

# World of Work



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## Stemming the crisis: World leaders forge Global Jobs Pact

In this issue

The many facets of the crisis: Automobile industry • Construction sector • Social protection • Social dialogue • Forced labour • Child labour • International Labour Conference, 2009: ILO Jobs Summit

# From the right to “combine” to the right to organize



J.J. Ettor speaking to striking barbers, Union Square, New York, 1913

From about 1750 onwards, workers had started to organize in Europe. Governments and employers reacted quickly, and laws and regulations were adopted to restrict such activities. In Great Britain, for example, the Combination Acts of 1799 remained in force for 25 years, regulating and even prohibiting workers' organizations among others.

But in time the right to “combine” gained ground. The Treaty of Versailles and the original ILO Constitution in 1919 recognized “the principle of freedom of association for all lawful purposes” among the principles on which the ILO was founded.

However, the new Organization was not immediately successful in adopting standards to give substance to this right although several attempts were made in the late 1920s. The obvious flaw of the Right of Association (Agriculture) Convention (No. 11), adopted in 1921, was that it had not defined the right to freedom of association.

Things changed when the ILO adopted its key Conventions Nos. 87 and 98<sup>1</sup> covering freedom of association, the right to organize and collective bargaining in 1948 and 1949.

Sixty years on, the two Conventions have been ratified by 149 and 159 of the ILO's 183 member States, respectively. They have also been codified in national constitutions and legislation.

Combined with strong freedom of association, sound collective bargaining practices ensure that employers and workers have an equal voice in negotiations and that the outcome will be fair and equitable. Collective bargaining

allows both sides to negotiate a fair employment relationship and prevents costly labour disputes.

In 1951, the ILO added an entirely original complaints mechanism, which authorized employers' and workers' organizations to submit complaints alleging violations of the basic principle of freedom of association contained in the ILO Constitution, even when the relevant Conventions had not been ratified by the member State concerned. The work of the ILO Committee on Freedom of Association and other supervisory mechanisms ensure that freedom of association as a fundamental human right is respected the world over. The mechanism is even available in respect of complaints against non-member States.

It is important to note that the Conventions include workers' and employers' rights: a limited but important number of cases before ILO supervisory bodies have defended the latter vigorously.

Established collective bargaining practices were an element that allowed the Republic of Korea to weather the 1997 Asian financial crisis and the abovementioned complaints mechanism enabled South Africa to make a relatively peaceful transition into the post-apartheid era. ILO standards promote collective bargaining and help to ensure that good labour relations benefit everyone.

The principle of freedom of association is at the core of the ILO's values: it is enshrined in the ILO Constitution (1919), the ILO Declaration of Philadelphia (1944), and the ILO Declaration on Fundamental Principles and Rights at Work (1998). It is also a right proclaimed in the Universal Declaration of Human Rights (1948).

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<sup>1</sup> *Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98).*

# Stemming the economic and social crisis

Faced with the prospect of a prolonged global increase in unemployment, poverty and inequality and the continuing collapse of enterprises, in June 2009 the International Labour Conference adopted a historic Global Jobs Pact designed to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families.

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Created in 1919, the International Labour Organization (ILO) brings together governments, employers and workers of its 182 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.



# Stemming the crisis: World leaders forge “Global Jobs Pact”



© ILO PHOTO

**F**aced with the prospect of a prolonged global increase in unemployment, poverty and inequality and continued duress for enterprises, in June 2009 the ILO adopted a historic Global Jobs Pact designed to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families.

The Global Jobs Pact was adopted following strong support voiced during a three-day ILO Global Jobs Summit by heads of State and government, vice-presidents and ministers of labour, worker and employer representatives and other leaders. The summit provided strong support for an enhanced involvement of the ILO in the G-20, in follow-up to its meeting in London last April which, with regard to employment and social protection, called on the ILO “working with other relevant organizations, to assess the actions taken and those required for the future”.

“It is you, the actors of the real economy, that are going to take us out of this crisis,” Mr Somavia told

some of the 4,000 delegates from the 183 ILO member States attending the annual International Labour Conference. “You represent workers and families, employers and enterprises, and governments. World leaders have told us that change is needed, combining broad opportunity, jobs, protection of working people with the type of investment and growth that will pave the way to a long-term solution to this crisis. This is our challenge for today, our mandate for the future.”

The Global Jobs Pact amounts to the most wide-ranging world response to the economic crisis, adopted in a year in which the ILO marks its 90th anniversary. It calls on governments and organizations representing workers and employers to work together to collectively tackle the global jobs crisis through policies in line with the ILO’s Decent Work Agenda.

The Pact was adopted against a backdrop of a recent report by the ILO showing an unprecedented increase in unemployment globally and a persistence of very high levels of poverty. Mr Somavia said the ILO estimated that even if an economic

recovery began to take hold this year or the next, a global jobs crisis could linger for six to eight years. He also said that with 45 million new entrants to the global jobs market annually – most of them young women and men – the global economy would have to create some 300 million new jobs over the next five years just to go back to pre-crisis levels of unemployment.

The Conference also held an intense round of debates on the role of enterprise, employment policies, social protection, labour rights, social dialogue, development cooperation and regional and multi-lateral coordination in addressing the jobs crisis.

The Global Jobs Pact proposes a range of crisis-response measures that countries can adapt to their specific needs and situation. It is not a one-size-fits-all solution, but a portfolio of options based on tried and tested measures. The Pact is also designed to inform and support action at the multilateral level.

The Pact urges measures to retain persons in employment, to sustain enterprises, to protect persons during the downturn and to accelerate employment creation and jobs recovery combined with social protection systems, in particular for the most vulnerable, integrating gender concerns on all measures.

The Pact also calls for the construction of a “stronger, more globally consistent supervisory and regulatory framework for the financial sector, so that it serves the real economy, promotes sustainable enterprises and decent work and better



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protects the savings and pensions of people”. It also urges cooperation to promote “efficient and well-regulated trade and markets that benefit all” and avoid protectionism. It further urges a shift to a low-carbon, environmentally friendly economy that will help accelerate a jobs recovery.

The Pact urges governments to consider options such as public infrastructure investment, special employment programmes, broadening of social



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>> protection and minimum wages. Particularly in developing countries, such measures can reduce poverty, increase demand and contribute to economic stability. Donor countries and multilateral agencies are called on to consider providing funding, including existing crisis resources for the implementation of the Pact's recommendations and policy options.

Mr Somavia said the ILO would immediately begin to provide assistance to constituents wanting

to implement measures under the Pact as well as work with other multilateral agencies. He also stressed that the Pact is not about how much more governments can spend, but how they spend it.

"We need to give life to this commitment," said Mr Somavia. "We all have a collective responsibility to the future. Together we can make good on our common aspirations. We have a mandate to act now, and working together we will certainly succeed."

