initial suggestions for how the department might respond to the adoption of a decent work target under the MDG.

The paper is intended to be a resource to support the discussion of issues around decent work both at the Labour Standards and Poverty Reduction Forum, within DFID and amongst a wider audience. It is not intended to be a final analysis of the steps that DFID needs to take immediately.

This paper has been researched and prepared for discussion by Ergon Associates following consultation with various DFID staff and other stakeholders. It does not necessarily represent the views of DFID. We would like to thank all who participated in this process for their time and input.

2. What is decent work?

While many people may have an instinctive and general understanding of what is meant by decent work, the term does not necessarily translate easily into a policy and programmatic context. In this section of the paper we look at the core definition of decent work from the ILO and also the way in which various other international organisations are looking to adopt the concept or variations thereon.

ILO formulation

The concept of Decent Work first emerged in 1999 in the first report to the International Labour Conference from ILO Director General Juan Somavia¹. This proposed “a primary goal for the ILO in this period of global transition — securing decent work for women and men everywhere”. He described decent work as “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity”.

Four interdependent strategic objectives were suggested to achieve this goal, within the perspectives of development and gender equity. These were:

- promotion of human rights in particular the ILO Declaration on Fundamental Principles and Rights at Work (core labour standards);
- the creation of greater employment and income opportunities for women and men;
- increasing the coverage of social protection; and
- strengthening social dialogue and tripartism.

This initial 1999 paper was a strategic response from the ILO to the need to redefine its own role within changing international conditions, and since that time, the objective of decent work has become the organising framework for ILO activities, with its internal departments and external programmes increasingly structured in terms of decent work objectives.

However, from this origin as an internal organizing principle for ILO operations, decent work has emerged as a concept with wide currency within international agencies and the international community. It has become a reference point for multilateral declarations related to development and poverty reduction, and most significantly a decent work target is to be incorporated within the Millennium Development Goals (MDGs) – see below.

The concept of decent work thus has evolved since its initial proposal. However, it retains the original four ‘pillars’: employment creation; rights at work; social protection; and social dialogue.

Decent Work: the four pillars

According to the ILO, the policy approaches that fall within the four contributing pillars to decent work may be summarised as follows²:

Employment creation and enterprise development

¹ Report of the Director General: Decent Work, ILO Geneva, June 1999.

² Toolkit for Mainstreaming Decent Work and Employment, ILO, April 2007

This refers to promotion of ‘employment-rich’ growth and growth that is targeted at helping the poor. It also encompasses policies that enhance productivity and therefore competitiveness within the world economy; macro-economic and fiscal policies that aid employment growth; creating an environment conducive for entrepreneurial activity; linking trade policies to employment; promoting education and training (i.e. employability); focusing on local economic development; adopting labour market policies that help generate more stable employment relationships; promoting fair wages or fair returns for workers; addressing youth employment and employability; incorporating an employment dimension into crisis responses (war, famine); and adopting policies that help improve the management and governance of labour migration.

Social protection

This pillar relates to the promotion of social justice, cohesion and protection. Relevant policies can provide safety nets to protect consumption capacity or incomes, so reducing the level of risk to workers’ lives, health and well-being. They can also be seen as investments in human capital. Policies can include: social security and unemployment benefits; basic health provision including for rural and informal workers, including occupational health and policies addressing HIV; social transfers and cash benefits for those not able to work or too old or too young; development of policies that address fairness at work (e.g. anti-discrimination, excessive hours); promotion of pension systems.

Standards and rights at work

This pillar relates to the promotion of compliance with the fundamental principles and rights at work (Core Labour Standards) which all member states of the ILO are bound to respect, whether or not they have ratified them, and also to those other Conventions ratified by individual states. In relation to the Core Labour Standards, policies should contribute to freedom of association, elimination of child labour, abolition of forced labour and promotion of non-discrimination in employment.

Governance and social dialogue

This refers to social dialogue between governments, employers and workers, as a means of achieving wider understanding and acceptance of social and economic policies as well as greater democratization. Policies can include: institution-building, labour law reform and strengthening enforcement, promoting collective bargaining, strengthening dialogue and consultation processes.

Decent work: an integrated framework

As can be seen, decent work is a broad agenda encompassing a wide array of issues. However, it should be emphasised that, in the ILO’s view, decent work is not a set of normative rules or standards. Rather, it is an organising concept or framework. While certain policies can be identified as falling under the various pillars, these are merely examples of policy areas that could be pursued.

Decent work *per se* does not bring with it a set of prescriptive mechanisms, policies or targets. Perhaps one way of looking at decent work is to see as a schema against which various policies, reforms, development programmes or regulatory initiatives might be assessed. Thus using the concept of decent work as part of a policy-formation process raises various basic questions that might be asked of proposed interventions e.g. do they contribute to social protection or job opportunities or promotion of basic standards or are they based on social dialogue?

It is also important to note the ILO's emphasis on decent work as an integrated whole with interdependency between the decent work pillars. This is in spite of the breadth and divergence of the agenda. While the ILO's conceptual position stresses the unitary nature of the concept, in practical terms, as evidenced by its own Decent Work Country Programmes, the ILO recognises that certain goals will achieve prominence over others depending on the local requirements. Such prioritisation results from an identification of the relative scale of 'decent work deficits'.

It is therefore inevitable that different elements of the decent work agenda come to the foreground depending on the nature of the issue being addressed and on the observer's positioning in relation to other policy debates. However, emphasis on one part of the agenda does not imply that all other aspects are being ignored. The validity of the overall integrated framework can still be maintained.

The broadness of agenda has brought criticism from some on the grounds that it allows actors to sign up to the concept without requiring specific follow-up activity, meaning that there are difficulties in enforcing accountability and in measuring progress. However, others see decent work as a useful unifying theme that combines economic competitiveness and social justice within a development framework. There are therefore tensions and discussions related to both the interpretation of decent work and to the relative merits and priorities to be attached to policies to deliver decent work.

It is important to remember that decent work is a universal concept – it does not just relate to developing countries, it has equal applicability to developed countries. However, universality does not imply uniformity. It is generally understood that there will be variations in policy approaches adopted to achieve decent work depending on national, local and sectoral circumstances that result in decent work deficits. For the purposes of this paper, we will be looking at decent work issues as they relate to developing countries to which the MDGs apply.

