

# WORLD OF *Work*

THE MAGAZINE OF THE ILO

## Information technology: Bridging the digital divide



INTERNATIONAL LABOUR OFFICE



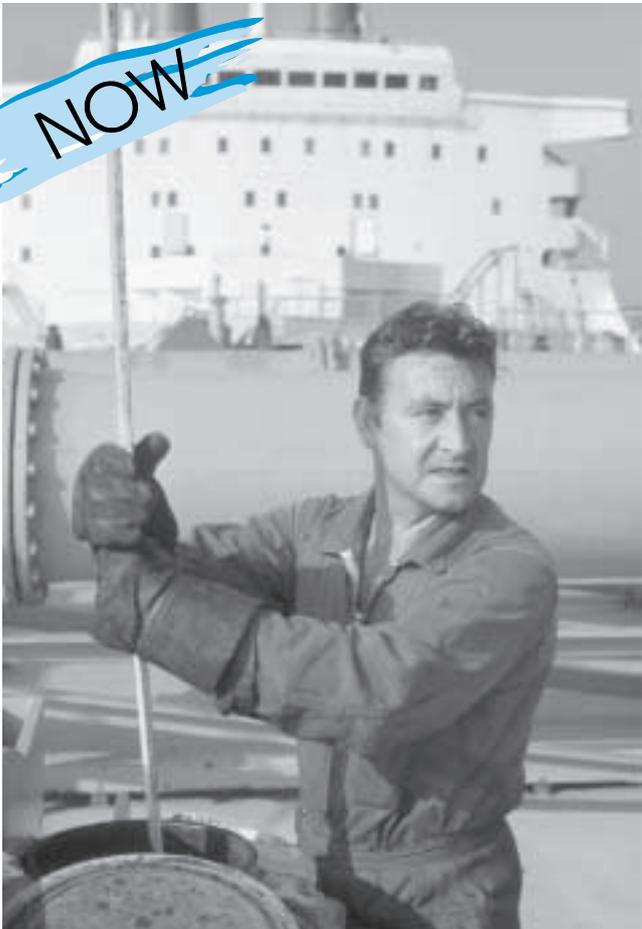
## The ILO: Then and Now

THEN



**Ancient mariners, ancient conditions?** Long before the first ILO maritime Conventions were adopted in 1920, seafarers plied distant oceans, far from the benefits and services of their home countries. More than most workers, the profession of seafarer calls for international regulations on working conditions.

NOW



**Modern social dialogue comes to the sea.** Representatives of shipowners and seafarers adopt a historic accord on the future development of labour standards in the international shipping industry in January 2001. The 29<sup>th</sup> session of the Joint Maritime Commission also agrees to upgrade the ILO minimum wage for seafarers from US\$435 to US\$450 with effect from January 2002 and to US\$465 as of January 2003. (See story, pp. 25-26)

World of Work magazine is published five times per year by the Department of Communication of the ILO in Geneva. Also published in Chinese, Czech, Danish, Finnish, French, German, Hindi, Hungarian, Japanese, Norwegian, Russian, Slovak, Spanish and Swedish.

- Editor: Thomas Netter
- German edition: Hans von Rohland
- Arabic edition: Khawla Mattar ILO Office, Beirut
- Spanish edition: In collaboration with the ILO Office, Madrid
- Production Manager: Kiran Mehra-Kerpelman
- Cover design: Paprika

This magazine is not an official document of the International Labour Organization. The opinions expressed do not necessarily reflect the views of the ILO. The designations employed do not imply the expression of any opinion whatsoever on the part of the ILO concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

Reference to names of firms and commercial products and processes does not imply their endorsement by the ILO, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

Texts and ILO photographs may be freely reproduced with mention of source (except photo agency photographs). Written notification is appreciated.

All correspondence should be addressed to the ILO Department of Communication, CH-1211 Geneva 22, Switzerland.

Tel. +4122/799-7912  
Fax +4122/799-8577  
<http://www.ilo.org/>  
communication

Readers in the US should send their correspondence to the International Labor Office, Washington Branch, 1828 L Street, NW, Suite 801, Washington, DC 20036. Tel: +202/653-7652 Fax: +202/653-7687 Printed by SRO-Kundig SA, Geneva

ISSN 1020-0010

# CONTENTS

## Cover story: Bridging the digital divide

<b>Bridging the digital divide, harnessing ICT for economic development, job creation and poverty eradication .....</b>	<b>4</b>
<b>The high road towards teleworking .....</b>	<b>7</b>
<b>A Phoenix rises... From investigation, an Association is born: Helping India's street children .....</b>	<b>9</b>
<b>Rehabilitating a nation: After Chernobyl and other industrial disasters, Ukraine embarks on the road to recovery .....</b>	<b>10</b>
<b>After the slump: Can Togo bounce back? .....</b>	<b>12</b>
<b>Banking on the "human factor"? Beyond the bottom line, people remain the key to success for merged companies .....</b>	<b>15</b>
<b>Comeback for "Taylorism"? A report from Germany .....</b>	<b>18</b>



## News in brief .....

- Hiked minimum wage. New "Geneva Accord": For seafarers, a step forward
- International Institute for Labour Studies 40th anniversary meeting
- Technical brief: Insulation wools
- The future of decent work in the global economy



## Features

<b>THE ILO: THEN AND NOW .....</b>	<b>2</b>
<b>PLANET WORK .....</b>	<b>21</b>
<b>AROUND THE CONTINENTS .....</b>	<b>29</b>
<b>ILO IN THE PRESS .....</b>	<b>32</b>
<b>MEDIA SHELF .....</b>	<b>34</b>
<b>TELEWORKING .....</b>	<b>36</b>



Created in 1919, the International Labour Organization (ILO) brings together governments, employers and workers of its 175 member States in common action to improve social protection and conditions of life and work throughout the world. The International Labour Office, in Geneva, is the permanent Secretariat of the Organization.



# Bridging the digital divide: Harnessing ICT for economic development, job creation and poverty eradication

*Despite improvements in labour market performance in industrialized countries and the growing potential of information technology to create jobs and spur development, the global employment picture remains "deeply flawed" for workers in many parts of the world, according to a new report by the International Labour Office (ILO). The ILO "World Employment Report 2001: Life at work in the information economy"<sup>1</sup> finds that despite the communications revolution taking place in the world today, increasing numbers of workers are unable to find jobs or gain access to the emerging technological resources needed to ensure productivity in an increasingly digitalized global economy.*

**G**ENEVA – The latest *World Employment Report* finds that, given its different speed of diffusion in wealthy and poor countries, the information and communications technology (ICT) revolution is resulting in a widening global "digital divide".

The report says that unless this is addressed urgently, the employment aspirations and productivity potential of millions of workers in scores of developing countries won't be realized. Access to the technologies, and ensuring that workers possess the education and skills to use them, are the fundamental policies that developing countries need to consider, the report notes.

"The ICT revolution offers genuine potential, but also raises the risk that a significant portion of the world will lose out," said Juan Somavia, Director-General of the ILO. "Let us strip out the hype. What is left? What's left is its effect on peoples' lives, wherever they live. We need to promote policies and develop institutions which will let everybody benefit. And it won't happen on its own."

## Employment prospects improving

The report insists that ICT can have a far-reaching impact on the quality of

life of workers in poorer countries if the right policies and institutions are in place, and serve as important spurs to development and job growth. In some cases, the high mobility of ICT capital and its inherently knowledge-based nature may allow lower income countries to "leap-frog" stages in traditional economic development, via investments in human resources.

For this to occur, three needs are most important: a coherent national strategy toward ICT, the existence of an affordable telecom infrastructure, and the availability of an educated workforce.

"We know that ICT is global in its reach, irreversible in its drive and pervasive in its impact," Mr. Somavia said. "But if the dot.coms are to play an effective role in contributing to our goal of providing decent work for everybody, we must make sure that the policy framework exists globally, and that these three needs are addressed."

The report notes that the key to better global employment rests with the possibility for continued growth in industrialized countries and development in a few large developing ones. Among the uncertainties clouding the labour market outlook, the report cites "the trajectory of the US economy (toward a hard or soft landing), the possibility of Europe taking over as the global economy's dynamo, the sustainability of Russia's

upturn, and India's ability to maintain its high economic growth rate".

In spite of the difficulties, the report maintains that "overall recent developments present a favourable set of prospects for the world economy". However, achieving decent work for the world's unemployed will require much greater attention to "core labour market issues, including investments in human capital."

## ICT revolutionizing the workplace

The report finds that nearly 90 per cent of all Internet users are in industrialized countries, with the United States and Canada alone accounting for 57 per cent of the total. In contrast, Internet users in Africa and the Middle East, together account for only 1 per cent of global Internet users. Where ICT is most in use, changes in economic relations and behaviour are occurring.

"Changes in how the economy works will transform the world of work," Mr. Somavia noted. "The creation and loss of jobs, the content and quality of work, the location of work...all are affected by the emerging era of digital globalization."

The report highlights "the very real constraints facing developing countries in their capacity to join the communications revolution", and the potentially major repercussions this risks provoking



ILOP: Deloitte

**Changes in how the economy works will transform the world of work. The creation and loss of jobs, the content and quality of work, the location of work...all are affected by the emerging era of digital globalization.**

in world labour markets, adding: “Only some countries in east Asia appear to be keeping up with the developed countries in the diffusion of technological progress.”

Those countries and regions which fail to make the technological leap risk not only missing out on the large and growing trade in information and communications technology products, but will be unable to profit from the economic efficiency and productivity gains which derive from these industries, the report says.

The east Asian economies of China, Malaysia, Thailand, the Philippines and others, for example, have been able to make rapid progress in high-tech areas, and were able to capture a significant share of the world market for semiconductors and other data processing equipment.

Beyond hardware production, however, one factor which appears essential to the initiation of countries into the high-tech digital world, is the development of a domestic skill base in software production and use.

India has seen its software sector grow by 50 per cent throughout the 1990s, creating not just exports, but thousands of domestic jobs and a technological talent pool which is drawing international attention from industrialized countries and large multinationals. Costa Rica has drawn some of the world’s largest ICT com-

panies seeking to employ its relatively educated workforce in a development effort which has seen jobs created and exports increase, and is now spawning a domestic software industry.

Even where export opportunities in the ICT sector prove elusive, gains from access to the technology it generates can promote jobs and entrepreneurship in such industries as data processing and call centres. In Senegal, liberalization of telecommunications regulations has spawned a host of “telecentres” providing access to telecommunications, and creating thousands of jobs. And in South Africa, the growth of such telecentres has provided unprecedented access to public services as well as vital information on health care, social benefits and other government services.

ICT can also be made relevant to the objective of poverty alleviation, not just through its effect on economic growth, but also through improving access to health care, education and other social services. Public and/or private assistance to community-based organizations to provide access tailored to the needs of poor persons is one place to begin.

### **Closing the gender divide**

Although ICT has the potential to provide jobs for women and improve their lives, the report notes that women generally

## **WORLD EMPLOYMENT 2001: THE WORLD IN A NUTSHELL**

- *As of 2001, as much as one-third of the world’s workforce of three billion people are unemployed or underemployed. Of these, about 160 million people are openly unemployed, 20 million more than before the onset of the Asian financial crisis in 1997, and despite strong signs of economic recovery in most of Asia.*

- *The global economy will at least have to maintain its current pace of expansion in order to generate the 500 million new jobs needed during the next decade just to accommodate new entrants to the labour force and reduce the current number of unemployed.*

- *Throughout the world, the major turnaround in employment fortunes has only been in OECD countries where overall unemployment has declined sharply from the double-digit figures of the mid-1990s, and even the incidence of long-term unemployment has dipped in recent years, from 35 to nearly 31 per cent.*

- *Despite the phenomenal growth of ICT in the industrialized world and its increasing penetration into developing countries, vast swaths of the globe remain “technologically disconnected” from the benefits of the electronic marvels revolutionizing life, work and communications in the digital era.*

- *ICT provides an “enabling potential” to improve women’s lives. But the report does find that a “digital gender gap” is apparent within countries, as women often find themselves occupying lower-level ICT jobs while men rise to higher-paying, more responsible positions.*

continue to earn lower incomes, suffer higher unemployment and are often concentrated in less-skilled jobs.

The most striking digital gender divide relates to Internet use, with women in the minority of users in both developed and developing countries. For example, only 38 per cent of Internet users in Latin America are women, while in the Euro-

pean Union the figure is 25 per cent, in Russia 19 per cent, in Japan 18 per cent and in the Middle East 4 per cent.

Most Internet users are male, college-educated and earn higher than average incomes, the report says. Only where Internet access is well developed, for example in Scandinavia and the US, has the gender gap in use of the Internet closed.

“ICT can and will provide benefits for women,” Mr. Somavia said, “and it is one of my highest priorities to make sure this digital gender gap doesn’t grow wider, that women are not left behind on the digital highway.”

The ILO report also finds that patterns of gender segregation are being reproduced in the information economy. The report adds, “Although pay inequality exists between those who have ICT skills and those who do not, pay polarization also exists within ICT use itself. This polarization is often gender-based.”

Still, women in India have increased their share to 27 per cent of professional jobs in the software industry, while in the Caribbean and many other countries, in the 1990s thousands of women obtained jobs in the data processing sector. In Uganda, women who have lost family members to AIDS weave traditional baskets as part of the “Sapphire Women” group which then sells the products on the Internet with the help of a US-based NGO.