"Employers support the Global Jobs Pact, as a significant contribution to the policy responses necessary for recovery," said Daniel Funes de Rioja, Employer Vice-Chairperson of the Committee of the Whole on Crisis Responses. "The joint global efforts of employers, trade unions and governments have identified realistic and practical approaches to addressing this crisis. Having agreed on the Global Jobs Pact the hard work now begins. The challenge to the ILO, trade unions and employers, and most particularly governments, is to now translate this commitment into measures at national level which generate real jobs, real incomes and contribute to economic recovery. Employers stand ready to play our part."



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"We are sending a message of vision, change and realism to governments and to the woman and man in the street," said Leroy Trotman, Worker Vice-Chairperson of the Committee of the Whole on Crisis Responses. "Today the Jobs Pact is only a piece of paper. We governments, workers and employers have to make it a reality. This includes a commitment of governments to social dialogue and strong labour market institutions. Recovery requires a wage-led increase in aggregate demand, social protection and social dialogue, and collective bargaining. But it also means no interference by employers, when workers organize themselves and represent their interests collectively. If we fail societies will lose. If we succeed, I am convinced future historians will say: the ILO lived up to its mandate."

## GLOBAL EMPLOYMENT IMPACT OF THE CRISIS

In its Global Employment Trends (GET) Update published in May 2009 the ILO revised upwards its unemployment projections to levels ranging from 210 million to 239 million unemployed worldwide in 2009, corresponding to global unemployment rates of 6.5 and 7.4 per cent respectively.

The GET Update projects an increase of between 39 and 59 million unemployed people since 2007 as the most likely range. Actual outcomes will depend on the effectiveness of fiscal expenditures decided by governments and on a functioning financial sector.

Updated projections of working poverty across the world indicate that 200 million workers are at risk of joining the ranks of people living on less than US\$2 per day between 2007 and 2009.

The crisis is hitting youth hard. The number of unemployed youth is expected to increase by between 11 and 17 million from 2008 to 2009. The youth unemployment rate is projected to increase from around 12 per cent in 2008 to a range of 14 to 15 per cent in 2009.

The GET said 2009 will represent the worst global performance on record in terms of

employment creation. The report underlined that the global labour force is expanding at an average rate of 1.6 per cent, equivalent to around 45 million new entrants annually, while global employment growth decreased to 1.4 per cent in 2008 and is expected to drop further to between 0 and 1 per cent in 2009.

ILO experts also estimated that in the 2009–2015 period, around 300 million new jobs will have to be created just to absorb the growth in labour force.

## EMPLOYMENT IMPACT OF THE CRISIS: REGIONAL TRENDS

- In the **Developed Economies & European Union**, total employment is projected to shrink this year by between 1.3 per cent and 2.7 per cent. The region is likely to account for 35 to 40 per cent of the total global increase in unemployment, despite accounting for less than 16 per cent of the global labour force.
- In **Central and South Eastern Europe (non-EU) & CIS** the number of unemployed could increase by as much as 35 per cent in 2009. Total employment is projected to shrink by between 1 and 2.8 per cent.
- In **East Asia**, it is estimated that 267 million people, representing more than one-third of the total employed, were living on less than US\$2 per day at the onset of the crisis. There were around 12 times as many people in vulnerable employment as in unemployment.
- A fairly moderate increase in unemployment is projected for **South-East Asia and the Pacific**, though workers and firms in export-oriented industries in the region are being hit hard.
- In **South Asia**, approximately 5 per cent of the labour force is unemployed while nearly 15 times as many workers are employed, but in vulnerable employment. The number of workers living on less than US\$2 per day is projected to grow by up to 58 million between 2007 and 2009.
- In **Latin America**, the unemployment rate is projected to rise from 7.1 per cent in 2007 to between 8.4 and 9.2 per cent in 2009.
- In the **Middle East**, the ILO projects an increase in unemployment of up to 25 per cent, and in **North Africa** by up to 13 per cent in 2009 compared to 2007. Vulnerable employment is also expected to increase in both regions. Around one in three workers in each region are in vulnerable employment and this ratio could rise to as much as four in ten.
- In **sub-Saharan Africa**, an estimated 73 per cent of the region's workers are in vulnerable employment, and this could rise to more than 77 per cent this year. The crisis poses a serious threat to investment in infrastructure and capital goods that are crucial for the region's continued development. The potential harm of global trade protectionism in response to the crisis should not be understated.

# International Labour

## World leaders support

**T**he Pact received strong support from heads of State and government, vice-presidents, ministers of labour, workers and employers and other economic and labour leaders participating in an ILO Jobs Sum-

mit on 15–17 June. The summit provided a first-of-its-kind opportunity to discuss policies that are being implemented at national and international levels to address the global jobs crisis.



H.E. Mr Lech Kaczyński, President of the Republic of Poland

“We have to face the fact that, according to ILO figures, there are going to be 45 million newcomers on the labour market every year, and this poses a serious threat in terms of unemployment and social unrest in the years ahead.”



H.E. Ms Tarja Halonen, President of the Republic of Finland

“Finland offers its support for the Global Jobs Pact initiative which addresses the immediate needs of workers, their families and enterprises. It is important that governments and social partners work closely together in implementing the initiative.”



H.E. Mr Armando Guebuza, President of the Republic of Mozambique

“The international financial crisis could have very negative repercussions on the labour market, thereby destabilizing our societies. We have full confidence that the ILO, as the main repository of specialist knowledge in labour mat-

H.E. Mr Armando Guebuza, President of the Republic of Mozambique

“At a time when so many paradigms are disintegrating, the ILO represents a ‘reserve’ in political, ethical and moral terms. This can be seen from the proposal for the Global Jobs Pact presented here by the ILO’s Director-General. This document contains important contributions for developing a new model that will result in fewer concentrations of wealth, more solidarity, and greater humanity and fairness.”

H.E. Mr Luiz Inácio Lula da Silva, President of the Federative Republic of Brazil

“The revolution I am urging all of us to embark upon is based on the idea that the specialized agencies can participate in international disputes, notably trade disputes, on the basis of harmed interests. Let us create this new global governance so that the ILO can make its voice heard in the WTO, the IMF and the World Bank, as soon as its fundamental standards are threatened.”

H.E. Mr Nicolas Sarkozy, President of the French Republic





# Conference 2009

## ILO "Global Jobs Pact"



"When you listen to people saying that 50 million jobs have been lost this year, it is not enough just to agree how dreadful it is. It is not just the figure that is important: it is the losses and destruction that have been caused to individuals

and to families. It means 50 million people who are living on their wits and nothing else. These are the people we have to think about when we hear people talking pure economics or statistics."

H.E. Ms Cristina Fernández de Kirchner, President of the Argentine Republic



"Today, thanks to the ILO's ability to confront boldly the many challenges which have marked its history, the promotion of Decent Work as the principal vehicle of social progress is no longer considered an economic risk, but rather as a sine qua non of sustain-

able development."

H.E. Mr Faure Essozimna Gnassingbé, President of the Togolese Republic



"Burkina Faso ... supports the proposal of the Director-General of the ILO to adopt a Global Jobs Pact, which places employment and social protection at the very heart of measures to give a fresh boost to the economy and bring us out

of the crisis – for, if it is not resolved, we shall find ourselves facing a major social crisis."