ILO Decent Work Country programmes – an example of the concept in operation

Following a series of pilot programmes, the ILO is in the process of developing a range of Decent Work Country Programmes (DWCPs) as the main vehicle for delivery of ILO support at country level. Nearly 60 are already in place. Primarily these aim to ensure that decent work is included as a priority within national development plans and national strategies, something that has often been overlooked in the ILO's view. Such instruments can include: Poverty Reduction Strategies, Millennium Development Goals, UN Development Assistance Frameworks, and development assistance frameworks of development banks and donors. As such, DWCPs are a more defined way for the ILO to contribute to development frameworks and better integrate its concerns within strategy development.

Like Poverty Reduction Strategies (PRSs) DWCPs are developed in conjunction with the government concerned and represent the priorities determined by them. In terms of the ILO's own organisation, DWCPs are also seen as a useful unifying concept to integrate and better coordinate often disparate in-country ILO activities. Finally, DWCPs are built around tripartism, which the ILO sees as one of its unique strengths and a contribution it can make to the effectiveness of development strategies.

DWCPs are funded through a combination of ILO core funds and bilateral assistance. DFID is the fourth largest donor to the ILO's technical co-operation programme after the USA, the Netherlands and Italy. DFID is providing around £20m from 2006-09 helping to

fund a number of ILO global programmes, particularly in the areas of co-operatives, combating forced labour and strengthening social security.

Examples of the type of work included within DWCPs are in Appendix 2. The divergence between these programmes emphasises the breadth of the decent work agenda and that it is best seen as an analytical or operational framework enabling linkages to be made between often varied social and economic programmes.

Recent developments and international uptake

Decent work has travelled through the forums of the global multilateral system and in recent years has become a key concept within discussions of sustainable development and poverty reduction. Some of the key adoptions of the concept are the following:

- ILO's World Commission on the Social Dimension of Globalisation, in 2004, incorporated the decent work agenda within its recommendations
- The African Union endorsed decent work as policy goal also in 2004³
- The 2005 UN World Summit endorsed the goals of full employment and decent work as part of the United Nations development agenda⁴
- The European Commission in May 2006 issued a Communication 'Promoting decent work for all' stating that "it will harness its external policies, its development aid and its trade policy for [the promotion of decent work]"⁵
- The UN Economic and Social Council (ECOSOC) devoted its 2006 High-Level Segment to employment. The Segment adopted a Ministerial Declaration on employment and decent work for all, which recognised "the urgent need to create an environment at the national and international levels that is conducive to the attainment of full and productive employment and decent work for all as a foundation for sustainable development" and which also recognized that full and productive employment and decent work should "encompass social protection, fundamental principles and rights at work and social dialogue are key elements of sustainable development for all countries..."⁶. These commitments were reiterated in 2007
- The G8 Summit in June 2007 supported "the International Labour Organization's (ILO) Decent Work Agenda with its four pillars of equal importance: the effective implementation of labour standards, especially the ILO core labour standards, the creation of more productive employment, further development of inclusive social protection systems and the support of social dialogue between the different stakeholders"⁷
- Decent work has also been promoted in declarations by the bodies such as the Organisation of American States (OAS) and the Association of Southeast Asian nations (ASEAN).

³Extraordinary Summit on Employment and Poverty Alleviation in September 2004 www.africa-union.org/EMPLOYMENT/declaration%20on%20employment%20and%20poverty%20alleviation.pdf

⁴ 2005 World Summit Outcome, Resolution adopted by the General Assembly 60/1

⁵ Promoting decent work for all, the EU contribution to the decent work agenda in the world, Communication from the Commission, SEC(2006) 643.

⁶ Economic and Social Council E/2006L.8

⁷ Growth and Responsibility in the World Economy, G8 Summit Declaration , 7 June 2007, Heiligendam

Decent work and the Millennium Development Goals

As well as through other international bodies, the ILO has pursued the decent work agenda through discussions related to the Millennium Development Goals (MDGs). MDG1's goal is to 'Eradicate extreme poverty and hunger' and it is increasingly recognized that the creation of work, and promotion of work which respects the dignity, rights and well-being of the worker, is a key means of achieving this goal. In the terms of the ILO, "work is the best route out of poverty"⁸.

The 2005 World Summit statement referenced decent work "as part of our efforts to achieve the Millennium Development Goals". In August 2006, Kofi Annan in his last Secretary-General's Report to the General Assembly proposed "a new target under Millennium Development Goal 1: to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies and our national development strategies"⁹.

This proposal has been subsequently tightened and the proposed wording for the new MDG1 target is currently: "*To achieve full and productive employment and decent work for all, including women and young people.*" It is also proposed that the existing target on developing decent and productive work for youth, now under MDG 8, would be encompassed by the new target¹⁰.

The revised Framework was presented to the UN General Assembly in October in the Secretary General's Annual Report

Decent work MDG indicators

All MDGs have both targets and indicators attached to the targets. A central part of the discussions around the proposed new decent work target has been developing appropriate indicators. The Inter-Agency Experts Group (IAEG) added new indicators to address the proposed new targets in March 2007. Country representatives will review the new list of MDG indicators at the 39th session of the UN Statistical Commission (UNSC) in February 2008. Until that time the indicators have yet to be finally agreed and are not yet in use.

The initial set of four indicators is:

- Growth rate of GDP per person employed (this is essentially a productivity measure)
- Employment-to-population ratio (this measures the level of employment within the population)
- Proportion of employed people living below \$1 (PPP) per day (this measures the 'working poor')
- Proportion of own account and contributing family workers in total employment (this measures the level of informality in the economy).

A more detailed analysis of these indicators is at Annex 1. It should be noted that the proposed indicators all relate to the proportion and productivity of employment (the 'productive employment' pillar) rather than to the pillars of standards, social protection, social dialogue or gender.

⁸ *Working Out Of Poverty*, Report Of The Director-General, International Labour Conference 91st Session 2003, International Labour Office, Geneva

⁹ Report of the Secretary-General on the work of the organization to the General Assembly, September 2006

¹⁰ There are also additional proposed targets for MDGs 5, 6 and 7. These are not related to employment.