### The role of education and “lifelong learning”

The report warns that even if access to ICT becomes easier and more widespread, little may be gained from the digital revolution without adequate levels of education. The inability to assimilate and benefit from ICT which results, may be the most significant challenge inherent in the spread of the digital economy in coming years.

Reducing other aspects of the digital divide, such as wage differences and the gender gap, will also depend on improved education, the report says. In developed countries, the “returns to higher education” are already being reflected in “widening wage inequality” where technologies are in greatest use.

“Investment in basic and higher edu-

**Liberalization of telecommunications regulations has spawned a host of “telecentres” providing access to telecommunications.**



Keystone

cation is the most critical policy tool available to governments to reap the benefits of ICT,” the report says. “No developing country has successfully secured a niche in global markets for intangible products without having a well-educated workforce.

Education and economic growth, moreover, are complementary, and investment in the former is likely to result in the latter. This causal link might be truer still of the emerging knowledge-based economy, in which the most critical source of wealth creation is knowledge, not physical inputs or natural resources.

“Lifelong learning”, the report says, “is becoming the fundamental source of job security or employability in the digital age”. Access to lifelong learning provides a competitive advantage to employees, governments and employers. Lifelong learning is also rising to the top of many trade unions’ list of priorities, and the need for lifelong learning and skills may revitalize the role of trade unions as the traditional source of a

guaranteed “skill’s base” of a mobile membership.

### Other policy considerations

The report reaches a number of other policy conclusions, perhaps the most fundamental of which is the prediction that countries which fail to get on board the digital revolution, or are late starters, face loss of competitive economic strength and market share, as well as possible decline in national income. International assistance and technical cooperation to developing countries will be of value, but what is most needed are coherent strategies and action at their own national levels.

“Indeed, in these early days of the communications revolution, the data, such as they are, illustrate more current risks than future rewards, for cleavages do exist and are widening, and the quality of life on the job reveals negative as well as positive effects,” the report says. “There are solutions to these problems, solutions

that do not rely on turning back the technological clock.”

The conclusions also concern:

– **Trade policies:** Governments should encourage the growth of the domestic ICT sector while making imported inputs available at the right prices. The international trade regime needs to be sensitive to policies which encourage the growth of the ICT sector in the developing world.

– **Migration of skilled workers:** In the case of migration of highly skilled workers in the digital economy, the report also notes that countries receiving such digital migrants should not neglect the training of their domestic workforce. At the same time, countries of origin should develop policies which encourage retaining or repatriating their highly skilled workers.

– **Older workers:** Regarding an ageing workforce, the report notes that more retraining on the job will be needed. Policies need to address the older worker, in particular with respect to learning opportunities and to guarding against age discrimination in the workforce.

– **New workplace concerns:** Existing laws and policies may need to be reviewed as new workplace concerns are rising – stress, privacy, intellectual property, right of access to communications media. Existing labour market policies and labour laws may not take adequate account of the fact that ICT affects the life at work of women and men differently.

– **Traditional industries:** Application of ICT to traditional industries, agriculture and fisheries for example, could result in important efficiency gains in developing countries.

“The most important final conclusion is that we can make a difference,” Mr. Somavia noted. “With the right policies and institutions, we can steer the ICT revolution. We must build partnerships, provide education and promote socially responsible connectivity, to have social justice in our world as well as the e-world. Let’s ensure that dot.coms are synonymous with decent work.” □

<sup>1</sup> The World Employment Report 2001: Life at work in the information economy, is available on CD-ROM (in English) from [ferranco@ilo.org](mailto:ferranco@ilo.org), tel. +4122/799.-7781, fax +4122/ 799.-6095. Publication of the full report in book and CD-ROM format is scheduled for June 2001.

## The high road towards teleworking

# Telework: How information and communications technology are changing the geography of work

*For an increasing number of people, work no longer happens at a single central workplace. Instead of going to the office, the office comes to them – down the information highway. As a result, new ways of working are developing. Mobile working, home-based working and the use of satellite offices and temporary touch-down bases are becoming increasingly common.*

**T**he relocation of work is taking place across national boundaries as well, as tasks which once were undertaken locally are now performed elsewhere, hundreds or possibly thousands of kilometres distant. German callers telephoning to inquire about an airline booking may have their call routed to a handling centre in South Africa. Callers from mainland France may find their calls answered in Morocco, while customers in California ringing a consumer help line may be answered at a centre in one of Canada’s Atlantic provinces.

Software development for United States companies happens in India. Data about British bank customers is analysed in China. There are even reports that the guards who monitor the security cameras in Geneva’s banks are watching screens in North Africa.

The name usually given to all these developments is teleworking. Twenty or so years ago when the term first emerged, it was taken to mean simply the opportunity to work from home, using telecom links to replace commuting with what was called “telecommuting”. Since then, however, the concept has widened dramatically. Now teleworking is usually defined as any form of remote working away from a central office or production facility, made possible by new information and communications technologies.

The implications of telework have been widely discussed. Some see it offering a bright new dawn for both workers and

businesses, letting individuals balance work and home commitments more easily, and allowing companies to gain from higher productivity and a more flexible workforce. But telework also has its critics, who warn that it may lead to isolated workers, reduced employment rights, and a global “race to the bottom”.

A new report, *The High Road to Teleworking*, from the ILO (See back cover in this issue) looks at the evidence from both sides, mapping out the “high road” forward toward telework, pointing out the advantages, and charting the pitfalls to be avoided. “The aim is to maximize the potential of this new way of working in a human-centred rather than technological-determinist way, so that human capital, new technology and new forms of work organization can come together to create growth, jobs and better working conditions”, says the report.

Just how significant a feature is telework, however? The excessive hype which marked much early writing on telework has produced a backlash of sorts, with some now suggesting that it will remain only a marginal or minor aspect of working life. In contrast, the ILO report firmly rejects this view, arguing that telework has been moving through a preliminary phase but is now about to reach critical mass, at least in some industrialized countries. As evidence, it looks at data from a number of countries which are now analysing telework uptake in official national statistics. For example, in the United Kingdom the number of

regular and occasional teleworkers has now reached about 6 per cent of the total labour force. Perhaps more significantly, this figure has increased by almost 40 per cent in just two years. Similar findings from the United States, Australia and other European Union countries also point to striking recent growth. However, one thing has become clear: the numbers of people who fit within the original restricted definition of the home-based teleworker, working full-time from their “electronic cottage”, remain relatively small. Teleworking is becoming one aspect of a more general move toward new, flexible forms of work organization.

*The High Road to Teleworking* also explores transborder and offshore telework, looking in particular at the prospects this could offer for developing countries. It identifies three waves of development. The first is associated with relatively low-value work, such as the data input and back-office services which were moved “offshore” in the 1980s and 1990s; the second takes in India’s successful development of an internationally important software development sector, where the work done adds a significantly higher value to the product. The report then goes on to look at possible indications of a forthcoming third wave, exploring among other developments the potential of multipurpose telecentres in isolated, rural and marginalized urban areas in countries such as South Africa, Uganda, Senegal, Mexico and Bangladesh. In several of these countries, the role of women appears to be particularly significant.

For developing countries, the report says, teleworking brings both risks and opportunities. “The development of teleworking internationally is associated with the growing international trade in services”, says the report. “This manifestation of globalization is a mixed blessing. For developing countries, the road to be followed is a narrow one, which could lead to the exacerbation of economic dependency and the growth of two-tiered societies, but which could also provide a chance of leapfrogging at least part of the gap with the industrialized world.”

Does teleworking, whether in developed or developing countries, lead to an improved quality of life for the individuals concerned, or to less satisfac-



ILO/P. Deloche

tory working conditions? The short answer is that it depends. *The High Road to Teleworking* examines a range of key factors which can affect the outcome, including health and safety, stress, and the dilemmas involved in reconciling work with family commitments.

There are examples of both good practice and poor. “In terms of autonomy and responsibility, teleworking may operate in different ways. There are cases where teleworking results in workers having a great deal of control over their work. This, in turn, may increase job satisfaction and motivation. There are however cases, especially in unskilled and semi-unskilled teleworking, where the job content can be poor, autonomy very restricted, job appreciation limited and conditions of employment less advantageous than those for other workers”, says the report.

The employment status of workers affected by teleworking receives particular attention. In some cases, a move to teleworking has been closely linked with a change from formal employee status to that of a self-employed contractor. Trade union organizations, among others, fear that new, more flexible forms of work organization can be used to weaken established employment protection and to create spurious forms of quasi self-employment.

Self-employment has been growing quickly in many developed countries, a development identified by the OECD, among others, and the boundaries between self-employment and employee status are also becoming increasingly blurred. The European Commission, for instance, has identified this as an area which employers and workers need to debate, and a round of discussions was launched late last year. The line between employment and self-employment also has important implications for social protection and taxation policies, leading to close scrutiny by a number of individual countries. *The High Road to Teleworking*

explores the way in which teleworkers are treated in terms of employment status in, among others, Sweden, Japan and Korea.

More generally, the report gleans examples of good practice from around the world, where government bodies, employers and trade unions have come together to tackle telework implementation. One such comes from Ireland, where the National Advisory Council on Teleworking, a body made up of representatives of business, the trade unions, the government and academia, produced a Code of Practice and a model teleworking agreement. The Code (now known as the Code of Practice on e-Working) ranges over the selection of individuals for teleworking, requirements for home-based offices, communications policies for companies with teleworkers, training issues, security concerns and employment terms and conditions. The Code also recommends regular monitoring and review of telework programmes.

Similar agreements have been made in, among other countries, Norway, Sweden and Italy, while in the telecoms sector a pan-European set of guidelines on telework was agreed upon between employers and the trade union body, UNI-Europa, in January of this year.

According to the report, there is now a wealth of experience in developing agreements and guidelines to ensure that teleworking can be introduced in a positive way, benefiting both individuals and employers. The aim, it suggests, must be this “high road” approach, creating a virtuous circle which brings together human capital, new technology and work organization, to create economic growth, competitiveness, more jobs and better working conditions. As the report says, “triggering the virtuous circle is the great challenge at stake”. □

*Andrew Bibby is a UK-based journalist specializing in telework and other ICT issues.*

---

# *A Phoenix rises...*

## From investigation, an association is born: Helping India's street children

*Among India's population of 1 billion people, millions of poor children must work - on plantations, in brickyards, in factories and carpet-weaving shops, or as domestics - to help their families survive. Officials estimate some 20 million children work, but most NGOs put the figure at closer to 60 million. Child labour expert and journalist Bénédicte Manier reports how the Prayas Association has come to their aid in New Delhi, rising like the proverbial phoenix from the ashes of a Delhi slum.*

**N**EW DELHI – Narez is 13 years old. Born in Indian Punjab, he fled his family after having been beaten by his parents, and ended up in a Delhi bus station, where he eked out a living for several months by begging.

Rajib, 16 years old, lived on a railroad platform in Delhi, earning a few rupees as a rag picker and by scavenging the leftovers of food in the trains.

They are among hundreds of thousands of children, sometimes very young (6 to 8 years of age), who work in the informal sector. They survive in the streets of the large cities by begging, or working at simple jobs such as shining shoes, selling tea, collecting garbage, as packers, or as casual domestics.

Beyond the obvious, what they have in common is that both have been taken in by a reception centre run by a group called Prayas, which means “effort” in Hindi. The organization was founded in 1988 by Police Superintendent Amod Khanth, and this is the story of how Prayas was born.

### From investigation to association

Amod Khanth was investigating a fire which had ravaged a Delhi slum. While

walking through the slum – of simple shelters made of metal sheets or fallen branches erected on a sidewalk, around a ditch, or alongside an apartment block (like the many others in Delhi into which 5 million people are crammed) – the Superintendent was moved by the lot of the children, who worked all day in the streets to bring a few rupees home to their families.

In all, more than 500,000 children are working in the streets of the capital. The police sometimes arrest them because they badger the passersby or are suspected of minor thefts, but they don't know what to do about it. Thousands of children are even more destitute, alone and completely homeless, abandoned, lost, or orphaned, working and sleeping in the streets.

In order to study the phenomenon, and in an attempt to find a solution, Amod Khanth decided to form a small group composed of social workers and policemen. This group was soon transformed into a social project: to take these children under their wing and get them some kind of education.

This is how the association, Prayas, was born.

Its mission is to put a roof over the heads of the street children, and to provide them with food, care, and clothing; in

a word, to give them back their dignity.

The association began by opening a reception centre for children who are alone in the world, in Jahangirpuri, north of Delhi.

“We started with 25 children,” Amod Khanth explained, “and once the project started, the need was there, so we continued.”

### Three centres

Today, Prayas runs three centres in the capital, which house around a thousand girls and boys from 6 to 16 years of age, looked after by teachers, trainers, social assistants, and psychologists.

After months of living in the streets, most of the children arrive in poor health: anaemic, with badly treated injuries, polio or tuberculosis, suffering from malnutrition, and very weak emotionally, as one of the teachers points out.