H.E. Mr Tertius Zongo, Prime Minister of Burkina Faso

"In the race to achieve prosperity, we must not see ourselves as competing against each other; rather, we are runners in a great relay, competing against poverty, against hunger, against underdevelopment and against instability. It is therefore time for a new global planning and decision-making structure that encompasses the developed and the developing world, a structure that encompasses the critical multilateral agencies such as the IMF and the World Bank and, most definitely, the ILO."

The Honourable Bruce Golding, Prime Minister of Jamaica

"I hope you will agree that the way out of the present crisis, indeed to avoid such crises, is through an employment-centred approach to development. This is embedded in our Constitution. Work is a right, a duty and a matter of honour. There is a right to a reasonable wage, and the State has to try to create conditions in which human labour is conducive to the expression of the human personality."

H.E. Sheikh Hasina, Prime Minister of the People's Republic of Bangladesh

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### CALL FOR ILO PARTICIPATION IN G-20

In early May, the President of the Argentine Republic, Cristina Fernández de Kirchner, and the President of the Federative Republic of Brazil, Luiz Inácio Lula da Silva, sent a joint communication to the Prime Minister of the United Kingdom, Gordon Brown.

In their communication to the Prime Minister, both leaders called for the ILO's participation in the meetings of the G-20, taking into account the experience of this Organization in promoting social dialogue, advocating social justice and developing its Decent Work Agenda. The Heads of State referred to the commitment made at the G-20 Summit held on 2 April 2009, aimed among other things at supporting the creation of employment opportunities and building a fair labour market.

# Faces behind the crisis

**W**ork is a principal determinant of how people experience the present and their prospects for the future. The ILO's Decent Work Agenda for the 21st century springs from people: *World of Work* put three questions to victims of the crisis in Africa, Asia, Europe and the Americas about their experiences.

## **S.A., 30 years old, garment factory worker, Jakarta, Indonesia**

### *1) How did you lose your job?*

The factory where I worked went bankrupt last January. It produced garments to be exported to the United States and Europe. Because of the crisis, we did not receive enough orders, and the owner closed the factory. He refused severance pay to a total of 1,300 workers, including myself. He even refused to provide us with a recommendation letter which we need to apply for another job.

### *2) Were you prepared for this situation?*

I was not really prepared for it as the factory had been in operation for 20 years. I had been working there for nine years. The majority of the workers in the factory were women. Some have chosen to go back to the villages, others will depend on the income of their husbands.

### *3) What do you expect from government/the social partners in this situation?*

We have reported the case to the government and our Parliament. I expect that the government will help us to solve the problem. I hope it can act as a mediator so that the workers can meet with the employer and collectively negotiate a solution. This is my only hope at this time.

## **V.N., 30, economic analyst, New Delhi, India**

### *1) How did you lose your job?*

I was working with a venture capital (VC) company which was formed in early 2008 riding on the high tide that the real estate industry was going through in India. The VC was backed by a real estate conglomerate. The funding of the VC was dependent on the real estate company and when the Indian market started crashing, the real estate firm could not fulfil its investment mandate to the VC and thus the VC company had to become dormant.

### *2) Were you prepared for this situation?*

No, as a VC company, we thought that our funding was secure but when we needed the finances to administer and run our acquired companies/firms, our backers refused to transfer the money into the VC fund since they had become severely cash strapped themselves. From January 2009 the market grew worse and most of the business almost ground to a halt since there was no money to invest into new or running projects.

It was a surprise to find that the company was shutting down. There were a number of meetings, negotiations, but all to no avail. Even talks of downsizing or even pay cuts were not accepted by the real estate company and it was decided that the company would no longer be operational.

### *3) What do you expect from government/the social partners in this situation?*

My expectation from the newly formed government would be to look into the socio-economic equation all over again and to revamp existing regulatory structures. There has to be a buffer system which ensures that people do not suddenly find themselves without work or any kind of security. Most people who were left unemployed due to the global crisis have either been forced to take 50 per cent and more pay cuts or have been unable to find another job within their area of specialization. This situation results in a heightened sense of insecurity among people and thus increases chances of exploitation of human resources.

## **V.S., 42, engineer, research and production enterprise, Minsk, Belarus**

### *1) How did you lose your job?*

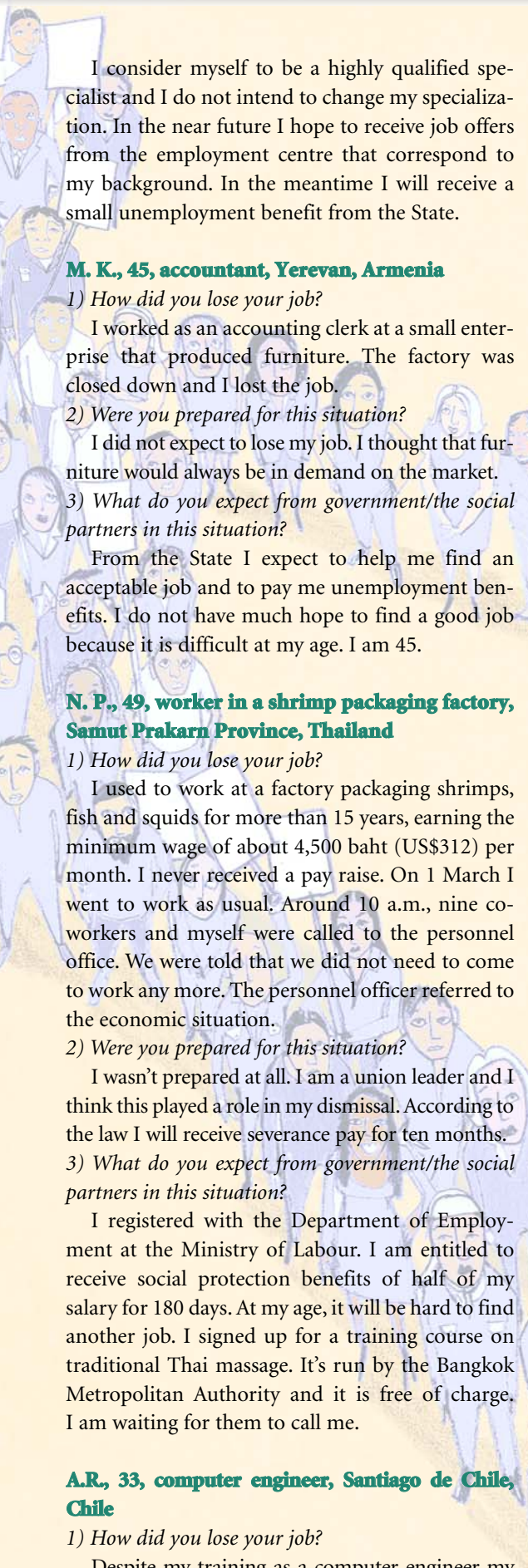
I worked 15 years for this enterprise. It replies to individual orders, producing unique computer engineering techniques. These and other support services recently stopped bringing the expected profits. As a result, first our wages were reduced, and then the management started with job cuts.