While the focus on productive employment has been explained as a function of the problems in defining more qualitative indicators that could measure progress on other aspects of decent work, the limited scope of the indicators could result in an emphasis on the productive employment pillar within decent work as the key contributor to poverty alleviation, which belies the unitary nature of the decent work framework.

Below, we discuss whether an organisation like DFID would need to consider adopting its own indicators on the aspects of decent work beyond productive employment.

3. DFID policy and decent work

DFID's 2004 Labour Standards and Poverty Reduction issues paper stated "we support the International Labour Organization's (ILO) Decent Work Agenda"¹¹. Its focus was on the standards pillar within the decent work agenda and it argued that "effective and well-judged implementation of labour standards" can assist in achieving the MDGs.

While DFID's 2006 White Paper does not use the term decent work ('decent jobs' and 'more and better jobs' get one reference apiece), it contains sections on various aspects of decent work such as pro-poor growth strategies, support for public services such as health and education, social protection and promotion of good labour standards¹². At this level, the White Paper is aligned with the decent work agenda.

However, feedback from DFID staff, suggests that decent work, as an overarching concept, has not had high visibility within the department, although many aspects of the agenda are clearly being pursued. In turn this means that staff within different teams and divisions have a varied understanding of the term, and that they see its potential through the prism of their own responsibilities.

Key issues for debate for DFID

While there is wide acceptance of the concept of decent work among the international community, there are some differences of opinion with regard to the way in which it should be delivered and which strands should be emphasised as more appropriate in different countries or circumstances. In many ways these reflect the debates about the efficacy of development and poverty-reduction strategies more widely. The nature of these discussions is mirrored within DFID.

Some of the key issues for debate are as follows:

- How decent work may best be created
- Whether there is a tension between the quality and quantity of work created
- How decent work relates to the informal economy – e.g. does decent work necessarily entail the creation of formal jobs *per se*, and how does this relate to the realities of rural, family-based subsistence economies?
- How social protection relates to decent work and how it may best be delivered
- The role of trade policy in promoting decent work

Growth and jobs

At the risk of over-simplification, one of the key areas of debate within the decent work concept may be characterised as between quantity and quality of work, with the decent work pillar of employment creation representing quantity and the other three pillars representing quality. While it is not a case of either/or, and there are important inter-relationships between all four pillars, this tension cannot be ignored.

The new MDG target – to achieve the goal of full and productive employment and decent work for all by 2015 – puts both the quantitative element (full and productive employment)

¹¹ Labour Standards and Poverty Reduction, DFID, May 2004

¹² Making Governance Work for the Poor, DFID, July 2006

and the qualitative (decent work) on an equal footing, though some have suggested that formulating the target in this order gives priority to employment creation.

While the ILO contends that “work is the best route out of poverty”¹³, the 2006 DFID White Paper is clear that “economic growth is the most powerful way of pulling people out of poverty” through the creation of higher incomes, savings and tax revenues to pay for public services. Economic growth is seen as leading to more economic activity and, implicitly rather than explicitly, the creation of both quantity and quality of jobs.

However, it cannot be assumed always that growth will lead to employment or, indeed, decent jobs (although the former is evidently more likely in less developed, labour-intensive/technology-extensive economies). In other words, in spite of growth, decent work deficits can remain. Some of the challenges identified by DFID in a recent briefing paper are:¹⁴

- Unlike other parts of the world, sub-Saharan Africa has not experienced either growth or job creation, so creates unique challenges.

More broadly, throughout the developing world:

- The share of the working population in employment has stagnated in spite of economic growth as working age populations have grown.
- There has been a decline in the rate at which growth has produced new jobs.
- Youth unemployment is rising.
- Informal employment is rising including low productivity and increasing job insecurity.
- Wage inequality is widening
- There is greater labour market volatility and vulnerability including casualisation of workers (short term contracts)

Thus there is a need for interventions that promote economic growth but in a way that contributes to ‘more and better jobs’. Some policy ideas along these lines currently being discussed within DFID include: the need to improve public infrastructure where poor provision contributes to indirect costs on business such as transport, energy, land and buildings, security, corruption; reducing the barriers for firms to graduate from the informal to the formal economy through the provision of finance and insurance, better access to markets and reduction in labour market regulation (other than core labour standards); strengthening basic education which must be in place before any future vocational training is effective; flattening out the excessive wage gaps between skilled and unskilled workers; and developing wider social safety nets to address the economic adjustments and rising labour vulnerability associated with globalisation¹⁵.

Economic growth and labour market regulation

There is ongoing debate around the role of standards and labour market regulation on the one hand and economic growth and job creation on the other.

¹³ *Working Out Of Poverty*, Report Of The Director-General, International Labour Conference 91st Session 2003, International Labour Office, Geneva

¹⁴ Jobs, labour markets and shared growth, trends and issues, DFID practice paper, July 2007

¹⁵ Jobs, labour markets and shared growth, the policy implications, DFID unpublished draft

The decent work agenda emphasises in the first instance adherence to core labour standards (child labour, forced labour, non-discrimination, freedom of association/collective bargaining). While other standards have less prominence, action to support and enforce them comes within the decent work agenda. Certainly, where other ILO Conventions have been ratified by member states, there is an obligation on governments to implement them.

However, some schools of neo-classical economics suggest that any form of labour regulation or adherence to standards can be seen as an impediment to growth. Thus the World Bank's annual *Doing Business* report scores countries more highly if they deregulate their labour markets¹⁶.

However, there is generally a distinction made between respect of internationally-recognised core labour standards, and other aspects of labour market regulation. For example, in its most recent *Global Economic Prospects Report*, the World Bank states that "While core labor standards will not necessarily affect comparative advantage negatively and indeed may have a positive affect, non-core or economic standards such as working time and minimum wages may affect trade performance negatively....Evidence on FDI also suggests that firms are attracted to countries with higher, not lower, labor standards"¹⁷. Here the debate is more about the value of labour regulations that go beyond core labour standards, on 'cash standard' issues such as hours of work and wages, or redundancy frameworks.

DFID goes further and states that while there is "also an economic case which goes beyond core labour standards to support substantive standards, such as minimum wages and obligations to provide decent working conditions.... action to promote the rights of the poorest workers in the world must be tailored to their needs...."¹⁸. However, DFID recognizes that many developing countries see a trade-off between higher labour standards which are perceived as raising the costs of employment and competitiveness¹⁹.