Such is the case of little Mahesh, 11 years old, found four days previously in a train station, covered with infected sores. Today he's wearing a spotless blue shirt given to him by the centre, but his young face is strained; he looks at us, but doesn't talk. Like him, many of the children are bewildered by the calm life of the cen-

*(continued on p. 35)*



## Postcard from the other Europe

# Rehabilitating a nation: After Chernobyl and other disasters, Ukraine embarks on the road to recovery

*According to ILO estimates, 14 per cent of the Ukrainian population, or some 8 million people, are disabled - nearly double the global average in industrialized countries. There are various sources for this high toll of disability - some are veterans of the Afghan war, others victims of the 1986 Chernobyl nuclear reactor disaster or frequent accidents in the country's coal-mining area, the Donbass. The ILO's Hans von Rohland recently visited Kiev and filed this report.*

**K**IEV, UKRAINE – In this city on the steppes of Europe, the contrasts tell the story of its history. Blanketed by melting snow and thick fog, the local McDonald's restaurant and Benetton outlet are islands of light next to an enormous war memorial from the Soviet era, eleventh century churches, dilapidated baroque buildings and the newly renovated Jugendstil mansions. Here, old and new live side-by-side, in sometimes uneasy symbiosis.

For the first time since independence, however, things finally seem to be looking up again for a country which has suffered so many harsh setbacks. Economic growth in 2001 is expected to be around 4 per cent to 5 per cent. And even though few are benefitting immediately from the economic revival that includes more favorable working conditions and better, regular pay, the new economy is springing up everywhere.

Still, remnants of the old economy remain – an often dangerous reminder of the old days when Ukraine was part of the former Soviet Union. In the rundown coal mines, galleries regularly collapse and gas builds up unnoticed. Miners suffocate underground because ventilators break down.

According to a recent news report, an average of five Ukrainian miners die for every million tonnes of coal mined – the

worst record in Europe. And in March 2000, some 80 miners perished in a mining disaster.

The demands of the 12,000 disabled veterans of the Afghan war waged by the Soviet Union, and an estimated 3.3 million victims of the Chernobyl nuclear disaster (as estimated by the Ministry of Health) are putting new pressure on the government.

Says the chairman of the Parliamentary Committee for the Disabled, himself confined to a wheelchair, of the current Minister for Labour: "He is the first Minister for Labour I have not gone to war with."

### Commitment by the Ukrainian Government

Now the government is fighting on all fronts. It has started paying outstanding wages and pensions, exports were up by 25 per cent in the first quarter of 2000, and inflation should fall below 15 per cent in the next twelve months.

At a ceremony marking the UN International Day of Disabled Persons at the Ukraine Palace in Kiev last year, observers said the presence of President Leonid Kuchma and Minister for Labour and Social Policy Ivan Sakhan shows just how seriously the leadership is taking the problems of the country's disabled.

This marks a clear break with past

policy on the disabled. During the Soviet era, disabled people were given medical help, but had few opportunities for social integration or even finding a job. Instead, they were hidden away and classed as unproductive.

On the International Day of Disabled Persons, the ILO's then-Regional Director for Europe and Central Asia, Heribert Scharrenbroich, made an urgent appeal to the world community to support a project costing an estimated US\$1.6 million for the occupational reintegration of Ukraine's disabled.

"We all know that it is difficult for disabled people to find a job without formal vocational qualifications," the Regional Director stressed at the Ukraine Palace.

The agreement which Mr. Scharrenbroich signed on behalf of the ILO, with Ukraine's Ministry of Labour and Social Policy and two occupational rehabilitation centres in Heidelberg, Germany and Linz, Austria, marked a first step toward this, providing as it does for close cooperation on occupational rehabilitation and employment promotion for disabled people in Ukraine.

As part of its National Rehabilitation Programme, Ukraine hopes to set up a National Occupational Rehabilitation Centre with support from an ILO project. It is prepared to co-finance the project,

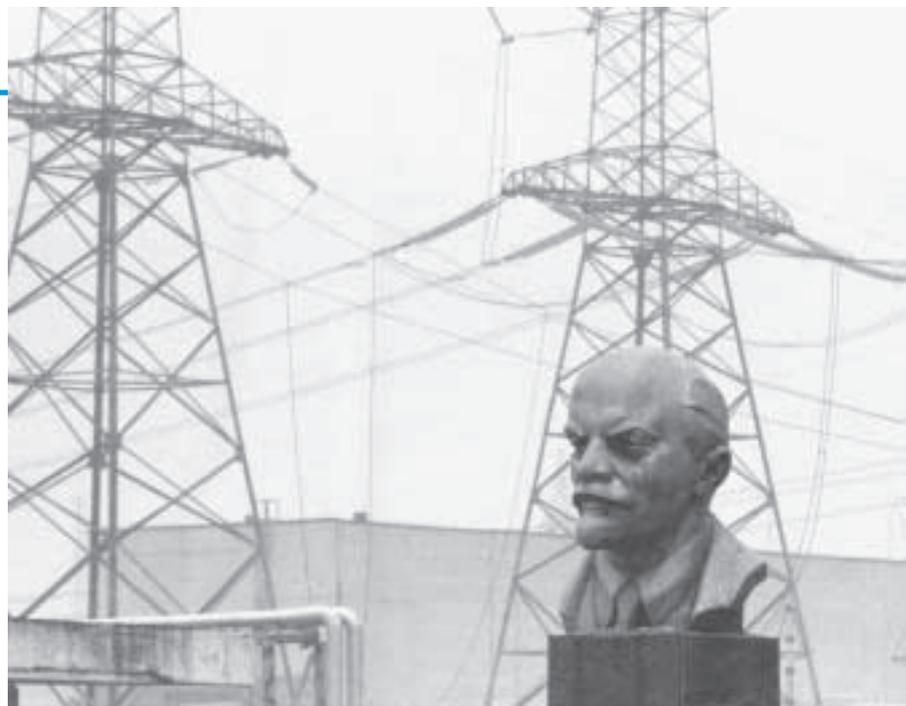
mainly in the form of providing suitable accommodation. The project would set the standard for the occupational reintegration of disabled people throughout the country for years to come. One of the main aims is to provide intensive further training for future instructors at the National Occupational Rehabilitation Centre. Further training courses are also to be offered for the disabled, and special vocational training for the victims of Chernobyl.

### The children of Chernobyl

At a rehabilitation center in Chernigiv, some 140 km north of Kiev, an assistant encourages at young child to try and move. "Stand up...stand up...stand up," the assistant patiently urges little Nikolai, who struggles to cling onto a large ball. But his little back can barely hold him up.

Almost half of the 800 children treated here this year are suffering from late effects of Chernobyl. These have typically caused damage to the nervous system, leading to motor disorders, some of them serious.

In another room there are enormous armchairs and pictures of the distant Carpathian mountains on the walls. This is where the children are supposed to



Keystone

overcome the psychological effects of their traumatic experiences by being rocked to sleep with music.

The children live with their families and come to the centre for short periods of treatment. The NGO which runs the centre has been given modern physical and psychological rehabilitation equipment by donors in western Europe. Occupational rehabilitation is also now being provided as part of special vocational guidance classes.

Later, the director of the Kiev centre for the social and occupational reintegration of disabled people, Mr. Alexander Rodin, and his deputy, Mrs. Wanda Petrovna, conduct a tour of a "model

factory": the sewing department produces stylish suits and children's anoraks for customers in Italy and other European countries, while a joinery workshop, mushroom farm and mineral water plant complete the picture.

Computer training is also provided, free of charge for the disabled, but non-disabled people can also pay to attend the courses. In addition to the medical and psychological treatment provided, this contact between disabled and non-disabled during training courses represents a further important step toward social integration.

What is even more important is that attention is also paid here to occupational

### Job creation for war-disabled people in Bosnia

*One of the most serious consequences of the 1992-95 war in Bosnia-Herzegovina is the dramatic number of war-disabled persons. According to the government, Bosnia has 100,000 registered war disabled persons. In addition, 425,000 demobilized soldiers have to be integrated into the labour market and normal life. Many are disabled, and have become a highly volatile group, disappointed and destabilized by their condition.*

*Bosnia does not currently have the means to create special institutions for the training and employment of war disabled per-*

*sons. Lack of trained staff is a great obstacle to the full development of vocational rehabilitation in Bosnia and Herzegovina.*

*It has been estimated that it would take the country 50 years to compensate for the loss of educated people as a consequence of the war. Vocational training centres and other forms of further vocational education simply do not exist, and the whole former labour administration system is in question and undergoing changes.*

*The ILO has responded promptly to the request for technical assistance to support the active participation of war-disabled persons in the world of work.*

*In close cooperation with all responsible organizations in Bosnia-Herzegovina, it started the pilot project "Job Creation for War Disabled", in January 2000. A major outcome of the 1.7 million DM project financed by the German Government will be the enlargement of the existing medical rehabilitation centre in Fojnica, thus creating an effective vocational training centre, and to rehabilitate 120 war-disabled persons selected from all over the country. The pilot-project could serve as a model for the whole country, and even other countries with comparable problems in south-east Europe.*



reintegration, a previously neglected area in Ukraine compared with the ample funding provided for medical rehabilitation. The centre works closely with NGOs and businesses, which also act as sponsors. This work is particularly valuable given that Ukraine's Ministry of Labour, the ministry responsible, had previously taken little action in this field.

Finding jobs for the disabled in a country where all those employed in the industrial sector are facing problems, is naturally not easy. This is why efforts are being focused on the new economy, and in particular on areas like computers and telecommunications, advertising, accountancy, personnel and retail. One of the instructors, Svetlana, who is herself slightly disabled, provides a clear, if tongue-in-cheek, description of the situation: "Once disabled people start building planes, Ukraine will be rich."

### Hope in the west

The Pushcha Vodytsya ("primeval forest spring") rehabilitation centre has its own lake, a sauna, therapeutic bathing and massage facilities, a sports hall, a library and even a small theatre. At lunch here we drink mineral water from its own spring. But even this convalescent home for the deaf-mute in an idyllic pine forest outside the capital bears witness to the country's economic problems.

The lack of funds means that only 10 per cent of the 180 places in the home are filled. A building with pretty balconies has been renovated, but since then the Ukrainian Deaf-Mute Association has not been able to afford any further work. By western standards the heating is minimal.

Here, too, the hopeful expressions on the faces of those we speak to weigh heavily on our delegation. Their modesty, and perhaps also their awareness that funding for development aid is dwindling, prevent them from asking us for anything specific.

"Social issues are one of the areas to be dealt with on the road to Europe," the Austrian ambassador stressed, referring to Ukraine's goal of joining the European Union. With its commitment to the cause of the disabled at the highest level, Ukraine has shown that it is willing to embark on this long journey. □

## After the slump: Can Togo bounce back?

### Fighting poverty and unemployment in Togo: New bridge over the jobs gap

*For Togo, a small country of 4.6 million inhabitants tucked away in West Africa, the 20<sup>th</sup> Century ended with a whimper, not a bang. During the 1990s, the economy twice buckled under the strain of political turmoil, and is now struggling to clamber to its feet again. Underemployment is rising, and living conditions are worsening in a country where life expectancy is less than 49 years, one in four children aged under five is malnourished, and illiteracy runs at 40 per cent. An ILO project is working to improve the lot of some of the one-third of Togo's population who live in urban areas - counting its achievements in terms of roads and roofs, and jobs and skills.*

**T** SÉVIÉ, Togo – When the town councils of Togo asked local people what should be fixed first – markets, public latrines, public taps, or garbage collection – the answer came back loud and clear: "Markets!"

Two years after an ILO project helped town councils pose the question, the makeshift stalls that once were the hallmark of the markets of Tsévié and Lomé have gone. In their place stand solid walls of local clay bricks, watertight roofs made

of local tiles, and the steady buzz of a local economy that has clocked more than 45,000 work days, made steady deposits in its bank of workforce skills and laid new foundations for enterprise.

The process began in 1999, as part of the ILO "Project for the Rehabilitation of Urban Infrastructures" (PRICUR), run in association with UNCHS (Habitat) with financing from the United Nations Development Programme. The project targets the twin social evils of poverty and underemployment, by helping small local businesses to win and then carry out contracts to build infrastructure in Lomé, the capital, and Tsévié.

The buildings, roads and drains they build improve living conditions, while the building process itself is designed to produce jobs and skills for local people. Both are desperately needed in Togo, where underemployment is a chronic problem.

The so-called formal sector, taking in administration, industry and services, provides jobs for just 20 per cent of the active population. The other 80 per cent work in the expanding informal sector, doing their best to eke out a living doing anything from street-side vending to repairs. And the pressure on the job market looks set to rise, with almost half of the population aged below 15 years and soon to join the ranks of those searching for work.

### ILO market share

For the ILO project, it means that creating jobs is an important aim in itself. In Lomé and in Tsévié, the project team planned the market construction work

with that aim firmly in mind, choosing building materials and construction methods to maximize jobs. Imports were shunned, and local materials were used wherever possible.

The markets were roofed using locally-made tiles. The walls were built with bricks made from clay extracted directly on the site. Money which was not spent on expensive imports was used to pay wages of local workers, and to provide training for small enterprises and their employees – both on the work sites, and in classroom workshops.

“The supervision of the work by the project, and the classroom training, allowed me to control both my work site and my workers better, to establish a realistic implementation plan, and therefore improve my profitability”, a director of one enterprise says. The work sites were divided into several small lots to involve a maximum number of enterprises. Daily work records were kept in order to track the productivity of the work teams. A modular training programme, spread over one year, was developed with a local research firm, according to priority subjects identified by the participants.