### *2) Were you prepared for this situation?*

Frankly speaking, I was not prepared – it all happened so fast. I was not happy with the wage cuts but at the same time I was not looking for other job opportunities.

### *3) What do you expect from government/the social partners in this situation?*





I consider myself to be a highly qualified specialist and I do not intend to change my specialization. In the near future I hope to receive job offers from the employment centre that correspond to my background. In the meantime I will receive a small unemployment benefit from the State.

**M. K., 45, accountant, Yerevan, Armenia**

*1) How did you lose your job?*

I worked as an accounting clerk at a small enterprise that produced furniture. The factory was closed down and I lost the job.

*2) Were you prepared for this situation?*

I did not expect to lose my job. I thought that furniture would always be in demand on the market.

*3) What do you expect from government/the social partners in this situation?*

From the State I expect to help me find an acceptable job and to pay me unemployment benefits. I do not have much hope to find a good job because it is difficult at my age. I am 45.

**N. P., 49, worker in a shrimp packaging factory, Samut Prakarn Province, Thailand**

*1) How did you lose your job?*

I used to work at a factory packaging shrimps, fish and squids for more than 15 years, earning the minimum wage of about 4,500 baht (US\$312) per month. I never received a pay raise. On 1 March I went to work as usual. Around 10 a.m., nine co-workers and myself were called to the personnel office. We were told that we did not need to come to work any more. The personnel officer referred to the economic situation.

*2) Were you prepared for this situation?*

I wasn't prepared at all. I am a union leader and I think this played a role in my dismissal. According to the law I will receive severance pay for ten months.

*3) What do you expect from government/the social partners in this situation?*

I registered with the Department of Employment at the Ministry of Labour. I am entitled to receive social protection benefits of half of my salary for 180 days. At my age, it will be hard to find another job. I signed up for a training course on traditional Thai massage. It's run by the Bangkok Metropolitan Authority and it is free of charge. I am waiting for them to call me.

**A.R., 33, computer engineer, Santiago de Chile, Chile**

*1) How did you lose your job?*

Despite my training as a computer engineer my last jobs were in the sales department of different

companies. My last job was for a garment factory where I earned little although I had a stable job. Over the last three months the company has fired several people, including myself, for economic reasons.

For two weeks, I found another job selling a new energetic drink but for the time being I have nothing secure... I find it particularly difficult to get a job these days, and not only as a salesperson. I went from one company to another and they all told me that they do not want to take the risk of an investment under the current economic conditions.

*2) Were you prepared for this situation?*

No, I wasn't, and that's why things are quite difficult. My family had to get used to the new situation. My wife had to find a series of occasional jobs. For the time being, she sells clothes door-to-door to help us pay our debts. To improve our financial situation, I am also doing all kinds of jobs that have little to do with my training as a computer engineer.

*3) What do you expect from government/the social partners in this situation?*

I think that national and local government agencies should launch more programmes in different areas to support the employment of young people – to provide more opportunities for people like me who do not have a permanent job.

**A.W., 51, flower plantation worker, Addis Ababa, Ethiopia**

*1) How did you lose your job?*

I lost my job because the export of flowers slowed down. I was told that the financial crisis in Europe and America let us down. I was working on a contract basis, so I was also among the first to be laid off without compensation. Now I even see the regular employees being laid off. They say that the economic crisis overseas has really affected the economy of this country, I'm not educated enough to understand all that.

*2) Were you prepared for this situation?*

I'm a mother of five. My income is not sufficient to make any savings. I was not prepared at all – neither financially nor psychologically. I wonder how I will pay all these bills now: school fees for the kids, food, electricity, transportation, etc.

*3) What do you expect from government/the social partners in this situation?*

The government mainly cares about the regular employees. I think it has to look after contract workers too. There is no social protection for people like me. I pay my taxes, maybe I deserve a better treatment...

# The crisis and the future

## Putting the spark back into

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**F**ew of the delegates at the ILO's tripartite meeting on the auto manufacturing sector four years ago could have imagined the depth of the crisis which would be engulfing the industry today, as the global recession takes its toll on consumer demand for autos. Andrew Bibby looks at the last few months which have seen venerable names in great difficulties as well as unprecedented government intervention in the sector.

But the conclusions of that 2005 ILO meeting, and in particular the call that "social dialogue in the automotive industry should be a permanent feature of the industry" still seem relevant, given the key role which social partners have been playing in helping resolve the present crisis.

This has been especially striking in the United States, where trusts controlled by the auto workers' union UAW are due to become part-owners of both the reconstructed General Motors and Chrysler. In Europe, too, the European Metalworkers' Federation has joined forces with the European Association of Automotive Suppliers to create the European Partnership for the Anticipation of

Change in the Automotive Industry, an initiative to maintain a sustainable industry with quality jobs.

In May this year the ILO hosted a special meeting of high-level experts to discuss ways forward for the sector out of the crisis. As the ILO's Director-General Juan Somavia put it, the challenge is to link long-term strategies for the sector with the immediate short-term solutions being put forward.

His challenge was picked up by several of the participants. Dr John Wormald from autoPOLIS, a leading consulting firm for the automotive industry, for example, stressed the need for a new business model for the industry, with longer product life cycles that would reduce the cost of a new car by up to 30 per cent. Another speaker, Barry Bluestone, professor of political economy at Northeastern University (US), linked this approach with the necessity of re-examining social relations in the sector, saying: "There is a need for a fundamental change in what the automotive industry builds and how we build these products, but also in the social relations between employers and unions".

### Rebuilding the motor industry through social partnership

Thomas A. Kochan, from the MIT Institute for Work and Employment Research (US), concurred: "We need more than a financial bailout. The challenge at hand is to forge a new social contract for the auto industry, to understand the workplace and to engage workers, employers but also other stakeholders," he told the meeting.

The story of the auto industry can be seen as a key element of the wider story of industrial manufacturing in the 20th century, as the development of assembly line working put into practice Taylorist theories relying on the separation of work into tasks. It was also an industry which saw both industrial strife and moves towards social partnership. In the case of GM, for example, the company's 1937 decision to recognize the UAW role as bargaining partner brought to an end a bitter strike in its auto plant in Flint, Michigan, and helped lead to a post-



# of the automobile industry

## the automobile industry

war period of economic and social success. In the 1950s, GM not only generated 3 per cent of the country's GNP but also established a normative model for the country that saw its employees rewarded with fair wages and social benefits.

The auto industry has today become a major source of employment worldwide. A recent ILO briefing paper suggests that in 2004 about 8.4 million people worked in automotive production (including the manufacturers and component firms) across the globe: around 2 million in Europe, over 1.6 million in China, 1.1 million in North America, 750,000 in both Russian Federation and

Japan, as well as smaller but still significant numbers elsewhere. The global workforce total probably climbed to just under 10 million by the end of 2007, the ILO report adds.