The White Paper includes various comments on the need to reduce the barriers for private investment, particularly for small-scale businesses to help create "more and better jobs", and on the need for basic but appropriate regulation: "Regulation is needed to make sure that workers earn a decent wage and have safe working conditions. But this should not make it too hard or expensive for people to set up in business. While some governments regulate too little, many regulate badly or too much, placing huge costs on the private sector."

The question, therefore, is whether or how labour market regulation based on non-core standards ('substantive standards' in DFID's terminology) contributes to development.

To some extent this is a chronological issue. Do jobs lead to standards or vice versa? The ILO tends to former position "Labour market stabilization, which fulfils productivity targets, implies the introduction of standards and labour market policies"²⁰.

Of course, it is important not to over-emphasise this debate. In terms of alleged barriers to growth and employment, labour market regulation may pale into insignificance against other aspects of a poor business climate such as poor institutional governance, conflict,

¹⁶ The role of the IFIs in supporting decent work and countering the risks of financial globalisation, Statement by Global Unions to the 2007 annual meetings of the IMF and the World Bank, September 2007

¹⁷ Global Economic Prospects 2007, chapter 4, World Bank 2007

¹⁸ Labour Standards and Poverty Reduction, *ibid*

¹⁹ Labour Standards and Poverty Reduction, *ibid*

²⁰ Toolkit for Mainstreaming Employment and Decent Work, ILO, 2007

geographical factors, exchange rates, lack of insurance, and the costs of transport, power, or security. It is also the case that labour market regulation either tends not to be enforced or to affect only a small minority of workers who are in formal employment. Therefore concern that regulation leads to rigidity and barriers to employment can be overplayed.

Nevertheless, the extent and tools for regulating labour markets, in the context of poverty reduction remains a contended arena.

Decent work and the informal economy

Much of the employment within developing countries is in the informal economy. A decent work approach to the informal economy does not categorise informal jobs as intrinsically 'bad', rather the informal economy in this context should be considered as the place where the greatest 'decent work deficits' exist. Taking a decent work approach can help in identifying the deficits and developing programmes to address them.

If decent work is seen as a goal rather than a prescriptive set of conditions, it is possible to see elements of decent work in place within the informal economy. For example, informal jobs clearly can provide some sort of livelihood and can be supported by forms of social protection such as cash transfers. However, there is less likely to be social dialogue and the enforcement of basic standards will be weak. Thus promoting decent work can be seen as a process of moving towards greater formalisation within the economy.

The DFID White Paper states that "it is the private sector – from farmers and street traders to foreign investors – that creates growth". It recognises that small farmers, small traders and day labourers can be assisted to improve their incomes through improvements in infrastructure and access to markets as well deregulation to encourage more entrepreneurial activity. While growth and higher incomes may be the outcome, the White Paper is not explicit in addressing how this process can help to create the conditions for decent work.

In practice, DFID has funded four regional projects focussed on reducing poverty and enhancing decent work outcomes in the informal economy (in Kenya, Somalia, Tanzania, Uganda - January 2004/June 2006; Brazil and Ecuador - June 2003/June 2006; Cambodia, Mongolia and Thailand - August 2005 to June 2006; Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan - January 2004/May 2006). These were discussed at the Labour Standards and Poverty Reduction Forum meeting in November 2006²¹.

Social protection

Social protection can be defined broadly as actions that help to reduce people's vulnerability to changes in circumstances or which help tackle extreme or chronic poverty. In DFID's view, social protection encompasses social insurance (pooling of contributions from individuals by the state or private organisations); social assistance (non-contributory transfers given to people on the basis of their vulnerability) and the setting and enforcement of minimum standards (to protect people within the workplace).²²

The White Paper commits to significantly increased spending on social protection by 2009. In terms of the decent work agenda overall, DFID argues that social protection can have a positive effect on growth by supporting access to education and health, protecting assets to help people earn an income, encouraging risk taking, promoting participation in labour markets and easing the social pain of economic transition²³. While there are also counter-

²¹ The papers are available at: <http://www.gsdc.org/go/Selected-Conference-Papers/Selected-Conference-Papers-Labour-Standards-and-Poverty-Reduction-Forum>

²² Social protection in poor countries, DFID practice paper, January 2006

²³ Social protection and economic growth in poor countries, DFID practice paper, March 2006

arguments – for example, that social transfers may create dependency; may reduce incentives to work and produce food; may absorb household labour; or have inflationary effects – the emerging evidence for a positive impact on growth challenges the perception that social transfers are a drain on public resources.

Seen from this perspective, the rationale for including social protection within the decent work framework is clear, since, if implemented well, social protection can contribute both to economic growth that creates new jobs and which contributes to poverty reduction, as well as protecting workers from vulnerability in relation to existing employment. In other words, social protection is far broader than simply social insurance for those in work. Social protection can also have an important gender dimension if cash transfers, for example, are paid directly to women within the household.

There has been considerable innovation and expansion in social transfer programmes in the last 10 years with significant impact on beneficiaries (e.g. Brazil's Bolsa Familia: 11.5m families, Mexico's Oportunidades: 4.5m families, Ethiopia's Productive Safety Nets Programme: 8m people, South Africa's Child Support Grant: 7m children).

Trade

There is an ongoing debate about how trade policy can best deliver decent work outcomes. Increasing external trade is seen as a key instrument for promoting economic growth, and, by implication, jobs. As Secretary of State Douglas Alexander has said “No country has reduced poverty in the last 30 years without also increasing trade”²⁴. The government is therefore committed to a successful outcome to the Doha round of talks. “We want countries to have the right to decide where, when and how they open their markets and whether this broadens beyond trade in goods. We will continue to insist on this and provide support to poor countries so they can negotiate their side of any deal.”