Consultation is an essential part of the project, at every stage. At the municipal level, it has brought the councils and their decision-making processes closer to the 50,000 people who live in the two target sites. “The project fits perfectly within the framework of our municipal concerns of neighbourhood policies and grassroots management”, says the Mayor of Lomé. And, as one Tsévié resident put it, “The town council is [now] closer to its constituents.” The project is also



The markets were roofed using locally-made tiles. The walls were built with bricks made from clay extracted directly on the site.

working to make sure that the experience gained on the ground forms a solid basis for the future, working to build the capacity of the municipal authorities so that the progress made is sustainable.

### An ongoing dialogue

The new dialogue began with agreements signed by the city councils and various grassroots groups. These helped build confidence and understanding between an administration which is often ineffective because of a lack of funds, and a population which feels neglected.

At the beginning, though, there was scepticism. As the President of the new development committee of Tsévié explained, “In the atmosphere of unremitting crisis, the people were not enthusiastic at the start of the project. But after discussions with those in charge, and their explanations, we became more confident in it. We realized that this was our project and its success depended primarily on our point-of-view.” All of the project’s initiatives were guided by the residents’ priorities. Residents decided which infrastructure to restore: the markets, public latrines, public taps, or



Neighbourhood committees and professional associations were set up, to offer training in organization and management, and to monitor the operation of the new facilities.



garbage collection. Most of these services were practically non-existent because the authorities lacked the means to maintain them.

Once the priorities had been determined, neighbourhood committees and professional associations were set up, to offer training in organization and management and to monitor the operation of the new facilities. The committees helped choose small contractors and were responsible for supplying lists of local workers to be recruited by the enterprises. Markets were first on the restoration list, and were important organizational targets too.

### Managing the new markets

More than a thousand vendors who sell their goods in the two restored markets now belong to associations which play a key role in their management. An agreement struck between the associations, the municipal authorities and the neighbourhood committees spells out how each market will be managed.

The authorities also give back a proportion of the associations' dues to fund daily cleaning and security; the associations are directly involved in distributing stalls and collecting money from sales as well. It is a far cry from the lack of investment and maintenance that characterized the resource-starved communes which previously ran the markets.

"We are more motivated to pay the

dues," says one of the saleswomen of Nukafu, "because we know that part of the money reverts to us directly to maintain our workplace".

The organizational reforms have produced results in other arenas, too. In Tsévié, the municipal council adopted a suggestion from the project and reorganized communal services. The project is also providing ongoing training for council staff, with a particular focus on financial services, budgeting and computing, in a bid to overcome weaknesses in financial management. Some progress has already been made, with the collection rate for communal taxes increasing for the first time this year. All of these activities are part of a decentralization process and respond to the concerns that the local authorities should have greater autonomy in particular, in the management of facilities and urban services.

### Organized garbage collection creates new jobs for youth

Garbage collection is still a major problem in large African cities. In Lomé, as a substitute for public services, young people are paid to collect the refuse door-to-door. This creates informal jobs, but is often carried out by children with inappropriate equipment, and competition can be fierce.

### SOME FIGURES...

- PRICUR has built two municipal markets, six public latrines, and twenty public taps. Work in progress includes a section of paved highway, drainage canals, and household trash dumps. Investments total US\$430,000.
- The target population includes about 50,000 residents in the two target sites.
- The project identified 125 SMEs. Some 40 work contracts were signed with enterprises and small local contractors. Thirty SMEs regularly attend the modular training workshops.
- The number of jobs created to date is estimated at 45,000 people per day, both at the building sites and at the community services level.

The project identified eight associations created by young people at the two project sites, supplied them with appropriate collection and safety equipment and organized training in management, "marketing", and equipment maintenance. Territorial disputes were resolved with the support of the neighbourhood committees. To ensure the disposal of the collected trash, the project builds small intermediate dumps and prepares agreements with the city council and the associations. Beside their effects on the environment, these actions have created new jobs among the young people of the target areas and helped to bring together the private groups among the project beneficiaries.

It is especially important that the project ensure sustainable operation of basic services and restore the confidence of the people. To do so, it will use part of the fees charged to users to train the target populations in simple, streamlined self-management. □

*Text and photos:  
Jean-Louis de Bie  
ILO, Togo*

# Banking on the "human factor"?

## Beyond the bottom line, people remain the key to success for merged companies

*The decade-long wave of mergers and acquisitions (M&A) in the banking and financial service sectors is accelerating aggregate employment declines in an industry traditionally characterized by stable and even lifetime employment. A new ILO report<sup>1</sup> says that social dialogue provides one way of overcoming M&A challenges.*

**G**ENEVA – As banks merge and acquire, they seem to shed employees. So says a new report by the ILO Sectoral Activities Programme, entitled, *The employment impact of mergers and acquisitions in the banking and financial services sector*.

According to the report, no matter what the motive, M&As are “invariably accompanied by announcements of job reductions, sometimes on a massive scale.”

The report cites conservative es-

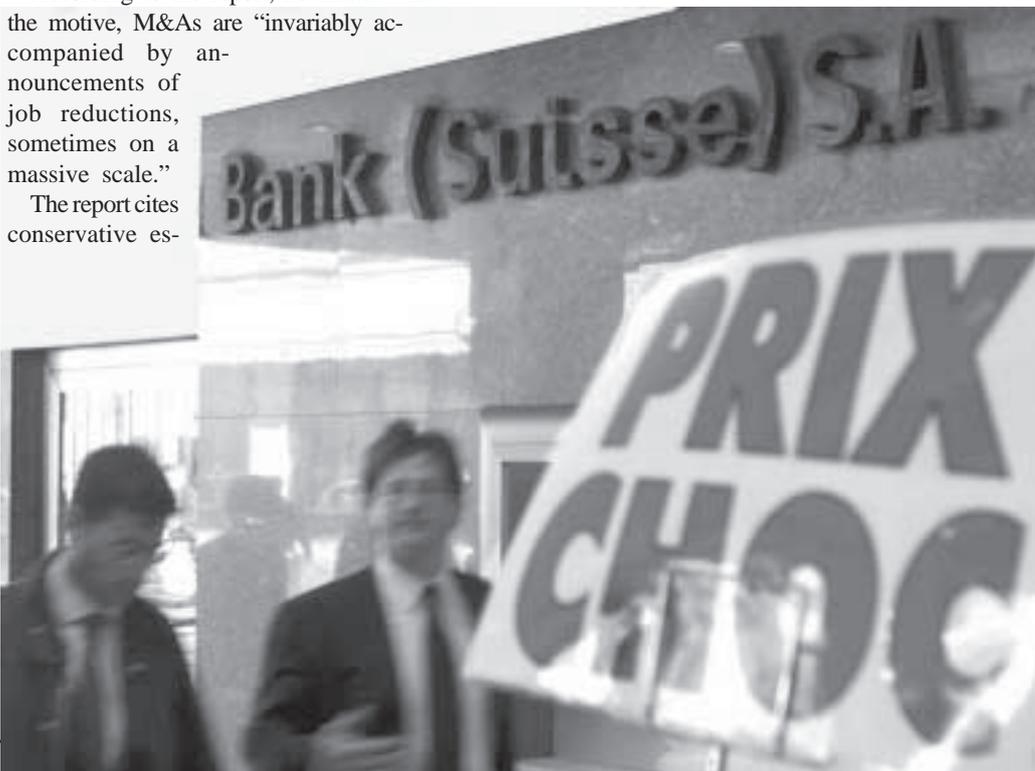
timates indicating that at least 130,000 jobs in finance have disappeared in western Europe as a result of M&As during the 1990s, and predictions of “the disappearance of approximately 300,000 banking jobs between 1999 and 2002 through merger-led consolidation”.

In the United States, the number of commercial banks dropped by 30 per cent over the decade up to 1995, while employment levels declined by about 5 per cent between 1984 and 1994.

British banks, for a variety of reasons including M&As, “reduced their employees by 150,000 and shut a quarter of their total network of branches” between 1990 and 2000.

In Germany, the unsuccessful merger between Deutsche and Dresdner banks would have been accompanied by the elimination of 6,000 jobs. In the Scandinavian countries the decline in bank personnel and branches between 1995 and 1999 averaged 30 per cent, with a 50 per cent fall for Finland.<sup>2</sup>

And in Switzerland, “Union Bank of Switzerland and the Swiss Banking Corporation foresaw reductions of about 7,000 jobs (1,800 as possible redundancies), of a total of 13,000 in the group worldwide, according to a 1999 management announcement,” the report notes. (However, as of September 2000, “only 1,285 employees in Switzerland actually lost their jobs”.)



Keystone

**No matter what the motive, M&As are “invariably accompanied by announcements of job reductions, sometimes on a massive scale.”**

## “BANKER’S HOURS?” MAYBE NOT...

“Forex trading” is not your everyday job in an everyday bank, but it shows how life behind the screens can be hectic and demanding. Mark Clarke, who has been trading “forex” for 14 years and is Head of Foreign Exchange at Crédit Agricole Indosuez, talks about the stresses and strains of playing a 16 trillion dollar a day market and about what he believes makes a successful currency spot dealer.



also changed. Banks are exiting the market and merging. There are fewer players and fewer rates.

### *How do you cope with the stress?*

If you have the touch, and can cope with the intense pressures and strains that the market places on you. It’s the most dynamic and interesting job in the world because no two days are the same. Every single day is like coming

into a new job and that is not stressful. That’s the attraction.

### *Even so, there is a high burn out rate?*

When I started I was told you generally burn out by 30. I’m now 36 so I like to think the market is getting more long-lived or else I am living on borrowed time!

### *What makes a good spot trader?*

One of the unique things about foreign exchange is that you cannot guarantee by looking at anybody, nor through the interview process, whether they will be any good at it. You can only tell when you put that rocket scientist or plumber in front of a screen and they start trading. Spot foreign exchange dealing is the cutting edge of market-making and you’ve either got the touch or you haven’t.

### *You have a wife and two young children. How do you find time to be with them?*

Forex traders have an extremely high burnout rate and the divorce rate is comparable with that of doctors. You want to let off steam, you go out for drinks with friends and brokers. It’s easy to slip into that way of life. Having a stable home life helps you get through the pressures of the day. As far as I am concerned, when you leave the office you have to leave it all behind. Having a home retreat and sanctuary is my lifesaver.

### *What is a typical trading day?*

The Yen is a 24-hour currency and when I was frontline trading I would be up at 5.30 and at my desk by 6.45 or 7.00. I would try to touch base with key players in the Far East, making 10 to 15 calls, and have my research finished by the time London opens. Researching one’s market is essential, and as part of that we have a global conference call and an overview of what the charts are saying – the technical analysis. Early morning volatility then hits the markets and you sit in front of four screens, which can handle simultaneous conversations with other dealers and trade non-stop through to four or five in the afternoon. During the day if anything hits the headlines we make a quick analysis – is this dollar-positive or dollar-negative? – and make the appropriate trades. This process typically takes less than 1 or 2 seconds, so an analytical mind and quick reaction times are essential. Spot Foreign Exchange trading is the financial equivalent of Darwinian natural selection.

### *How has spot dealing changed since you started?*

When I started the market was all voice-based. You traded with your ears. Now it’s electronic and very visual – sitting in front of screens. The buzz, the noise and the atmosphere of the dealing room have gone. The liquidity position has

## Merger fever and job cuts

Why the fallout? All too often, the report says, the sought-after benefits of greater size and efficiency risk being “nullified by increased complexity and losses related to top-heavy organizations, while the difficulties of adequately blending cultural and other human factors in the integration of combined enterprises are often underestimated”.

The report attributes much of the

foundering of M&A expectations to shortcomings in dealing with the human resource fallout of redundancies, which may seriously undermine operational capabilities and employee morale. Among the consequences of heightened merger activity for the financial sector workforce which survives the restructuring, the report cites “reduced job security, increased workloads, anxiety and stress”, all of which can impinge negatively on performance in an intensely competitive work climate.

The report identifies “two conflict-

ing aims” which characterize current practices in financial sector remuneration: “the need to reduce labour costs within a context of increasing competition and decreasing profitability; and the necessity to compensate and adequately reward employee performance and commitment within an environment of continuous and challenging change”.

The ILO analysis insists that “merger implementation involves sensitive management and personnel issues with far reaching impacts on workers’ rights”,

and highlights the need for “increased social dialogue between employers and workers throughout the entire M&A process”. Neglect of the human factors, according the ILO, “is a frequent cause of failure”.

The report cites a study by the accounting consultancy KPMG which finds that M&A deals are “26 per cent more likely to be successful if they paid satisfactory attention to cultural issues”. Acquirers who left cultural issues until the post-deal period severely hindered their chances of success, according to the KPMG study. These cultural factors are likely to become even more pronounced as M&A activity increasingly involves firms of different nations.

The ILO report says mergers are undertaken for a wide variety of reasons, including the desire to consolidate efforts in saturated markets, to generate economies of scale, and to increase the asset base of merged firms in an increasingly competitive and global economy.

## Country-by-country tally

Ascertaining the precise number of job losses worldwide is complicated by the fact that official statistics on banking and financial services include an ever-increasing number of workers in atypical employment. Job losses are usually exacerbated by increased use of information and communications technology and outsourcing of functions previously performed by employees.

In Spain, for example, the product of the merging of the country’s first- and third-ranked banks, BSCH “plans on eliminating about 4,500 jobs between 1999 and 2002”, with the first stage of downsizing involving 2,400 voluntary redundancies negotiated with trade unions before the merger. Between 1991 and 1997, the Spanish banking sector shed 23,000 posts, mainly through retirement schemes.