By itself, this would be enough to make the current problems in the auto industry a significant cause for concern. But building motor vehicles also indirectly creates employment in other sectors, among them the steel industry. According to a report last year by the US independent think tank the Economic Policy Institute, some 3.3 million jobs in the United States alone are dependent on the continuing fortunes of the country's car producers. >>

### KEY ISSUES RAISED AT THE ILO ROUND TABLE



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#### Several major issues were highlighted during the Research Round table.

- The prevailing business model was linked to the broader global phenomenon of corporate financing mechanisms. This led some executives to focus upon profitability and shareholder value, sometimes to the detriment of medium-term investments in research and development. As a result, the auto industry still has not responded fully to the challenges of climate change and dependence on oil.

- Over-competition and price wars between auto manufacturers led to cost-cutting strategies that also affected their relationships with workers and components producers. For workers, this meant a greater reliance upon non-standard forms of work, such as contract and agency labour. For components producers down the supply chain, this meant greater pressure to reduce costs and absorb more risk.

- In cases where the business model of short-term profits and cost-shifting has overshadowed solid financial, technological and labour practices, this has generated vulnerabilities for companies and workers and also created frictions between the key players who instead should be partners in facing the crisis.
- The crisis is not impacting equally across countries, companies and employees. For example, the dramatic impact and restructuring under way in the US automotive industry is not fully mirrored in other mature markets in Europe or Japan. Meanwhile, a very different trend is observed in the major emerging economies with large domestic markets such as China, India and Brazil, which are experiencing rising output as well as increased domestic consumption of many durable goods, including vehicles. Mergers and acquisitions are expected to take place globally and some new domestic companies such as in India and China are expected to rise and become world players.



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Or, more recently, their misfortunes. As the world knows, demand for autos has fallen as the economic crisis has taken effect. Global car sales have slumped from the peak of 70 million in 2007 to an annualized rate of about 56 million, according to one recent report. Research by the ILO has found that, comparing December 2008 data with data from December 2007, sales dropped by 50 per cent in Spain, 35 per cent in the US and 22 per cent in Japan. Global production in early 2009 was down 25 per cent on the January 2008. As the ILO's sectoral team point out, this could translate into major job cuts: "If companies are assumed to reduce jobs in proportion to

production, then job losses within the coming year may exceed 1 million," they suggest.

It isn't just current workers who are affected. The UAW union draws attention to the large number of retired workers among its membership who rely for their retirement income and health-care benefits on their former employers.

It's just possible that the worst is now over, partly as government measures globally to help the industry begin to have an effect. Nevertheless, the auto industry internationally remains weak, and what emerges from this global recession is likely to be significantly different from the position before 2008. This is particularly true of GM and Chrysler. Both have been obliged this year to accept bankruptcy, seeking protection from their creditors through "Chapter 11" legal administration. The work of restructuring these two giants of the industry so they can emerge from bankruptcy and recommence trading was continuing as this issue of *World of Work* went to publication but the broad shape of the likely solution has become clear, in each case involving a high level of government intervention, together with the active support of the workforce and their unions.

In GM's case, for example, the way forward is anticipated to be the creation of a "new" GM, with the US and Canadian governments holding the majority of the equity of this new company. Existing GM bondholders, it is proposed, will receive an ini-



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tial allocation of 10 per cent, with the remaining 17.5 per cent of the equity held in a union-administered Trust Fund, which will provide medical benefits to retired employees. The “new” GM will be relieved of many of the liabilities that weighed down the old company’s balance sheet, with these unwanted parts of the business likely to remain in administration to ultimately be disposed of, as best they can.

If all goes well, this could enable a return to commercial success for a slimmed-down GM, maintaining auto production in many of its traditional manufacturing centres and saving at least some of the jobs which would otherwise be at risk. The deal is, inevitably, a compromise and not everyone is satisfied. Former shareholders in GM have seen their investment become worthless, and some bondholders argue that the deal undervalues their stake (although bondholders are set to acquire more of the equity later, through the issuing of warrant shares). The UAW points to sacrifices made by the workers, too, including modifications to the 2007 collective bargaining agreement negotiated with the company and to employee benefits. Retired employees will also be affected, according to UAW’s Legislative Director Alan Reuther. “Retirees will incur substantial, immediate reductions in their health care benefits,” he told US senators and congressmen in May this year.

A similar process has been undertaken in Canada, where the Canadian auto workers union CAW reached a provisional settlement with the company for a new collective agreement in May this year, as part of the overall restructuring. Cost-saving measures have been agreed in relation to wages, health benefits, work practices and productivity improvements, though CAW president Ken Lewenza says that the deal also helps protect many core benefits and to protect GM pensioners in Canada.

Looking ahead, it is clear that people in the 21st century will be driving different cars from those that were on the roads in the past century. US President Barack Obama has linked his government’s intervention in the auto industry with a strategic move to curb fuel consumption. The need for progress on developing cleaner vehicles and cleaner fuels has also been identified by the global union federation for the industry, the International Metalworkers’ Federation, in a statement by its executive committee in February.

#### Turning the crisis into an opportunity

“The economic crisis could be turned into an opportunity to reduce the industry’s carbon footprint and create green jobs,” says the ILO briefing



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paper. “Many measures already adopted by governments favour investments in more environmentally friendly vehicles. Producing those vehicles requires more investment in research and development and highly skilled employees. Therefore special emphasis should be put on skills training.”

There is evidence that change is already beginning to take place: in an important first for low-emission “green” cars, Honda’s new hybrid Insight car (which uses both petrol and electric power) outsold its conventional rivals in the Japanese home market for the first time in April this year.

The auto industry is on a journey, in other words, which will move it away from dependence on the gas-guzzling high-emission vehicles of the past. But will the events of recent months, and in particular the role which unions have played in the restructuring processes, lead to other changes? Significantly, the *Financial Times* on 28 May reported on renewed interest among unions in Germany in the idea of negotiating a stake in the company’s ownership. “Leading the way is the cars sector whose weakened condition is forcing management and workers to embrace new ideas,” it explained, going on to report on moves by Daimler to consider converting an employee profit bonus scheme into a capital stake.

As the world looks to rebuild the economic system in ways which avoid the damaging effect of short-term investor-led pressure for immediate profit, there is scope here for more debate. The *Financial Times* article quoted the remarks of Erich Klemm, head of Daimler’s works council, to a trade union conference recently: “We are the only shareholders who have a long-term interest in the company, in contrast to those who only want to make a quick profit.”

# The crisis in the construction industry



**T**he construction industry has been severely hit by the economic crisis. The ILO calculates that at least 5 million construction workers lost their jobs during 2008.