The UK has a substantial aid for trade budget scheduled to increase to £100 million per annum by 2010. This is targeted at supporting the fiscal and regulatory environment for trade, supporting infrastructure for trade, and providing transition support where there are short-term costs for reducing trade barriers (e.g. higher import costs, reduced tariff income). However, it is not necessarily clear how simply opening trade relates to the creation of decent work. To a certain extent this is the same debate as over the linkage between growth and the quality of jobs. However, the EU has undertaken a pilot project with the ILO (unpublished) to develop decent work indicators in Uganda and the Philippines, and to determine the feasibility of using employment data to assess the effects of trade opening on labour market adjustment in developing countries

In addition to debate over establishing the best way for trade liberalisation to contribute to decent work, there is also the question of labour standards conditionality in trade agreements. DFID has stated that “We also commit to promoting decent work and respect for the fundamental principles in the ILO Declaration in bilateral trade agreements and multilateral fora.”²⁵. The EU's Generalised System of Preferences (GSP) includes special incentive arrangements for the protection of labour rights, and has withdrawn GSP preferences with Belarus over the violation of ILO core conventions. The TUC has called for a strong commitment to decent work within negotiations over Economic Partnership Agreements (EPAs) being negotiated with ACP countries.

²⁴ ‘Meeting the Development Challenge’ - Speech by International Development Secretary Douglas Alexander at Overseas Development Institute and All Party Group on Overseas Development event, 11 October 2007

²⁵ Labour Standards & Poverty Reduction, *ibid*

4. Potential impact on DFID work areas

Having considered the general concepts of decent work and having carried out a brief analysis of DFID activities, the adoption of decent work as a target under MDG1 has a number of potential implications for DFID. These include the following:

- There will be a higher profile for employment-related issues in general within development debates creating the need for greater awareness of the employment dimension within DFID's work
- Commitment to achieving MDG1 will raise create heightened interest in how projects and policies contribute to decent work outcomes or to the reduction of decent work deficits
- DFID will be under increased scrutiny to have systems in place which ensure that there is sufficient collection of information and reporting of this on the proposed decent work indicators
- Internal performance monitoring criteria will have to be adapted in order to ensure that there is measurement of progress towards implementation of the revised MDG.

The MDGs form the heart of DFID's Mission Statement and thus underpin much of what the Department seeks to do. However, the MDGs are not the sole organising principle for DFID either centrally or at in-country level. The Department does not systematically organise its work around particular MDGs, nor does it measure its impact in line with all of the existing MDG indicators. Rather, it is usual for multiple MDG goals and targets to be represented within projects and programmes. This is only to be expected given the inter-relationships between many elements of the development agenda.

Furthermore, while the MDGs are important factors in determining DFID's priorities, in respect of decent work, there is a strong argument that the proposed MDG indicators do not fully capture the full essence of the concept, as identified above. In particular, it seems to be the case that the indicators do not adequately reflect the importance of social dialogue, social protection and labour standards. Therefore, any adoption of decent work agenda by DFID which merely was focussed on the MDG indicators would run the risk of being criticised as neglecting important policy and programmatic aspects, which are already represented in DFID's work.

Options for DFID

There does not appear to be a case for treating the new MDG1 decent work target with precedence over to the other MDG targets. However, in order to ensure that the new target is receiving appropriate priority alongside other targets, there is a need to ensure that it is integrated within the Department's work.

Some possible practical options for achieving this could be:

- That DFID maps its current work programmes against issues within the decent work agenda to identify gaps or clusters of activity which contribute or could contribute to decent work.
- That DFID adopts new programmes to address issues under the decent work agenda which are currently under-represented in its portfolio.

- That the proposed decent work indicators are applied to existing and future projects to measure their contribution to MDG1 and, potentially, supplementary indicators are developed in order to capture impact on non-productivity related pillars of decent work.
- That a process is established to ensure that relevant principles of decent work are taken into account in relation to all projects and activities.

Mapping sample DFID activities

DFID has adopted many policies and supports a variety of programmes and activities, both bilateral and multilateral, which contribute to employment, employability, social protection, social dialogue, gender mainstreaming and labour standards – all elements under the decent work agenda. These are set out in Annex 3.

There are also many staff both at central and country level with significant expertise in aspects of employment-related work and who are working on innovative activities.

However, within the Department few of these activities are specifically categorised as coming within a decent work – or any labour-related – framework. This is partly due to low visibility of decent work itself as a term and a concept, but, more fundamentally, it relates to the fact that employment is not a cross-cutting strategic policy issue.

So while on the one hand it may be argued that DFID's existing activities are already contributing to the new MDG or any wider decent work target, on the other, there is clear scope for greater co-ordination and integration of activities so that their input to achieving decent work is maximised. Further, such an approach will more readily allow the department to identify any overlaps or gaps in work and to maximise the opportunities for working with defined stakeholders on labour issues.

In order to bring decent work to the foreground, one option would be to seek a clearer classification of activities under the various pillars of decent work. We have started to do this (annex 3), but much more work could be done. An advantage of doing so would be that linkages between programmes and activities could then be identified. This is not to say that there should be programmatic organisation of the department around the thematic pillars of decent work, rather that wherever a project or activity is aimed at having a decent work outcome, then some form of classification and reporting system should be adopted in order to ensure that there is a co-ordination of relevant projects.

Such an approach would be akin to using decent work first as an analytical principle, and, going further, to move towards considering whether it could be used to some degree as an organising principle. However, there is a danger that such an approach could lead to labelling for its own sake with projects being pigeon-holed. Further, as things currently stand, there is no strong case for applying a new organisational principle to existing structures, as the benefits to the decent work agenda are unlikely to be substantial and the confusion that such an approach would create would be counter productive.

Mainstreaming decent work

A second option, and one we recommend taking forward, would be to seek to integrate the decent work agenda within DFID's internal policy and project planning processes. This approach would see decent work more effectively mainstreamed within the Department and should lead to both more defined outcomes related to decent work, and also the collection of information about and co-ordination of all labour related activities.

Decent work is, in essence, an agenda of issues (grouped under the four pillars) leading to a general goal. It can also be seen as a process. Based on this conception, the ILO has developed a Toolkit for Mainstreaming Employment and Decent Work on behalf of all a range of organisations within the UN family. This consists of a set of self-assessment questions to which policy document and working tools are being added. While, this toolkit in its current format is intended for UN agencies to assist them with the introduction of a decent work dimension to their policy-making and programmes, it could equally well be used (with some adaptation) by other agencies and donors – such as DFID – as a way of ensuring that issues within the decent work agenda have been considered and addressed in formulating policy and in carrying out activities.

Therefore DFID could develop ways of seeking to ensure that decent work principles are applied in across the whole range of DFID activities. This would have a number of advantages, not least that it would seek to build upon existing priorities and activities, rather than substitute them.