In the Czech Republic, where economic reform, privatization and sectoral consolidation are revamping the financial industry, staff numbers in banks have fallen by 42 per cent since 1995. Among the larger banks, 1,405 branches or outlets were closed between 1996

and 1999, with a loss of 12,118 jobs. A large bank merger in Australia led to a workforce reduction of 28 per cent.

The merger of two banks in Thailand resulted in the layoff of two-thirds of the combined bank’s workforce of 9,109 employees.

Brazil has lost 79,000 jobs in banking and financial services during the last decade, while 22,000 jobs disappeared from the Argentine financial services between 1994 and 1999.

Japanese banks, once bastions of lifetime employment, are merging and downsizing. The report notes that “a wave of mega-mergers is gathering strength” in Japan, one of which is expected to create the world’s third largest global banking and finance group. The mergers are also expected to result in widespread redundancies, although the companies involved (DKB, Fuji, IBJ) have pledged that cuts would be through attrition rather than layoffs. The trend toward reduced personnel is clear throughout the industry. In return for an injection of public funds recently, banks committed themselves to cutting 20,000 posts over three years.

In terms of gender, because much rationalization mostly affects such operation areas as bank branch networks and the lower hierarchical levels which are highly feminine, “there are grounds to believe that M&A, related effects of restructuring are gender-differentiated and may be arresting or even reversing progress in affirmative programmes”, the report suggests.

## Overcoming M&A challenges through social dialogue

Merger implementation involves tricky management and personnel issues<sup>1</sup>: sales forces must be integrated, management responsibilities redefined, facilities combined and employees fired or relocated. Some managers believe there are good reasons why these issues cannot be completely aired beforehand, including the fact that individuals with the information might try to sabotage deals for fear of their jobs.

Others have argued that prior disclosure might increase the probability

of insider trading and lay the company open to expensive time-consuming investigation from securities authorities. Unions counter that neither of these arguments stand: the right to consultations an information enshrined in legal provisions does not nullify management’s decision-making prerogatives; neither has there been any evidence of union representatives breaching confidentiality.

Although the Nordic region of Europe has witnessed the most intensive M&A-driven consolidation in Europe, the Confederation of the Nordic Bank, Finance and Insurance Unions (NFU) reports satisfaction with the way the mainly cross-border process has developed, even though there may have been some underestimation of its negative consequences. NFU believes the alternative – in-market mergers entailing widespread rationalization and massive lay-offs – would have been a much worse prospect. Workers and their representatives elsewhere, even in some countries where the legal obligation for information and consultation exists, complain that they are generally not informed or informed only after M&As involving their employers have actually occurred.

And yet the Nordic consolidation illustrates that workers involvement can contribute decisively to the successful integration and achievement of merger objectives. Post-merger social dialogue, bringing together management and all the unions in the merging companies, is effective in helping to dispel the uncertainty and reduce the risks of eroding the industrial relations environment. The opportunity for both sides to get to know each other better and to collaborate on harmonization plans for the integrated organization signals staff that their interests will be adequate consideration in the new regime. □

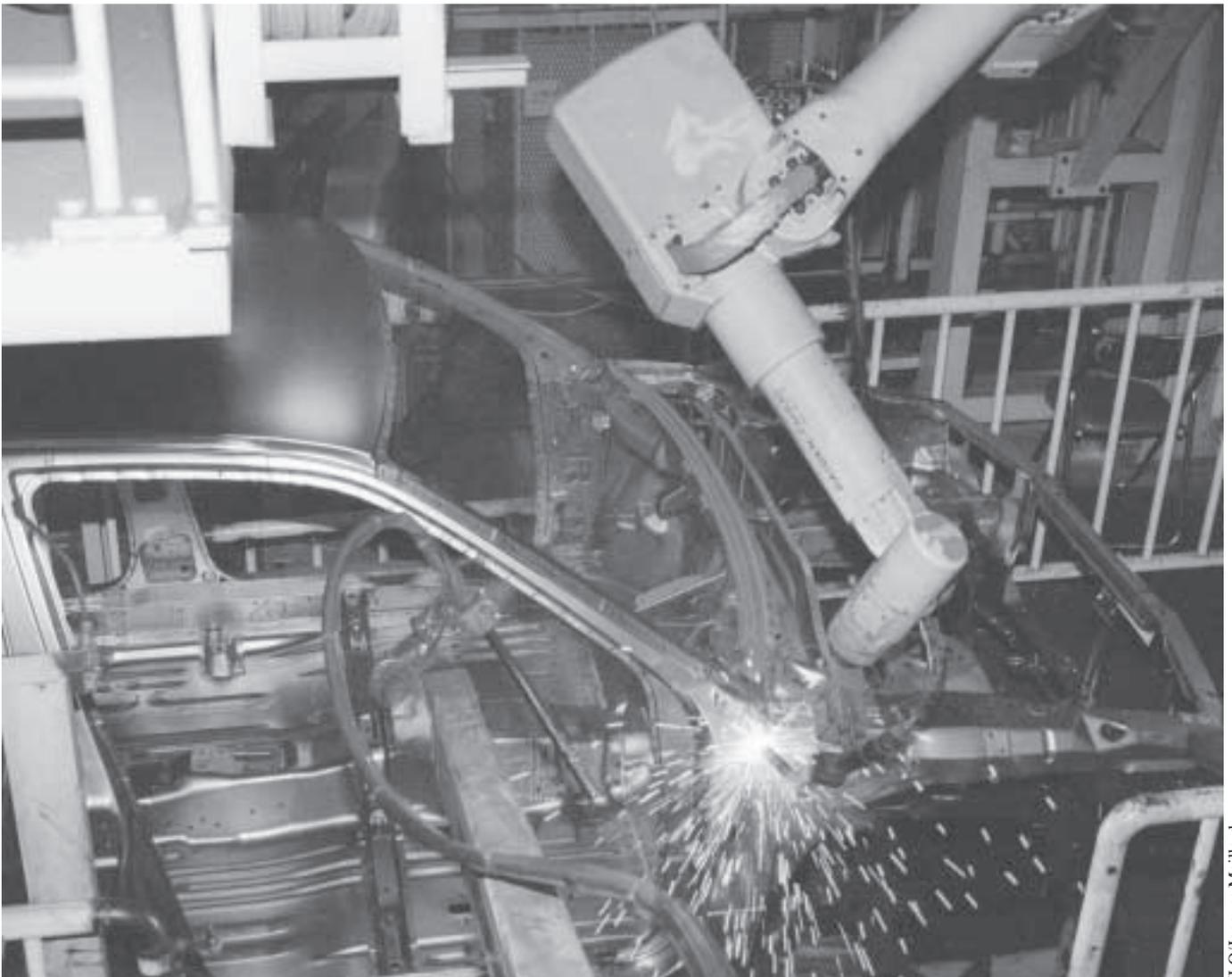
<sup>1</sup> The employment impact of mergers and acquisitions in the banking and financial services sector, ILO, *Sectoral Activities Programme*.

<sup>2</sup> *Stronger employment protection laws and traditions in both France and Germany have helped to contain sectoral job losses in both countries. It was nevertheless announced at the time of the 1999 merger between BNP and Paribas, that the combined bank would shed 5,700 posts, including some 3,600 in France.*

# *A comeback for "Taylorism"?*

## Report from Germany

*Traditional assembly line work has been in decline over the last twenty years. Modern production concepts in industry and the services sector depend on having workers who are in tune with ideas and who are involved in decision-making. Yet today it is widely felt that the trend toward humanizing work has ended, and that Taylorized, heteronomous work is on the upsurge again. In Germany and other countries the "return of Taylorism" has ignited fierce debate.*





**S**OUTHERN GERMANY – The visitors’ walkway snakes through the cavernous assembly shop of a giant automobile works in a southwestern town like the landing stage of a yachting marina.

A few customers are being led around and across the production lines on the parquet-floored gangway. Absorbed, they look down on the people working below, listen to the soothing hum of the conveyor belts and the muffled rattle of the metal and plastic parts, and follow the restless jerking of the production robots with fascination. Middle-of-the-range cars are being assembled as the factory follows its steady rhythm.

“Here you can see the engines being fitted into the bodywork,” explains the man from the visitor service. Gently jerking, the parts slip smoothly and precisely together. A few turns and the massive engine block is gripped firmly in place. It all looks very easy.

### Phase I

What visitors do not see has been the subject of fierce debate among scientific experts and production designers for some time now. This particular car which is also produced in Brazil, marks a new trend in production organization and a return to traditional forms of assembly line work which people had thought long gone. The phase takes exactly 1.3 minutes, and this is the factory rhythm around which all jobs are structured – 390 times 1.3 minutes in an eight-and-a-half hour shift.

The endlessly moving lines are back, ruling out any possibility of taking a break, no matter how short. A book produced last year by a Daimler-Chrysler manager, Roland Springer, was a sign of things to come, with the title (plus question mark), “Return to Taylorism?”. Springer is not given to exaggeration, but he goes into great detail about the weaknesses of the “new production concepts”, such as the fact that many tasks require workers to undergo repeated “training processes”, and that the increased scope created by teamworking is used by workers not just to maximize productivity, but also for their own interests.

## TAYLORISM

Frederick Winslow Taylor, a foreman from the American state of Pennsylvania, was “the” management guru of his age. He introduced his method successfully for scientifically recording the time taken by work processes, at the beginning of the last century. It involved breaking down complex skilled work into small phases that could be carried out even by untrained workers. In 1913, the first assembly lines were installed at the Ford works in Detroit. The era of the industrial mass production of high-quality consumer goods had begun.

The period when the assembly line really took off was after the Second World War. Industrial sociologists talk about the “age of the mass worker”, when tens of thousands poured into gigantic factories at the start of each shift to get cars, refrigerators, radios and televisions rolling off the production

line, goods which even they themselves now regarded as essentials. Methods for planning work and recording the time it took were developed further and further. Engineers and production experts tried to squeeze the last spare seconds out of work processes. Work was compressed to human tolerance limits and beyond.

In the 1960s and 1970s this trend backfired on its creators when workers took to the streets. Fiat in Turin and France’s car plants were disrupted by worker revolts. Factories were frequently occupied. In Germany developments were not quite so dramatic, but the dissatisfaction among workers and the public was unmistakable. “Akkord ist Mord” (“piecework kills”) was a popular saying at the time. The old production line system had reached its limits. Its productivity reserves had run dry.

The industrial scientist, Professor Michael Schumann, at the Sozialwissenschaftlicher Forschungsinstitut (SOFI – Social Sciences Research Institute) in Göttingen is more forthright. He thinks we are seeing a U-turn in industrial policy and a rejection of attempts at a “holistic labour policy”. For example, until 1996 this plant produced a luxury model car that was assembled under what were, from today’s point of view, almost utopian conditions. One shop steward remembers it clearly: production line work was practically abandoned in large sections of the factory, and workers could often spend 30 minutes or more working on one part. They could organize themselves within their own teams, and arrange their working hours to suit themselves. They were responsible for product quality, and corrected mistakes on their own initiative, thus preventing the need for expensive reworking of the finished product.

In changing to the newer, smaller model, management also changed the way production was organized.

Since then teamwork has all but disappeared. Planning options are dictated by the 1.3 minute cycle. Combining a number of phases to form longer working cycles is out of the question, since according to the managers responsible, this would interfere with the automated processes, which Charlie Chaplin so memorably depicted in his film “Modern Times”.

The much-vaunted “most modern factories in the world” of car firms here are examples of a labour policy U-turn which has also seen the return of traditional hierarchies. “The division between those who plan and those who do is being restored,” according to Mr. Schumann. Higher productivity will increasingly go back to being determined by the cadence of the mechanical cycle.

### Phase II

The trend toward fragmented, heteronomous work is also spreading in areas previously resistant to any form of



Taylorization such as data processing services.

Babette Böhm (not her real name), a 26-year-old student, sits at desk 46 in the customer services centre of a large German mail-order firm. Her workstation – desk, VDU, headset – is screened off by partitions and indoor plants.

However, she has a clear view of a computerized screen on the end wall of the room, which uses illuminated dots to show the current “service level”. The more dots there are, the more callers are waiting. The dots determine the work cycle at the call centre: the rule is that no customer should wait longer than five rings to be answered.

The central computer sets the cycle. It registers the number of calls dealt with, fixes the time for extra work, and records the workers’ “rest breaks”. In surveys, call-centre employees listed monotony and time pressure as their main stress factors, together with the pressure to remain unfailingly polite to the anonymous clients. Call-centre managers go on about the “smiling voice” which employees must use to greet customers, even if they do not actually feel like smiling. Industrial scientists

have now coined the term “emotional dissonance” to describe this.

Despite the stress, hardly any call centre workers would compare their situation with assembly line work in a factory. They often emphasize the friendly, “relaxed” atmosphere. Yet most assume that they will be moving on to other jobs – the work is too monotonous and undemanding to stay.

The link-up between telecommunications and data processing has made this possible: complex work processes in banking, insurance and other data processing sectors are being broken down into tiny units, standardized and thus made suitable for low-skilled, monotonous work. “Agents” have to handle up to 200 calls in a working day – one call every two minutes.

### Social partnership under threat

It is difficult to see where all this will end. Mr. Schumann identifies three more fundamental reasons for the trend:

- Because of global competition, the economy in each individual location

is less reliant on social consensus. “Anyone fighting for a job will agree to make concessions on working conditions.”