Problems in the US subprime domestic housing market kicked off the financial crisis in 2007–8, and employment in construction in the United States was an early casualty. Between September 2006 and the last quarter of 2008 approximately 780,000 jobs disappeared. Data from other countries collected by the ILO also give cause for great concern. In Spain, for example, the property market began to collapse in mid-2007, and around 500,000 con-

struction jobs were lost last year. In the United Kingdom, 2008 saw a cumulative loss of 100,000 jobs. In Ireland, which had been enjoying a strong property boom, the industry collapsed last year, with 15–20 per cent of construction jobs disappearing.

Lay-offs have been reported from many other parts of the world, including Australia, Kenya, South Africa and the Caribbean, where large tourist developments have been suspended. In China and the Russian Federation, too, there have been lay-offs. In China, more than 10 per cent of the 40 million workers in the sector lost their jobs last year, according to ILO research.

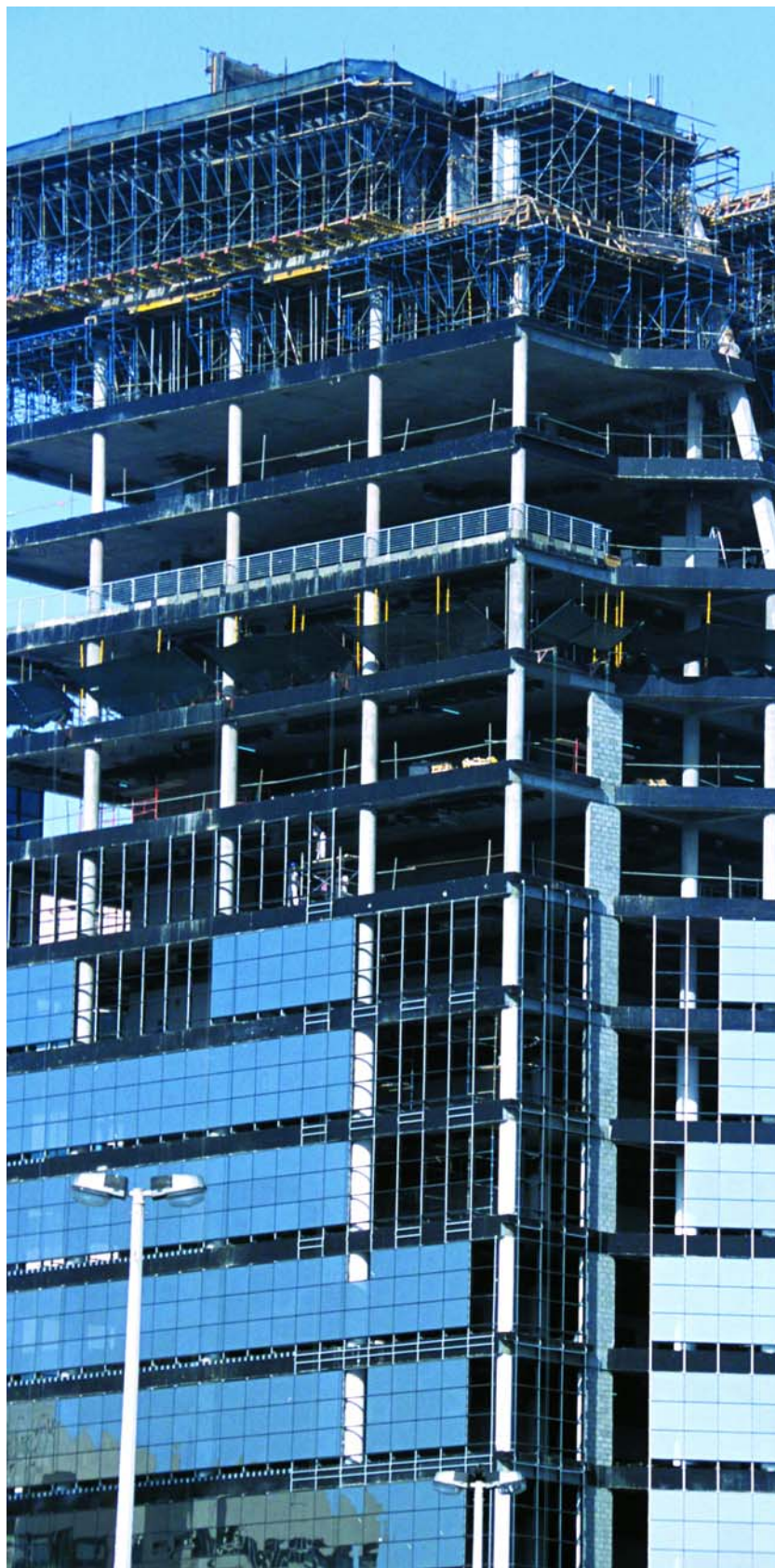


The construction industry makes use of low-paid and less-skilled workers, and as such is a major employer worldwide of migrant labour. The OECD in its International Migration Outlook report published last September says that migrant workers are over-represented in construction in many OECD member countries, including Austria, the Czech Republic, France, Greece, Hungary, Ireland, Italy, Portugal, Spain, Switzerland and the United States. Migrant workers have been particularly affected, therefore, by the downturn in construction, in some cases losing not only their livelihood but also their residence rights in the country where they have been working. Estimates suggest that in the Gulf States, where migrant labour has been very largely supporting the recent boom in construction, 150,000 foreign workers were released during 2008. The ILO also reports an example from the Russian Federation, where more than 20,000 Turkish workers have recently been sent home.

Unfortunately, migrant workers affected in this way are unlikely to find equivalent work in their countries of origin. Their plight often fails to show up in official unemployment statistics in the countries where they have been working.

The OECD is critical of a short-term approach to the use of migrant labour: OECD Secretary-General Angel Gurría has called for migration to be managed by taking a comprehensive, long-term perspective. “Many of the low-skilled labour needs in OECD countries are likely to persist. Cycling repeated waves of temporary migrants in and out of the country to occupy the same jobs is inefficient,” he told his audience when launching last year’s Migration Outlook.

A recent ILO report<sup>1</sup> identifies a set of steps which it recommends be taken for the construction sector, including looking for synergies with the “green” jobs initiative. It calls for sectoral social dialogue to address the labour and social aspects of the crisis, with a particular look at the implications for migrant workers and for small enterprises. “So far, policy action in affected sectors has been focused on the domestic level, with little consideration of global sectorally coordinated responses. Global sectoral policy dialogues would be crucial to deal with this gap,” it suggests.



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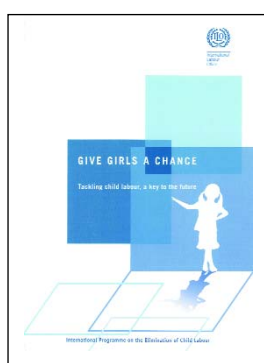
<sup>1</sup> “The current global economic crisis: Sectoral aspects”, Part 2: The construction industry (p. 6-13), GB.304/STM/2/2, 304th Session, Governing Body, International Labour Office, March 2009. [http://www.ilo.org/wcmsp5/groups/public/--ed\\_norm/--relconf/documents/meetingdocument/wcms\\_103437.pdf](http://www.ilo.org/wcmsp5/groups/public/--ed_norm/--relconf/documents/meetingdocument/wcms_103437.pdf)

# World Day Against Child Labour 2009

## Give girls a chance



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<sup>1</sup> *Give girls a chance: Tackling child labour, a key to the future* (ILO-IPEC 2009). ISBN: 987-92-2-122374-0 (print); 978-92-2-122375-7 (web pdf).