This approach would imply that a decent work dimension is considered in relation to a wide variety of DFID activities. For example,

- At **central level**, DFID would seek to ensure that decent work is considered in relation to: commissioning research, developing policy positions, relationships with other government departments, relationships with international bodies and other national donors. A key relationship in this context is clearly with the ILO.
- At **country level**, DFID would seek to build decent work into programme-planning and delivery whether these advisory activities for governments (such as advice on PRSs and PRSPs), budget support or specific in-country projects (e.g. education, infrastructure, social protection etc)
- At a **sectoral/thematic level**, DFID would seek to integrate a decent work dimension into its thinking and programmes on broad themes such as supporting better governance, opening trade, improving business climates etc.

The kinds of interventions that would be necessary in order to mainstream decent work would include:

- **Policy framework**
A clearer stand-alone endorsement of decent work as a policy goal for DFID in the context of the MDGs, possibly in the form of an Issues Paper.
- **Training/awareness-raising**
Development of greater consistency of knowledge through guidance and training sessions for DFID staff working in areas that are likely to have an employment dimension or impact.
- **Learning from good practice**
The development of existing good practice examples to demonstrate effective ways of working on decent work issues. This could be derived from DFID country programmes, or from the activities of other multi-lateral agencies and multi-stakeholder initiatives
- **Practical guidance**
Development of specific tools to assist DFID staff to integrate decent work into their activities. These could include: self-assessment questionnaires which seek to

ensure that the right questions are asked and that decent work issues are identified during the course of normal day-to-day activities; guidance toolkits on the meaning and application of the decent work pillars.

- **Development of indicators**

In order to be able to assess DFID's contribution to the achievement of the MDG target, there is a need for the proposed MDG1 indicators to be built into projects, where relevant. There is also a need for development of additional indicators for projects to reflect the broader dimensions of the decent work pillars since the draft new MDG indicators are limited to the measurement of numbers of employed and productivity of employment. It would be possible for DFID to pursue work – possibly in conjunction with other bilateral agencies or donors – to develop and promote a wider set of indicators. Apart from the problem of defining appropriate indicators, there is also a challenge of gathering accurate and consistent data. The ILO has undertaken various pieces of work on developing indicators but further work is required if indicators which are appropriate to DfID's specific position and level of expertise. Nonetheless, these additional indicators could be based on operational activity, rather than outcome, if defining outcome indicators is too difficult an exercise.

Cross-cutting issues

In developing a broad process-based approach to embedding decent work within DFID's work, there are a number of cross-cutting issues which should perhaps be directly addressed, either in terms of devising supporting materials, honing any toolkit to provide direct practical assistance or generally raising awareness of DFID staff of the very likely decent work issues arising in specific contexts.

Working with social partners

Generally there is scope to work more closely with unions and employer organisations. This is both at central level in the UK and in-country. There are a number of instances where consultation with social partners, and their integration in project design and implementation could be improved. Some steps have already been taken in order to develop the capacity of DFID staff to work with trade unions, such as the publication of the Guide to Working with Trade Unions in 2005. Further, there is the ongoing process at a policy level between the Department and the trade unions in the terms of the regular meetings that take place between the two parties in the UK and through the operation of the Labour Standards and Poverty Reduction Forum.

However, during the course of the consultative process which led to this paper, there was a reported lack of regular consultation with social partners around country level dialogue. Nonetheless, there are some instances of reported activity. For example, the DFID Nigeria country assistance plan for 2004 – 2008 specifically commits the department to provide “support to organised labour to improve social dialogue with employers and government”.

A further embedding of the principles set out in the Guide to Working with Trade Unions through awareness raising sessions for DFID staff and the adoption of a decent work toolkit could lead to a qualitative improvement in the engagement of trade unions in DFID partner countries. Also, inclusion in a checklist of circumstances where DFID staff should consider contacting trade unions, would also have a positive effect in this regard.

Gender

Intrinsic to the decent work agenda is the incorporation of a gender dimension. The 2006 White Paper committed the Department to making our work on gender equality and women's rights more of a priority. Following this the Gender Equality Action Plan published in 2007 sets out some detailed actions and outcomes related to the promotion of gender equality and women's empowerment. However, this plan does not deal with the employment implications of gender equality sufficient clearly and, in the light of the adoption any decent work goals and indicators, the question of the promotion of opportunities to work for women, and the issue of the conditions under which they work, should be revisited.

There is some identified work on gender which could be showcased and developed. For example, a recent DFID funded project was aimed at enhancing the capacity of trade unions in Nigeria to address the concerns of women workers and to improve their working conditions in order to reduce discrimination against women in the workplace as well as in wider society. The project was evaluated as having made a contribution to DFID's country and target strategies and also as having enhanced the capacity of trade unions to reflect the concerns of women workers and improve working conditions through a well-designed programme of training and education activities and campaigning and networking.

Young people

As noted above, even where there is economic growth, in many countries youth unemployment is rising and remains an endemic issue. It is also the case that younger workers are over-represented in the informal economy or suffer exploitation through child labour. The MDGs already include a decent work target for youth (target 16) and this is to be subsumed into the new target under MDG1. This target specifically references the need to achieve decent work outcomes for young people. There are two potential aspects. First, there is the need to ensure that projects take account of the need for child labour to be addressed, albeit sensitively. There is also a strong case for mainstreaming policies designed to address youth unemployment or under-employment. This would involve consideration of the youth employment impact of projects at each stage of planning and delivery. Specific outcomes could be social protection projects related to education and training.

Older people

Older people often contribute to the informal economy and are marginalised and discriminated against in terms of formal work. The decent work agenda has strong relevance for improving the livelihoods of older people in terms of providing greater opportunities, enabling them to have the right to choose to work, tackling discrimination, extending social protection and healthcare, and improving representation for older people in processes of change.

Migration

As DFID's recent policy paper outlines²⁶, migrants benefit from and contribute to growth but can also suffer substantial decent work deficits. Migrants will often be working on the margins of legality and are subject to poor working conditions, as a consequence, in many countries in the world. Migrant workers are also often left without social protection. With this in mind, any relevant toolkit or other supportive materials, should build in protection for migrant workers' rights wherever DFID country or other programmes are involved in

²⁶ Moving out of poverty – making migration work better for poor people, DFID, March 2007

economic projects which may involve migrant workers to any substantial degree. Provision of information about their rights and consideration of the social protection and other safeguards necessitated by decent work in the context of migrant workers would also be relevant issues.