- The way businesses think has changed. The key word is “benchmarking”: the world’s best and most productive examples of technical equipment, organizational structures, productivity indicators and rationalization methods are setting the standard for all other locations, putting long-term productivity policies which rely on human strengths and potential under competitive pressure.

- The obsession with shareholder value means that profit targets have to be met increasingly rapidly. “People are only investing in projects that promise a quick return.”

Schumann’s conclusion is alarming: as far as businesses are concerned “there is less and less economic justification” for social responsibility. Worker satisfaction and motivation, even industrial harmony as a whole, have assumed a “moral dimension” for global concerns.

### Alternatives are possible

Not everyone agrees with the return to assembly line work in the traditional industries, and Taylorization in the new service sectors. The head of personnel in another large auto-maker rejects the new Taylorism, saying that production needs to be organized flexibly. Admittedly, even this firm still has short-phase assembly line work, but with so many different models, production has to be constantly changed to cope with fluctuations in demand, and maximum flexibility is demanded of workers. This sort of approach to production would be practically impossible without a wide range of skills, and without a workforce actively in tune with ideas and involved in organization.

In the communications industry too, it is in a firm’s interest to organize work in a way which makes demands of workers, since job satisfaction in these areas has subtle but direct links with the quality of the work. If the working conditions fall below a certain minimum level, it inevitably has a negative effect on the services provided. □

– Martin Kempe

## NEW PRODUCTION CONCEPTS

*The change to new ways of increasing productivity came from Japan, where revolutionary concepts in production organization were the secret behind its export successes. New buzz-words dominated management literature: just in time, kaizen (a special approach to improvement), slimmed-down production, outsourcing. The “Toyota system” became the global model for industrial reorganization.*

*This wave of restructuring found its European incarnation in “new production concepts”, first at Volvo in Sweden and later in German car plants, too. Higher productivity was to be achieved with the help of, rather than despite, the workers. Various “work humanization” measures were combined with a new attitude toward the human workforce. The workers’ skills, production knowledge, and readiness to commit themselves and to take responsibility, now appeared to be the Number 1 productivity factors.*

*The assembly line was partly replaced by self-organized production islands. Multi-skilling and individual responsibility became the focus and were also financially rewarded. The traditional type of assembly line work appeared to be gradually dying out – an outdated, useless fossil from a past industrial world.*

# Planet Work



## A regular review of trends and developments in the world of work

### FOCUS: SAFETY AND HEALTH ON THE JOB

● In **Hong Kong**, housewives have long been neglected in studies of occupational injuries. Now, a new study has found that women working at home appear especially susceptible to overuse or cumulative stress injuries of the arms and hands. According to the Chinese University of Hong Kong, a survey of patients with cumulative stress disorders at North District Hospital revealed that 70 per cent of patients were women, of whom 40 per cent were housewives. In a separate study of 20 housewives who had been working in the home full-time for between 6 months and 15 years, the researchers found that inadequate rest time was the main predictive factor of tennis/golf elbow, carpal tunnel syndrome or DeQuervain's tenosynovitis – a condition in which tendons in the hand and forearm become inflamed. Says one researcher: "Housewives are physically loaded and mentally stressed by housework. More research is needed to more specifically identify the underlying causes of their injuries, as they appear to represent a growing proportion of patients at occupational therapy clinics." (*Reuters Health*, 24 January 2001)

● In the **United States**, office workers exposed to carbonless copy paper (CCP) may face on-the-job risks. A new study by the National Institute for Occupational

Safety and Health (NIOSH) says exposure to some types of CCP – commonly used to

simultaneously make multiple paper copies of an original document such as bank de-



IL0/Jean Mohr

posit forms – can cause symptoms consistent with irritation of the skin, eyes and upper respiratory system. The 155-page document entitled, "NIOSH Hazard Review: Carbonless Copy Paper", says chemical components of some types of CCP include formaldehyde, kerosene, phthalates and acrylates. (*Reuters Health*, January 2001)

● In **Great Britain**, the Trade Unions Council (TUC) has launched a campaign to clean up Britain's dirtiest workplaces. The TUC issued a guide to help unions tackle dangerous chemicals, dusts and fumes at work. The campaign will be based on the Control of Substances Hazardous to Health Regulations, 1999). The TUC guide says over seven million people, or one in three of all British workers, may be breathing harmful fumes and dusts on a daily basis while on the job, and that such substances can cause dermatitis, asthma, and in some cases, fatal cancers like mesothelioma. Government statistics show that men are at greater risk than women because of the high levels of exposure in such industries as construction, agriculture and metal processing. Women, however, face risks in hairdressing, textiles, catering, nursing and cleaning jobs. (*TUC 31.1.01*)

● The deaths of 11 workers at the Esschem chemical plant fire in **South Africa** has prompted an investigation into the structure of occupational services in the country. The

South African Department of Labour launched the probe after fire swept through the chemical plant, killing 10 women workers and a man. Allegations have emerged that the fated workers might have been locked into their workplace, away from telephones and emergency exits, due to concerns about workplace theft. The South African Health Review, 1999 said that only between 11 and 18 per cent of private sector workplaces, mainly large enterprises concentrated in urban areas, offer some form of occupational health service. Officials called for a review of national occupational health law, education for workers, and greater ability to report suspected violations of safety standards. (*Asia Intelligence Wire, Woza Internet, 22 November 2000*)

- The fire which killed some 50 employees – mostly women and children – in a **Bangladesh** garment factory has raised new concerns about working conditions in the industry. Most of the workers died in a crush of bodies when they sought to escape the fire at the Chowdhury Knitwear Garments factory in Shibpur, south of Dhaka. Nearly 100 others required treatment at local hospitals. The Bangladesh government has ordered an investigation, and leaders of the Bangladesh Garment Manufacturers and Exporters Association promised to improve safety measures. Some 300 people have died in factory fires in Bangladesh since 1990. (*The Guardian, London, 28 November 2000*)

- In **Sweden**, researchers have found that bullying and anxiety about reorganization at work are among the top reasons people take sick leave. The research also found that the fashionable punitive sick-

ness absence policies encouraging “presenteeism” or struggling into work when sick, are counterproductive. Researchers found that people who do a lot of overtime at work are less likely to take days off sick, while employees who struggle through work when they are ill actually end up taking more sick leave. The study analysed the sickness absence records of around 3,500 staff at the Swedish mail service, Sweden Post. One key conclusion: bullying apparently doubled the amount of sick leave taken by women. Meanwhile, the most significant predictor of sick leave for men was anxiety about reorganization in the workplace. (*Study for Sweden Post, January 2001*)

- Every day, an average of three persons die while at work in **Italy**, according to a new report. According to union members in the country, some

650,000 workplace accidents were reported during the first eight months of last year – involving 849 deaths – and representing an increase of 18 per cent over the same period in 1999. Construction led the way in fatalities, followed by transportation. Union leaders cited lack of respect for occupational safety standards, inspections, and information sector work as causes of the high accident rate, and urged greater education for workers and employers alike. (*Libération, 23 October 2000*)

### MEDIA AND COMMUNICATIONS: ANOTHER VIEW

- The world’s poorest 2 billion people need food and health care more than laptops and Internet access, says the world’s richest man and chair-

man of Microsoft Corporation, Bill Gates. Speaking at a conference on “Creating Digital Dividends”, held in Seattle in the US state of Washington last November, Gates said alleviating poverty and providing health care were more important than “closing the digital divide”. Ironically likening this to an “automobile divide” that no one ever discusses closing, Gates said the world’s poorest mothers were unlikely to find a computer terminal or internet connection comforting, “and, like, browse eBay or something. What they want is for their children to live. They don’t want their children’s growth to be stunted. Do you really have to put in computers to figure that out?” (*The New York Times, 5 November 2000*)

- Members of the International Federation of Chemical, Energy, Mine and Gen-



Keystone

- In **India**, the Self-Employed Women’s Association (SEWA) has extended its relief work to assist victims of the recent earthquake in Gujarat, through its wide grassroots network in rural and urban areas around the quake centre. SEWA is a union of home-based workers and has a membership of over 200,000 all over Gujarat. The group was involved in the framing of ILO Home Work Convention (No. 177), 1996. For more information on SEWA’s relief work in the Gujarat earthquake, see <http://www.sewa.org/earthquake.htm>

eral Workers' Unions (ICEM) at the Goodyear tire company in the United States have launched "Global Solidarity", a worldwide Internet newsletter to help coordinate union information and action within Goodyear on all continents. The newsletter is the latest initiative in a global Goodyear workers' network set up in 1999. The union said it is working to conclude global agreements with companies, covering issues such as trade union rights, equality, and health, safety and the environment. The first issue of the newsletter will include labour stories from Goodyear operations in Australia, Brazil, Canada, Colombia, Guatemala, Indonesia, the UK and the USA. The newsletter is available on-line at <http://www.icem.org/update/upd2001/upd01-05.html> (ICEM press release, 26 January 2001)

- Restructuring and slowing growth in advertising revenue is having a major impact on media workers in the **United States**. Cable News Network (CNN), the first 24-hour cable news channel in the world, announced some 400 job cuts in January – amounting to 10 per cent of its workforce – as part of a merging of its news Web division with television operations. Meanwhile, earlier in the month, News Corporation said it would cut its US Internet media unit News Digital, which includes FoxNews.com and FoxSports.com, by some 200 workers, citing softening ad revenue. The NBC television network also announced job cutbacks of 5 to 10 per cent of its workers in order to cut costs. (Reuters, 17 January 2001)

- The fallout from new

economy and Internet company woes is benefitting non-profit organizations in the **United States**. According to the Wall Street Journal, a national daily business newspaper, more and more high-powered dot.com executives are opting out of the Internet pressure-cooker and getting into public service. The Journal reports a growing number of "not-for-profits" – which have their own web sites – are offering dot.com executives competitive salaries and "technology-oriented tasks" in community service. Says one executive-search headhunter who specializes in nonprofits, both work environments "are driven by passionate people." (Wall Street Journal Europe, 6 December 2000)

#### MEANWHILE

- A plan to open a public discotheque under the guid-



ILO/Jacques Maillard



ILO/Jacques Maillard

**In Russia, alcohol problems in the workplace are hobbling productivity.**

ance of parents may help keep young girls out of the sex trade in **Thailand**. Local officials proposed opening a public disco once a week in Pathum Thani, Thailand, to young people and their parents. The move

stemmed from the recent arrest of a prominent public figure who confessed to involvement with four school-aged girls between the ages of 13 and 15. Says one concerned local resident: "Our children today are crazy about dancing...so why not allow the children to dance at a place and time we arrange for them?" (Bangkok Post, 2 February 2001)

- In **Russia**, government data shows that on-the-job drinking is growing as fast as the economy. A new report from the Ministry of Health estimates that some 34,000 alcohol-related deaths occurred during the year 2000, and that the problem is hobbling productivity. After reaching a plateau in the 1980s, alcohol consumption is rising again, and official data puts the annual per capita consumption at 13 litres of pure alcohol – well above the limit of 8 litres established by the World Health Organization (WHO) for severe health risks. Officials blamed some of the increase on growing inequality and economic woes. (Financial Times, 29 November 2000)















## A regular review of the International Labour Organization and ILO-related activities and events taking place around the world.

### ILO RESPONDS QUICKLY TO THE GUJARAT EARTHQUAKE IN INDIA

▲ The earthquake in Gujarat (India) on 26 January 2001, which measured 7.7 on the Richter scale, has resulted in serious loss of life and property. The affected population is about 16 million and the total loss of property has been placed at US\$4.6 billion. The death toll is now placed at around 30,000. More than 165,000 people were injured, some 330,000 houses were destroyed and another 750,000 were damaged. These figures cannot fully convey the magnitude of the impact of this natural disaster.

While the UN system and other donors have been eager to help, and humanitarian assistance has been flowing in, **it is not so widely recognized that one major impact is the loss of employment and income-earning opportunities, and related social and economic distress for significant sections of the population hit by the disaster.** Jointly with the ILO Area Office in New Delhi, the InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS) at headquarters speedily responded to the disaster. With the financial and technical support of the IFP/CRISIS, the New Delhi Office has fielded three national consultants to assess the situation in relation to the ILO's concerns, and to come up with suggestions and project ideas.

One consultant, who has considerable experience in the field of labour-based reconstruction in several countries, is providing technical inputs to assess the situation and develop quick response strategies for clean-up, restoration of the infrastructure, planning and prioritizing activities, and promoting the use of labour-based, equipment-supported work methods in emergency rehabilitation work. He is also exploring ways of

working with the Indian Government and other partners to promote employment-friendly approaches in the rebuilding of the infrastructure and construction of low-cost, but safe, housing. The other consultants are making an assessment of the damage and losses suffered, based by inputs supplied particularly by members of the Self-Employed Women's Association (SEWA) network located in the area hit by the earthquake. This, in turn, is expected to lead to discussions with SEWA on how best the ILO can assist them.

The New Delhi Office is in close touch with ILO constituents, with different programmes and units within headquarters, and with other UN and non-UN organizations and NGOs actively involved in the providing relief and rehabilitation to the victims of the earthquake. The UN Disaster Management Team in New Delhi has established a structure for the overall coordination of UN system activities, and lists the ILO as a cooperating agency in education, child protection, and livelihoods. The national consultants have also provided the ILO with a presence in the field and an opportunity to articulate ILO concerns in on-the-spot discussions with other key national and international actors.