**T**he global financial crisis could push an increasing number of children, particularly girls, into child labour, according to a new report issued by the ILO for the World Day Against Child Labour on June 12.

The ILO report, entitled *Give girls a chance: Tackling child labour, a key to the future*,<sup>1</sup> notes that while recent global estimates indicate the number of children involved in child labour has been falling, the financial crisis threatens to erode this progress.

“We have seen some real progress in reducing child labour. The policies chosen in the present crisis will be a test of national and global commitment to take this fight forward,” said ILO Director-General Juan Somavia.

The report says the danger of girls being forced into child labour is linked to evidence that in many

countries families give preference to boys when making decisions on education of children. It states that because of the increase in poverty as result of the crisis poor families with a number of children may have to make choices as to which children stay in school. In cultures in which a higher value is placed on education of male children, girls risk being taken out of school, and are then likely to enter the workforce at an early age.

Other factors which could push up the numbers in child labour include cuts in national education budgets, and a decline in remittances of migrant workers, as these remittances often help to keep children in school.

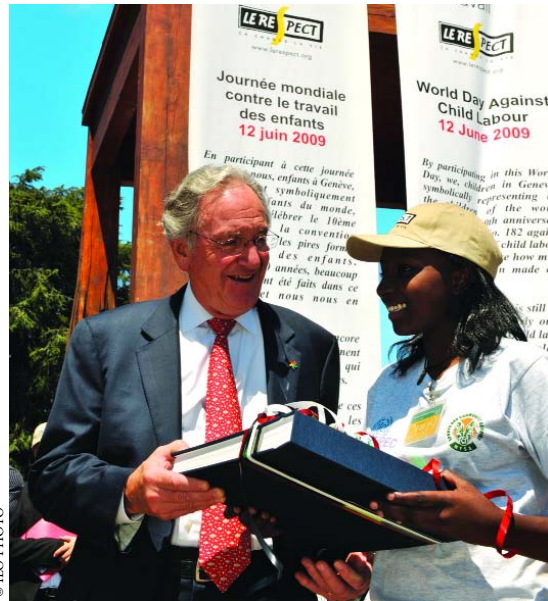
This year’s World Day against Child Labour also coincided with the tenth anniversary of ILO Convention No. 182 on the elimination of the worst forms of child labour.



“With 169 ratifications we are now just 14 short of universal ratification by our member States,” said Mr Somavia. “It is a remarkable expression of commitment. This Convention calls for special attention to the situation of girls and we want to highlight the particular risks that girls face during this crisis. Protecting girls – and all children – from child labour calls for integrated responses that include jobs for parents, and social protection measures that help them to keep both girls and boys in school. Access to basic education and training for girls and boys must also be part of the solutions for the future.”

The ILO report says the most recent global estimate indicated that more than 100 million girls are involved in child labour, and many are exposed to some of its worst forms. Girls face a number of particular problems that justify special attention, including:

- Much work undertaken by girls is hidden from public view, which creates particular dangers. Girls make up the overwhelming number of children in domestic work in third-party households and there are regular reports of the abuse of child domestic workers;
- In their own homes, girls take on household chores to a much greater extent than boys. Combined with economic activity outside the home, this imposes a “double burden” that increases the risk of girls dropping out of school; and,
- In many societies girls are in an inferior and vulnerable position and are more likely to lack



US Senator Tom Harkin participated in events marking the World Day Against Child Labour and the tenth anniversary of ILO Convention No. 182 on the worst forms of child labour. In an address to the International Labour Conference, Sen. Harkin warned the global recession could reverse gains made in abolishing child labour and urged the ILO to redouble its commitment to eradicating child labour. Other speakers at the event included ILO Director-General Juan Somavia, and Mr J.W. Botha and Sir Roy Trotman, the spokespersons respectively for the employers' and workers' groups in the Committee on Child Labour of the 1999 International Labour Conference.

basic education. This seriously restricts their future opportunities.

The report highlights the importance of investing in the education of girls as an effective way of tackling poverty. Educated girls are more likely to earn more as adults, marry later in life, have fewer and healthier children and have decision-making power within the household. Educated mothers are also more likely to ensure that their own children are educated, thereby helping to avoid future child labour.

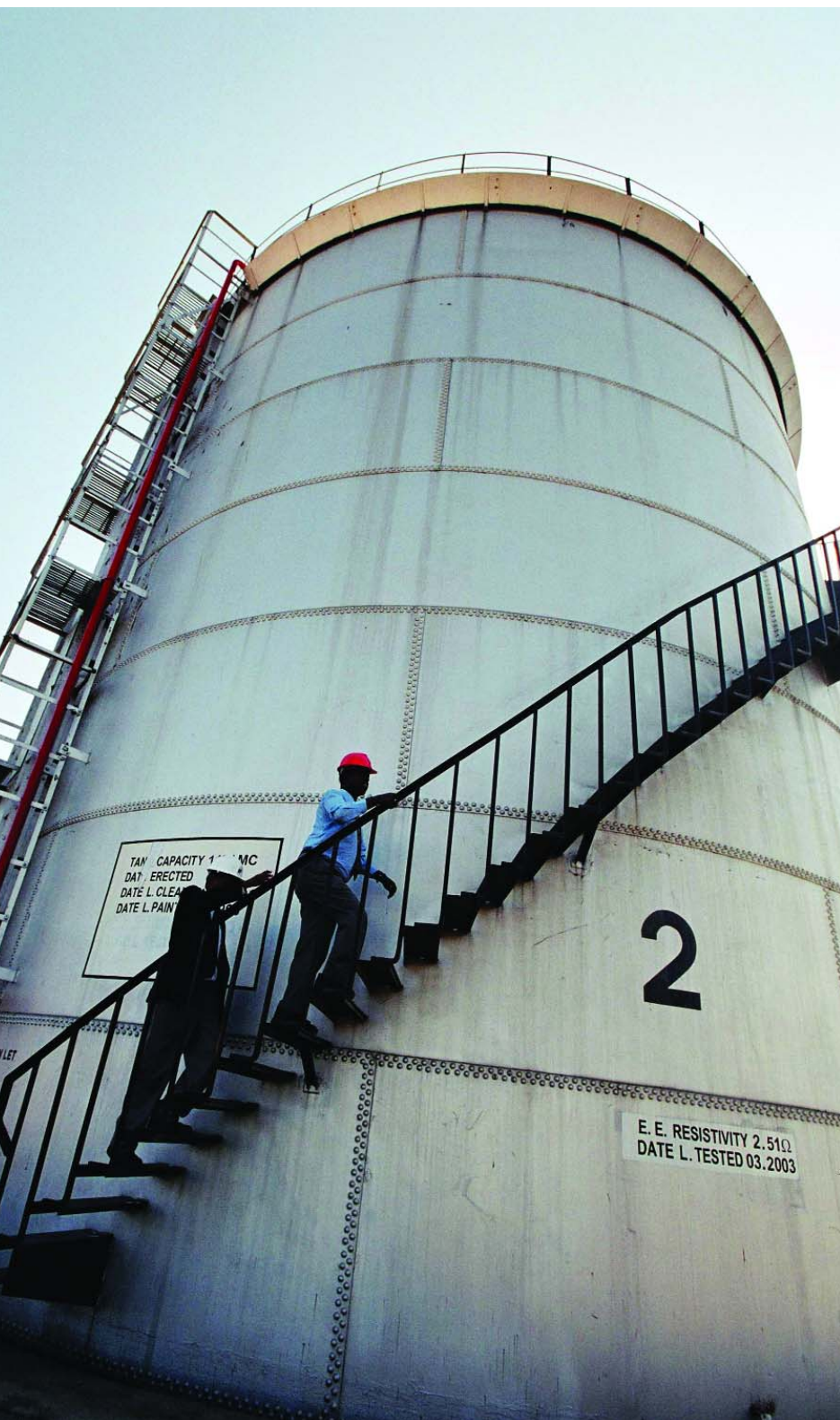
<http://www.ilo.org/public/english/wdacl/flash09/index.html>