Informal economy

It is axiomatic that workers who are working in the informal economy will not be working under conditions that can be fully described as decent work. They are likely to be without social security and the protection of labour legislation and unlikely to benefit from any form of social partnership or dialogue. In this context, DFID needs to be aware in relation to any systematic work on the informal economy that transitioning activities away from informality to formality is the best way to deal with the decent work deficit in this context. There is no one single approach to the question of employment in the informal sector that can be characterised as being the right one. It will totally depend on the nature of the local economy and labour market dynamics.

5. Conclusion and discussion points for the Forum

There are a number of different ways in which DFID is already contributing to the decent work agenda, but there are clearly ways in which this could be more clearly focussed and measured. The adoption of the revised MDG1 will, to a certain extent, give a higher profile to the issues around decent work but also, as a result of the proposed indicators, may have the effect of focussing on the creation of jobs, at the expense of the other pillars – social dialogue, labour standards and social protection. It may be that DFID and other organisations may consider developing some indicators in addition to the agreed MDG indicators to ensure that they full range of the decent work agenda.

In order to help discussion of decent work at the DFID labour standards and poverty reduction forum, we suggest the break out session of the forum consider the following questions.

Is decent work a useful concept for thinking about development?

- What practical effect could the addition of the decent work MDG target have on DFID's work?
- Is decent work a relevant and useful framework for a donor agency?
- Does the concept of decent work help in promoting employment, both in terms of quantity and quality, as a cross-cutting theme within DFID's work?

Should DFID's work on the decent work agenda be strengthened?

- What, if any, decent work issues need more attention?
- Should decent work concepts be integrated into DFID's planning processes?
- Which processes, if any, can be more fully emphasised?
- Should DFID adopt the proposed decent work indicators to guide and evaluate the impact of projects?

Should decent work be adopted as an agenda-setting principle for this Forum?

- Does decent work cover the issues the Forum wants to address?
- Does decent work adequately address the Forum's focus on labour standards?
- How might the introduction of decent work into the MDGs affect the Forum's discussions?

Annex 1 - Proposed Decent Work MDG Indicators

It is proposed that all indicators will be calculated separately by sex and by urban and rural areas.

Growth rate of GDP per person employed

This may be defined as the annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2000 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. The sources include World Bank national accounts data, and OECD National Accounts data files²⁷.

Persons employed are ‘all those workers who hold the type of jobs defined as “paid employment jobs”, where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.’²⁸

Employment-to-population ratio

The employment-to-population ratio is defined²⁹ as the proportion of a country’s working-age population that is employed. A high ratio means that a large proportion of a country’s population is employed, while a low ratio means that a large share of the population is not involved directly in market-related activities, because they are either unemployed or (more likely) out of the labour force altogether.

Proportion of employed people living below \$1 (PPP) per day

This measures the proportion of those engaged in the labour market on relatively low levels of income – the working poor.

Share of own account and contributing family workers in total employment

Own-account workers are a sub-category of self-employed and are those workers who, working on their own account or with one or more partners, hold the type of jobs defined as a “self-employment jobs” (i.e. jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced), and have not engaged on a continuous basis any employees to work for them. Contributing family workers are those workers who hold “self-employment jobs” as own-account workers in a market-oriented establishment operated by a related person living in the same household.

If the proportion of own-account workers (self-employed without hired employees) is sizeable, it may be an indication of a large agriculture sector and low growth in the formal economy. Contributing family work is a form of labour – generally unpaid, although compensation might come indirectly in the form of family income – that supports production for the market. It is particularly common among women, especially women in households where other members engage in self-employment, specifically in running a family business or in farming. Where large shares of workers are contributing family workers, there is likely to be poor development, little job growth, widespread poverty and

²⁷ World Bank Data & Statistics

²⁸ Key Indicators of the Labour Market, ILO, September 2007

²⁹ Key Indicators of the Labour Market, ILO, September 2007

often a large rural economy³⁰. Employment status may be used to confirm or refute claims of an increasing informalization of labour markets, as indicated by a decline in numbers of employees with formal working agreements.

³⁰ KILM, ILO, September 2007

Annex 2 Examples of ILO Decent Work Country Programmes (DWCPs)

<i>Tanzania (2006-2010)</i>	
Priorities: - Poverty reduction through creation of decent work opportunities with a focus on young women and men - Incidence of child labour and its worst forms reduced - Socio-economic impact of HIV/AIDS at the workplace mitigated	
Expected outcomes	Delivered by (selected outputs)
Employment and particularly youth employment issues are at the centre of national development policies.	<ul style="list-style-type: none"> • Technical advice to and capacity building of the constituents for their active engagement in policy process • Continued support and technical advice to the undertaking of regular, national ILFS and other relevant national surveys, as well as capacity building of the constituents for their active engagement in such surveys.
Young women's and men's entrepreneurial and SME activities enhanced	<ul style="list-style-type: none"> • Technical assistance to institutions for the facilitation of start up of small businesses for young women and men • Interventions for informal, young workers through Cooperatives, including capacity building, training on organizing and creating decent employment opportunities for informal workers and establishing mechanisms for micro credit services through cooperatives. • Support will be provided for improved and adequate entrepreneurship training initiatives and career counselling for young working men and women. Interventions will be geared towards existing, effective market opportunities.
National and district development plans, policies and programmes addressing and sustaining gender focused child labour concerns implemented. Household income of families of boy and girl child labourers increased. Access to formal and non-formal education systems for boy and girl child labourers, other out of school children and those at risk increased	<ul style="list-style-type: none"> • Development and dissemination of standardized procedures, guidelines and protocols for dealing with selected Worst Forms of Child Labour (WFCL), • Support for families of withdrawn children to reduce their dependence on children's earnings and train them on links between HIV/AIDS, poverty and child labour • Strengthen national training policies and practices, particular with a focus on skills that are appropriate to children withdrawn or being prevented from entering into WFCL
- Plans and programmes on HIV/AIDS at the workplace improved and implemented. - Sector policies and legislations that address HIV/AIDS at the workplace in accordance with the ILO Code of Practice and International Labour Standards	<ul style="list-style-type: none"> • Development of HIV/AIDS training modules at the workplace, as well as their dissemination operationalising gender-sensitive workplace interventions, through social dialogue • Technical assistance will be provided for the development and/ or the effective implementation and enforcement of national policies and legislation on HIV/AIDS