On the basis of the findings of the consultants and working closely with ILO units at headquarters and in the field, the New Delhi Office, with the assistance of the IFP/CRISIS, expects to put together a package of interrelated measures to address the crisis, focusing not only on recovery and reconstruction, but also on the return to development. This may include, among other things, further measures to promote labour-intensive reconstruction, livelihood programmes for severely affected groups, a study of the response by the corporate sector to relief and rehabilitation needs, programmes of support for children and young persons, and analyses of the impact of the earthquake (coming after successive years of drought in the region) on poverty, insecurity, coping mechanisms, and the labour market.

*For further information, contact the ILO InFocus Programme on Crisis Response and Reconstruction. E-mail: [krishnamurty@ilo.org](mailto:krishnamurty@ilo.org)*

### ILO ESTABLISHES INFORMAL SECTOR TASK FORCE

▲ The term "informal sector" has been used widely to refer to that segment of the economy and labour market which has absorbed significant numbers of job seekers and unemployed workers outside government regulations and formal systems of labour and social protection. Global developments





in the last two decades have tended to accelerate the expansion of the informal sector, while the ILO's new emphasis on decent work for all constitutes a clear signal that workers in the informal economy will be given fuller consideration by ILO constituents than has been the case before. To generate coherence and synergies in ILO policies and programmes, an Informal Sector Task Force has been established with participants representing all of the ILO's sectors. This initiative is particularly timely since the informal sector has been selected by the ILO Governing Body as an agenda item for general discussion at the International Labour Conference in 2002. *For further information please contact the Employment Sector, phone: +4122/799-6853; E-mail: edemp@ilo.org*

### BUSINESS AND SOCIAL INITIATIVES DATABASE

▲ The new ILO database on Business and Social Initiatives includes comprehensive information on private sector initiatives which address labour and social conditions in the workplace, and in the community where enterprises operate. The database features corporate policies and reports, codes of conduct, accreditation and certification criteria, and labelling and other programmes. It allows users to undertake customized searches to retrieve information on specific companies and organizations, countries, regions, business sectors and labour and employment issues. The database is searchable in English, Spanish and French.

*For further information, please contact the Employment Sector, phone: +4122/799-6853; E-mail: edemp@ilo.org; web site: <http://www.oracle02.ilo.org/vpi/welcome>. (The references and hyperlinks in the database to specific enterprises, programmes or documents do not constitute an endorsement by the ILO of any product, service, enterprise, programme or opinion mentioned or referred to.)*

### EAST TIMOR

▲ The doors of East Timor's first employment service centre opened in the capital Dili last summer. Its ten staff members are all graduates of an ILO training programme. Currently working to match job vacancies with candidates for employment throughout the district of Dili, the centre also plans to offer guidance on training possibilities and advice on self-employment.

*For further information please contact James Mc Auley, E-mail: james@east-timor.org*

### ASIA PACIFIC EMPLOYERS ASSEMBLE

▲ The fifth high-level meeting of Asia Pacific employers brought together leaders from 19 countries in Singapore (9-10 October 2000) under the banner "New dimensions in forging stronger partnerships with governments and unions". Co-sponsored by the International Organization of Employers (IOE), the Japanese and Singapore Employers' Federations and the ILO, the meeting was opened by guest of honour, Lee Boon Yang, Singapore's Minister of Manpower. The meeting resolved that human resources development strategies should target every-



Keystone

### Unemployment in East Timor.

body and that the ILO Human Resources Development Recommendation, 1975 (No.150) should be revised as a matter of priority.

*For further information, please contact the ILO Regional Office for Asia and the Pacific, phone: +662/288-2203; fax: +662/288-3027; E-mail: apneditor@ilo.org*

### DORCELINA FOLADOR PRIZE

▲ The Socio-Economic Security Programme is launching an annual prize for the best piece of empirical research submitted to it consistent with the principles of universal economic security promoted by the Programme. The prize is to be named after Dorcelina Folador, a disabled Brazilian woman, a leader of landless agricultural labourers and a strong proponent of universal income security, who was gunned down recently while sitting on her veranda with her children. The prize will be decided in June each year, with a jury selected from the International Advisory Board of the Programme. It will be marked by a presentation and seminar at the ILO.

*For further information, please contact the InFocus Programme on Socio-Economic Security, phone: +4122/799-8893; fax: +4122/799-7123; E-mail: ses@ilo.org*

### NEW INTERNATIONAL LABOUR STANDARD ON THE PROMOTION OF COOPERATIVES, IN PREPARATION

▲ The International Labour Conference in 2001 will have a first discussion on a new international labour standard on the Promotion of Cooperatives. This new instrument will replace ILO Recommendation 127 on the "Role of Cooperatives in the Economic and Social Development of Developing Countries" which was adopted in 1966. The ILO Cooperative Branch has published a preparatory report entitled, "Promotion of Cooperatives", which is available in English, French, Spanish, Arabic, Russian, Chinese and German. A second draft report which includes proposed conclusions, is in preparation.

*For further information, please contact the Employment Sector, phone: +4122/799-6853; E-mail: edemp@ilo.org*

## THE IPEC ALLIANCE LIKELY TO MEET AMBITIOUS TARGETS FOR 2000/01

▲ The sheer scale of child labour worldwide and the socio-economic realities that underpin it make overnight solutions to the problem impossible. Yet, a recent report on the ILO International Programme on the Elimination of Child Labour (IPEC) activities in 2000, shows that there are reasons for optimism. IPEC is on track to meet its highly ambitious targets of ratification by half the ILO membership, of the Worst Forms of Child Labour Convention, 1999 (No. 182), by end 2001, as well as substantial increase in the ratification rate of the Minimum Age Convention, 1973 (No. 138). By the end of December 2000, Convention No. 182 had been ratified by 49 countries, while 102 ILO member States had ratified Convention No. 138.

Prospects to reach the planned target of doubling the number of direct beneficiaries of the Programme from 130,000 to 260,000 children are good. IPEC had already attained the figure of 130,000 children in 1998-99. It will add another 200,000 children who are expected to benefit from IPEC



programmes in 2000-01. The time-bound programmes in Nepal, El Salvador and Tanzania, which will be launched in early 2001, will also add substantially to the numbers.

National child labour surveys are underway in 18 countries, while new surveys will shortly be conducted in 15 countries. Combined, this will bring the total number of child labour surveys for 2000-01 above the target of 30 countries. The report also shows that the target of a US\$44 million technical cooperation expenditure for the biennium 2000-01 is in reach.

IPEC has reached a near ten-fold increase in participation in comparison with the early 1990s, when less than ten countries were involved in the Programme. Now, with 99 participating countries, a global alliance of 100 partners is in reach. Fifty-one countries have signed a Memorandum of Understanding with IPEC, while another 23 countries are involved in the Programme in a less formal way. A total of 25 donor countries and contributing organizations currently provide financial and political support to the Programme.

*For further information, please contact the International Programme on the Elimination of Child Labour (IPEC), phone: +4122/799-6486; fax: +4122/7998771; E-mail: [ipec@ilo.org](mailto:ipec@ilo.org)*

## JORDAN AND UNITED STATES AFFIRM ILO LABOUR STANDARDS

▲ Jordan and the United States signed a historic free-trade agreement on 24 October 2000 which reaffirms each country's support for ILO core labour standards. US Trade Representative Charlene Barshefsky said at the signing ceremony that the agreement is "the first ever to have, in the body of a US trade agreement, key provisions that reconfirm that free trade and the protection of the environment and the rights of workers can go hand in hand. It will not require either country to adopt new laws, but rather requires each to enforce the laws it currently has, which will join free trade and open markets with other public responsibilities."

## PROMOTION OF SOCIAL DIALOGUE IN AFRICA

▲ A pilot project on the promotion of social dialogue in French speaking Africa is actually being carried out in Benin, Burkina Faso, Ivory Coast, Niger and Togo, with Belgian funding. Its objective is to review existing social dialogue practices and to identify the problems encountered in these countries. The project is intended to enhance the awareness of governments and the social partners of the need to develop tripartite dialogue on economic and social issues,

taking into account the requirements of the countries concerned. Similar projects will be carried out shortly in Guinea, Mali, Senegal and Portuguese-speaking African countries. The governments of several other African countries have also expressed interest in ILO technical assistance in order to promote social dialogue among the social partners.

*For further information, please contact the InFocus Programme on Strengthening Social Dialogue, phone: +4122/799-7035; Fax: +4122/799-8749; e-mail: [ifpdialogue@ilo.org](mailto:ifpdialogue@ilo.org)*

## IMPROVING WORKING CONDITIONS IN HAITI

▲ The ILO started a project in October 2000 to improve working conditions in the assembly sector in Haiti by providing technical assistance and proper training, and establishing an independent and reliable monitoring system. Existing conditions of work in participating enterprises serve as a baseline from which customized improvement plans are elaborated by enterprise owners and managers themselves. The monitoring system will measure progress and identify any problem areas to be addressed through subsequent plans. The participating enterprises and their sub-contractors are those covered by the Assembly Sub-Commission of the Association of Haitian Industry (ADIH).

*For further information, please contact the project's Chief Technical Advisor, E-mail: [CTA-Haiti@ilo.org](mailto:CTA-Haiti@ilo.org)*



in the press...in the press...in the press...in the press...

## DailyStar

(Lebanon, 27.01.2001)  
**ILO 'guardedly optimistic' about ICT**

As Lebanese information communication technology leaders contemplate the best ways to move ahead in the new economy and raise the country's standing in the sector to the level of achievers such as Ireland and Costa Rica, the International Labor Organization has issued a careful endorsement of the potential of the information economy to create jobs and support internationally balanced development. The ILO published its World Employment Report 2001 earlier this week, under the title "Life at work in the information economy."

## FINANCIAL TIMES

(U.K., 24.01.2001)

**Guarded welcome for IT's impact on world job levels**

But ILO argues that spread of technology will worsen divisions if market forces are not curbed.

(Spain, 5.02.2001)

## Diario

**Las fusiones bancarias causaron miles de despidos**

AGENCIAS | Ginebra.

La oleada de fusiones y adquisiciones llevadas a cabo en la banca ha provocado eliminación de cientos de miles de puestos de trabajo en un sector que se había caracterizado siempre por la estabilidad laboral. Según un documento preparado por la Oficina Internacional del Trabajo (OIT), con motivo de la reunión de expertos del sector este lunes en Ginebra, las grandes fusiones y adquisiciones van inevitablemente acompañadas por anuncios de despidos masivos. Durante la década de los noventa, el sector financiero de Europa occidental ha perdido un mínimo de 130.000 empleos. Entre 1999 y 2000 se podrían haber eliminado otros 300.000 empleos.

Mexico, 24.02.2001

## Nuevos

0 millones de nuevos la fuerza laboral global informe anual.

cuación del desempleo "ón", expresó Rashid 01, de 398 páginas.

millones de personas la crisis económica se incorporarán a la

(Kuwait, 1.02.2001)

## السياسة

في تقرير منظمة العمل الدولية حول فرص العمل الجديدة في العالم لعام 2001

**الهوة الرقمية ما زالت في تزايد رغم تحسن الصورة العامة للاستخدام التكنولوجي**

**In an ILO Report on New Job Opportunities in the World in 2001, The "Digital Divide" is still Increasing despite the Improved Employment Outlook**

## Irish Independent

(Ireland)

24 JAN. 2001

**World needs 500m new jobs in 10 years**

MORE people found employment around the world last year, in contrast to the rising joblessness of the 1990s, the International Labour Organisation said in its annual report yesterday.

(Indonesia, 26.01.2001)

## The Jakarta Post

The Journal of Indonesian Today  
26 January 2001

**A third of global workforce jobless or underemployed**

GENEVA (AFP) — One-third of world's workforce was unemployed or underemployed at the end of 2000, the International Labour Organization said in its annual report Wednesday.

"The global employment situation remains deeply flawed," despite improvements over the past decade, said the World Employment Report 2000, released by the Geneva-based organization.

Nearly "one-third of the world's labour force of about three billion people" are either unemployed, underemployed in terms of seeking more work or earn less than is needed to keep their families out of poverty," it said.

LE FIGARO économie MERCREDI 24 JANVIER 2001

**EMPLOI** *Le BIT publie son rapport annuel*

**Un tiers d'actifs chômeurs ou sous employés**

www.nytimes.com

## The New York Times

ON THE WEB

January 25, 2001

**World Needs to Add 500 Million Jobs in 10 Years, U.N. Report Says**

001:

outlook, rge

oday, increasing numbers of workers and jobs or gain access to the emergent resources needed to ensure increasingly digitalised global econo-

the latest World Employment Report given its different speed of diffusion pool countries, the information and technology (ICT) revolution is widening global "digital divide".

(Brazil, 24.01.2001)

## O GLOBO

**OIT: Economia global terá que criar 500 milhões de empregos em 10 anos**

Relatório alerta para crescimento de abismo tecnológico entre ricos e pobres

• GENEBRA. A economia mundial terá que criar 500 milhões de postos de trabalho para reduzir o desemprego e absorver novos membros da população ativa, informou ontem a Organização Internacional do Trabalho em seu relatório anual. A OIT também manifestou preocupação com o abismo tecnológico crescente entre países ricos e pobres.