adopted.	<ul style="list-style-type: none"> • Assistance will be provided in drafting Policies/ regulations/ legislation that reasonably accommodates workers with family responsibilities of caring for infected family members.
<p>Lesotho (2006-2009)</p> <p>Priorities:</p> <ul style="list-style-type: none"> - Increased employment creation for poverty alleviation - Improved social security coverage and effectiveness 	
Expected outcomes	Delivered by (outputs)
Improved competitiveness, productivity and conditions of work (including support for displaced workers) in the textile/garment sector)	<ul style="list-style-type: none"> • Analysis of international comparison of competitiveness in the textile and garment sector and identify the niche textile and garment product lines for Lesotho • Improved skill development for both workers and managers in the sector. • ILO training and retraining and consulting programmes on competitiveness, productivity and conditions of work in the textile/garment • Social partners able to develop and implement gender-sensitive approaches, including HIV/AIDS interventions at the workplace. • Government and social partners able to promote the social dimensions of competitiveness and facilitate socially responsible restructuring processes
Increased number of firms in the micro and small enterprise (MSE) are profitable with decent conditions of work	<p>Sectors with high Micro and Small Enterprises employment potential identified and prioritized.</p> <ul style="list-style-type: none"> • Policy and regulatory environment of identified priority sectors assessed and improved. • Support (skills training, business development services, finance, and entrepreneurship development) for Micro and Small Enterprises in priority sectors provided through Local Economic Development, cooperatives, worker owned enterprises and Employment Intensive Infrastructure Investment Programmes. • Potential and existing women entrepreneurs empowered to start and run growth oriented businesses.
Decent and sustainable jobs created for unemployed and underemployed youth in both rural and urban areas	<ul style="list-style-type: none"> • National Employment Policy which addresses youth employment as a priority area of focus. • An appropriate labour market information system established, including institutional mechanisms to help the youth in school-to-work transition. • The education and vocational system and policies will be reviewed and revised as appropriate to ensure that human resources are prepared to meet the current and future needs of the economy • Sectors with the highest potential for youth employment identified • A National Action Plan for Youth Employment formulated, which will also reflect specific gender concerns • Programme for implementing National Plan of Action developed
National policies formulated and implemented with active	<ul style="list-style-type: none"> • Specific capacity needs of social partners identified • Capacity and effectiveness of social dialogue institutions

<p>participation of social partners.</p>	<p>assessed.</p> <ul style="list-style-type: none"> • Capacity Building programme developed and implemented at national and Sectoral levels (maximizing existing and new opportunities)
<p>Social security coverage extended</p>	<ul style="list-style-type: none"> • Current social security system reviewed • Coverage need assessment survey • National action plan on social security • Managers of social security schemes and policy makers trained on financial management and administration • Strategic plan for effective and sustainable management of the social security Schemes
<p>HIV/AIDS prevalence reduced and its impact at the work place mitigated</p>	<ul style="list-style-type: none"> • Gender sensitive national workplace policy on HIV/AIDS finalized • On-going workplace HIV/AIDS programmes up scaled. • World of work issues incorporated into national HIV and AIDS policies and strategies. • KABP studies undertaken and report produced and disseminated • Skilled work place HIV/AIDS educators and facilitators developed in the trade unions, employers' associations, cooperatives and government

Annex 3 – Mapping of DFID activities with decent work implications

In order to assist the process of identifying DFID activities which have decent work implications and what those implications are, we have carried out a degree of project and process mapping. The following table provides illustrative examples of DFID work which has relevance to the decent work agenda. This is themed according to the sections in the recent White Paper. We would emphasise that this is not exhaustive and that there will be many other possible examples.

White Paper theme	Area of work	Project or programme example	Decent work dimension(s)
Good governance	Supporting civil society to enhance accountability	- Governance and Transparency Fund, - DFID-TUC Strategic Partnership Framework	Social dialogue
International governance	Support for international standards on corporate responsibility	- support for ETI - Food Retail Industry Challenge Fund - DFID-ILO Partnership Framework Arrangement - hosting of OECD Contact Point for Guidelines for Multinational Enterprises	Standards Employment Social protection
Reducing poverty through economic growth	Improving business climate for small-scale enterprises	- Support for Investment Climate Facility for Africa (infrastructure, facilitating trade, investment and commercial environment)	Employment
	Infrastructure improvement	- Individual projects e.g. roads, bridges - Support for Infrastructure Consortium for Africa	Employment
	Microfinance	e.g. Concern Universal Microfinance Operations in Malawi	Employment Gender

	Strengthening access to markets	<ul style="list-style-type: none"> - KATALYST, Bangladesh - support for MFA Forum, Bangladesh - Support for Africa Enterprise Challenge Fund 	Employment
	Informal economy	- DFID funded projects on informal economy in East Africa, Latin America, Central Asia, Cambodia, Mongolia, Thailand.	Employment Social dialogue Gender
	Migration	<ul style="list-style-type: none"> - integration into country assistance plans - promotion of civil society dialogue on migration (eg Southern African migration project) 	Employment Standards
Trade policy	Developing countries' access to world markets	<ul style="list-style-type: none"> - Trade-related capacity building - Doha round - Aid for Trade 	Employment
	Social conditionality in trade agreements	- EU GSPs	Standards
Investing in people	Public health services	- various in-country projects	Employment
	Education	<ul style="list-style-type: none"> - bilateral grants for primary education e.g. in Bangladesh, India, Nigeria, Zambia - support for World Bank Education for All Fast Track 	Employment Gender
	Child labour / trafficking	- support for ILO IPEC programmes	Standards
	Social protection	<ul style="list-style-type: none"> - Social transfers e.g. The Productive Safety Net Programme (PSNP) in Ethiopia - Conditional cash transfers e.g. Oportunidades programme in Mexico, Bolsa programme in Brazil - Transfers in kind 	Social protection

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