## الوطن

AL WATAN

(Kuwait, 5.02.2001)

في تقرير لمنظمة العمل الدولية

**حمى اندماجات المصارف الأوروبية ستسفر عن تسريح ٢٠٠ ألف عامل**

In an ILO Report: 200 Thousand Workers will Lose their jobs due to the Increase in Merged European Banks

Liberazione

mercoledì 24 gennaio 2001

PRIMOPIANO

**UN MILIARDO DI DISOCCUPATI** (Italy, 24.01.2001)

*E' la denuncia dell' Ufficio internazionale del lavoro. Ma non basta: in tutto il mondo 500mila persone guadagnano meno di un dollaro al giorno*

## The Jakarta Post

The Journal of Indonesian Today

24 January 2001 (Indonesia)

**ILO focuses on seamen wages**

GENEVA (AFP) — The International Labor Organization (ILO) hosts talks here this week on increasing the currently recommended 435-dollars-a-month (462 euros) minimum wage of able seafarers.

The five-day meeting also will work towards working out a new "bill of rights", laying down a single minimum international standard for sailors in areas such as safety, working conditions and living conditions on board, the ILO said.

About 30 different conventions currently exist on seafarers' conditions, the ILO said.

"In absolute terms, average wage rates for able seafarers have declined between 1992 and 1999," a report prepared for the ILO talks said. Sailors from developed countries have been especially hard-hit.

**Las fusiones obligan a eliminar miles de empleos, según la OIT**

EFE GINEBRA

La oleada de fusiones y adquisiciones llevadas a cabo en la banca ha provocado la eliminación de cientos de miles de puestos de trabajo en un sector que se había caracterizado siempre por la estabilidad laboral. Según un documento de la Oficina Internacional del Trabajo (OIT), con motivo de la reunión de expertos del sector hoy en Ginebra, las grandes fusiones y adquisiciones van inevitablemente acompañadas por anuncios de despidos masivos.

05Feb2001 SINGAPORE: ILO agrees to hike in minimum wage rates.

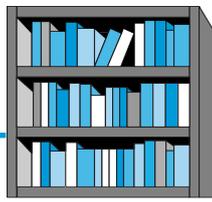
THE International Labour Organisation's Joint Maritime Commission has agreed to a rise in the body's minimum wage rate from US\$435 (S\$752.55) per month to US\$450 next year and US\$465 in 2003.

The ILO meeting in Geneva discussed a range of matters, chief among which were the pay deal and the possibility of formalising a joint convention containing and updating all the most important existing ILO rules.

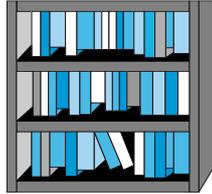
(c) 2001 Singapore Press Holdings Limited.

Sources: THE SHIPPING TIMES 05/02/2001

REUTERS Business Briefing , 2-5-2001



# Media shelf



## In print

■ **The impact on seafarers' living and working conditions of changes in the structure of the shipping industry.** ILO Sectoral Activities Programme. ISBN92-2-112237-9. Price: 20 Swiss francs.

Within the ILO's primary goal of ensuring "decent work", the Office requested the Seafarers' International Research Centre to demonstrate changes undergone by the shipping industry. These changes regard institutions which are responsible for their regulation and verification of implementation and those who implement, conditions of work and life on board.

This report examines the main changes which have occurred in world shipping, reductions of costs for economic considerations and aspects of the labour market which impact working conditions. Great emphasis is placed on shipboard conditions, such as accommodation and welfare, the employment of women in the industry, the role of unions and collective bargaining, and training and certification.

■ **The public employment service in a changing labour market.** By Phan Thuy, Ellen Hansen and David Price. ISBN92-2-111388-4. Price: 30 Swiss francs.

This book outlines the four main Public Employment Service (PES) functions – job broking, labour market information, the administration of labour market adjustment programmes, and unemployment benefits. It examines the organization and management of the PES and its relationship with other

organizations. It addresses pressures under which today's PES works, as well as problems and dilemmas.

The book also explores different factors affecting industrialized, developing and transitional countries, demonstrating that PES works best in close collaboration with the social partners, government institutions and other bodies.

■ **The employment impact of mergers and acquisitions in the banking and financial services sector.** ILO Sectoral Activities Programme. ISBN 92-2-112327-8. Price: 20 Swiss francs.

Views on the employment impact of mergers and acquisitions

of particular economic sectors. Thus, it allows for the strengthening and promotion of social dialogue at the international level and alerts the ILO to specific social and labour issues.

■ **Women, gender and work.** Edited by Martha Fetherolf Loutfi. ISBN92-2-111386-8. Price: 40 Swiss francs.

This book brings together the thinking of leading philosophers, economists and lawyers on the subject of women, gender and work. Questions such as how we should define equality, what equal opportunity means and what is the role of the law in achieving equality are explored; as is the examination of policy to deal with sexual harassment, wage inequality, part-time work, the glass ceiling and social security.

This book is a major reference on the best of current research and analysis on gender roles and work.

■ **Youth unemployment and employment policy: A global perspective.** By Niall O'Higgins. ISBN92-2-111348-5. Price: 27.50 Swiss francs.

This informative book examines various policy responses to the youth unemployment "problem", including education and training. It highlights the need for adequate labour market information, policy monitoring and programme evaluation to provide more and better equality in jobs for young people.

While analysing the causes and consequences of youth unemployment, it identifies key ILO instruments concerned with young people and examines the

international policy challenges faced by many countries around the world. It also includes strategies for involving governments and organizations in tracking youth unemployment and providing alternatives.



■ **Achieving transparency in skills markets:** Measurement and information gaps in education and training statistics". Edited by Paolo Garonna, Paolo Reboani and Gyorgy Sziraczki. ISBN88-464-2530-8.

This book reviews the major issues of measurement affecting the operation of labour and skills markets and analyses the effectiveness of matching skills to jobs, and jobs to workers. It focuses on the current status of education and training statistics, the data requirements of different players, and the relationship with employment policies and practices.

It concludes with suggestions for strengthening statistical infrastructures in education and training, and promoting research and data collection strategies.

■ **International Labour Review.** The articles in the latest issue of the *Review* (Vol. 139 (2000), No. 4) take up a number of current employment and labour market issues. In "The resilience of the long-term employment relationship: Evidence from the industrialized countries", *Peter Auer and Sandrine Cazes* challenge the popular idea that the long-term, employment relationship is a thing of the past. Focusing on trends in employment tenure, they also investigate the effects of age, the business cycle, temporary employment and other factors relevant to job stability and job security. Although perceived job insecurity



ILO publications for sale can be obtained through major booksellers or ILO local offices in many countries, or directly from ILO Publications, International Labour Office, 4 route des Morillons, CH-1211 Geneva 22, Switzerland. Tel: +4122/799-7828; fax: +4122/799-6938; e-mail: pubvente@ilo.org; Web site: <http://www.ilo.org/publns>. Catalogues or lists of new publications are available free of charge from the above address. The ILO Publications Center in the US can be contacted at tel: +301/638-3152; fax: +301/843-0159; e-mail: ILOPubs@Tasco1.com; Web site: <http://www.us.ilo.org>

city has been rising, the labour markets of most industrialized countries show little sign of becoming generally unstable.

Reviewing the literature on the labour supply of the working poor, *Mohammed Sharif* argues in his article entitled, "Inverted 'S' – The complete neoclassical labour supply function" that the negatively sloping supply function widely observed at very low wages reflects distress sales of labour, not a "perverse mentality" as many theorists have assumed. The theory supported here uses the traditional neoclassical framework to derive a complete picture of the supply function: an inverted "S".

Unemployment insurance schemes are often blamed for contributing to the creation of a culture of dependency, hence to the

persistence of unemployment. In "The design of active labour market policies: Building in effective incentives", *Bart Cockx* reviews four types of explanation for unemployment persistence and the implications for designing effective labour market policies, notably the need to avoid perverse incentives. He then examines two programmes in Belgium to illustrate his point.

The free movement of labour is a founding principle of the European Union. However, little labour mobility occurs because the regulations concerned are complex and difficult to apply, and because needs and demands change. In "Labour mobility within the European Union: Findings, stakes and prospects", *François Vandamme* argues in favour of the establishment of action

programmes to promote labour mobility, increase its attraction and security, and consolidate anti-discrimination policies.

This issue of the *Review* also contains Part I of Mark Lansky's *perspective*, "Gender, women and all the rest". As a backdrop to current developments in the debate and research on gender and equality (examined in Part II), Part I reviews some of the conceptual shifts and issues that have shaped the thinking so far. But the upshot suggests the new catchwords have proved easier to utter than to operationalize in the pursuit of greater social justice. □

(Printed edition: One-year subscription (four issues): 99 Swiss francs; US\$80; GB£48; 60 Euros. Two-year subscriptions and electronic version also available. More information on <http://www.ilo.org/revue>)

## A Phoenix rises...

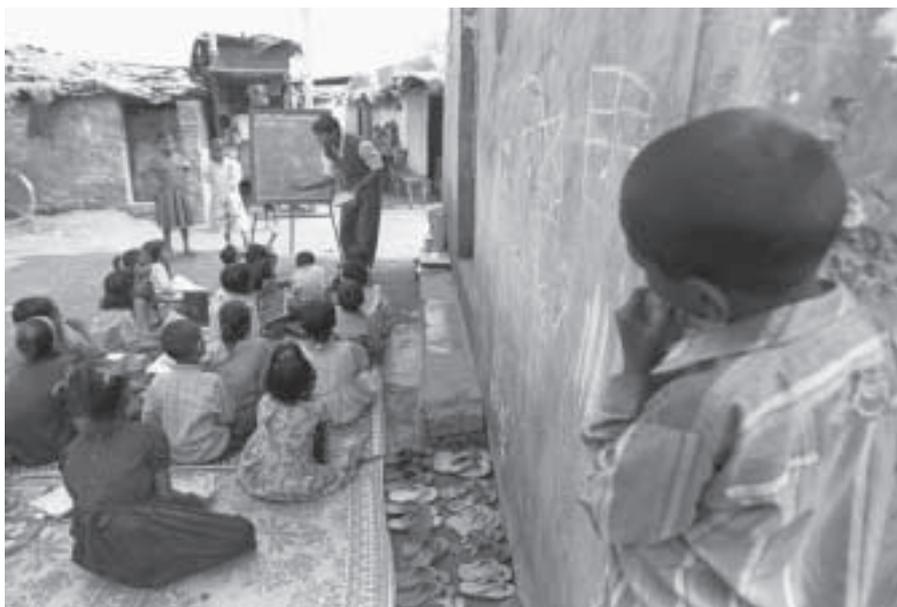
(continued from p. 9)

tres, because they have known acts of violence from a parent or an employer, and from the jungle which is street life. "They have been mistreated so many times. Some of them were sexually abused. They can't trust anyone. They don't believe us; they just watch. They are suspicious and give false names. But after some time, they open up," explains the teacher. Here, the children learn to read and write, and to live in a community. "We have to teach them everything, even to wash. Some of them had not washed their feet for five years," he adds.

Prayas also provides them with vocational training, as well as recreational activities including theatre, sculpture and painting. At the end of their stay, which can last several years, the children can continue their studies or even, for the oldest adolescents, open a shop that builds on the vocational training they received. Some run repair shops, others are electricians, others make clothing, while still others go to work for an employer selected by the association.

### The Prayas facilities

Prayas is now running 35 informal-education centres in Delhi with very flexible schedules, which offer several hours of courses a day to street children and children from very poor neighbourhoods. The centres also supply a midday meal. In



1998-99, 2,500 children benefited from this informal schooling, which is often a prelude to integration into mainstream education.

The association also opened a medical centre, and has two mobile clinics which criss-cross the capital to dispense medical care to street children and families in the slums. Thirty thousand people were treated by the clinics in 1998-99.

Prayas also runs a free public help line ("ChildLine") for children. Any child in need can call and receive help, shelter and care. Part of the ChildLine team regularly goes around various neighbourhoods to meet with the children.

In 12 years, Prayas (Internet site: [www.prayasjac.org](http://www.prayasjac.org)) has acquired sufficient experience to gain recognition. It receives

financial help from banks and large Indian enterprises, as well as the governments of India, Canada, Norway, and Ireland, and from the Area Office of the International Labour Organization in Delhi. It works in partnership with social science research organizations, nongovernmental organizations, including the Rajiv Gandhi Foundation and Terre des Hommes, and also with hospitals and the Delhi police. It aims to sensitize these professionals and thus reinforce social action in favour of the street children. □

– *Bénédicte Manier*

*Bénédicte Manier is a journalist based in Paris, specializing in social rights. She has written a book, "Child Labour around the World", La Découverte, 1999)*

# The High Road to Teleworking

Answers today's questions...

What is the nature of telework? Who are the teleworkers? Where are they?

This new ILO book examines the changing nature of telework and offers a fresh approach to understanding this phenomenon.

Spurred by developing information and communications technologies, new forms of work organization and

changing attitudes at the workplace, teleworking is quickly expanding into a great variety of flexible working arrangements. From tele-homework to satellite offices, from telecentres to transborder and offshore teleworking, from mobile working to the fast-emerging call centre sector, *The High Road to Teleworking* explores the technological, social, company and economic factors at stake.

Download *The High Road to Teleworking*  
by Vittorio Di Martino now at  
[www.ilo.org/safework/telework](http://www.ilo.org/safework/telework)



For further information:  
InFocus Programme  
on Safety and Health at Work  
and the Environment.  
International Labour Office, Geneva.  
Tel: +4122/799-6715, Fax: +4122/799-6878,  
E-mail: [safework@ilo.org](mailto:safework@ilo.org)