### CHILDREN'S VIEWS OF CHILD LABOUR EXHIBITION INAUGURATED AT ILO GENEVA FOR WORLD DAY AGAINST CHILD LABOUR, 12 JUNE 2009





# ILO meeting discusses crisis im



**A**mid a global downturn in employment in the oil and gas sector, senior representatives of governments, workers' and employers' organizations discussed the state of industrial relations in the petroleum industry at a meeting at ILO headquarters in Geneva on 11–14 May.

A new ILO report<sup>1</sup> prepared for the meeting says employment in the oil and gas extraction subsector peaked at about 4 million jobs in 2004 and gradually declined to the level of about 3 million in 2006. Another 1.5 million workers are estimated to work in the world's oil refining industry.

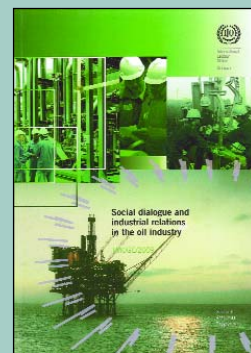
The report also forecasts a deficit of more than 6,000 skilled workers in the oil industry by 2010. "This is a conservative estimate. The reality could be worse. The shortage of skilled workers has its roots in the job cuts and lack of recruitment during the 1990s, perceived poor and dangerous working conditions, and is now aggravated by the current economic crisis," says Ms Elizabeth Tinoco, Director of the ILO's Sectoral Activities Department (SECTOR).

According to the report, employment volatility in the sector led to a sustained increase in contract labour, which has become the norm in the oil industry and caused industrial relations problems.

<sup>1</sup> *Social dialogue and industrial relations issues in the oil industry*, Report for discussion at the Tripartite Meeting on Promoting Social Dialogue and Good Industrial Relations from Oil and Gas Exploration and Production to Oil and Gas Distribution,

International Labour Office, Geneva 2009.

<http://www.ilo.org/public/english/dialogue/sector/techmeet/tmoge09/tmoge-r.pdf>





# pact on the oil and gas industry

The report observes a “dualization” of the workforce into core and peripheral workers, and says that complex employment practices often result in making it difficult to determine the identity of the employer, sometimes affecting collective bargaining outcomes.

The report also notes important wage gaps, depending on occupation, skills and gender, and highlights occupational safety and health issues. It estimates that contract workers are twice as likely to be involved in a fatal accident as regular company employees and that workers aged between 21 and 35 years old are more prone to accidents than any other age group. It also says that despite the image of offshore work as more dangerous than onshore, the fatal accident rate onshore is almost twice as high as that offshore.

Regarding industrial relations, the ILO report observes that unionization levels are low and falling throughout the oil industry, although union membership is more widespread in the refining sector than in exploration and production. It is extremely low on offshore facilities and among women workers. The meeting discussed how to ensure that workers’ rights are respected.

“The shortage of skilled workers is a global phenomenon which particularly affects the oil industry because it requires high skills to operate,” Ms Tinoco said. “Oil companies have diversified their recruitment processes in order to meet current and future business needs. Their efforts include significant investments in education and training. But the oil industry alone is unable to sufficiently increase the pool of skilled workers. Governments have a key role to play. The report suggests that dialogue between governments and the oil industry, including workers’ organizations, should be conducted so that the larger pool of skilled entrants to the workforce is well equipped for oil industry work.”



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# Social dialogue in times of crisis: Lessons from the past

**T**he 30 “glorious years” after the Second World War, which were characterized by sustained economic growth, almost full employment and a steady increase in the standard of living in most industrialized countries, were followed by a period of economic downturn, high inflation, mounting budget deficits and increasing unemployment. ILO social dialogue expert Ludek Rychly reviews social dialogue between governments, employers and workers in a historical perspective.

The sharp increase in international competition and the steep rise in energy prices, especially after the first oil shock in 1973, resulted in a nearly universal decline in traditional manufacturing, a highly unionized sector which for decades had been the backbone of national economies. National industrial relations systems had to adapt to a very different environment and deal with new tasks.

In **Belgium**, this crisis had a dramatic impact on collective bargaining and other forms of social dialogue, especially after 1975. The lack of consensus between the social partners on issues such as reducing labour costs and lay-offs prevented, for a short period, the continuation of traditional national inter-industry dialogue. The government “took drastic measures, imposing a far-reaching income policy, freezing wages and limiting the effects of negotiated cost-of-living clauses”.

But, finally, wage moderation was achieved through a combination of legal and negotiated measures. In February 1981, new legislation was enacted which provided for mandatory wage restraint measures in the event that employers and

unions could not conclude a national agreement; the agreement was, however, reached and rendered binding by royal order.

The well-known case of **Ireland** shows that social dialogue, especially when supported by the State, can provide a response to serious economic difficulties. Faced with serious structural problems of high unemployment and inflation, the social partners and the government managed to conclude in 1987 The Programme for National Recovery which was the first in a series of tripartite agreements.

While this agreement dealt essentially with wages whereby the unions agreed to moderate wage increases in return for tax concessions, subsequent partnership agreements have been far-reaching in their content and have addressed a wide range of social and economic issues.

In **Italy**, the recession “witnessed sweeping changes in the structure and content of collective bargaining as well as in the parties that conduct it.” The State intervened in various ways: by playing an active role in settling national labour disputes, by adopting “negotiated legislation” and, since the early 1980s, taking part in major tripartite agreements.

The tripartite agreements of 1983 and 1984 dealt not only with automatic wage indexing, but also with the broader issues of promoting employment, reducing working time and regulating the labour market. Italy continued the use of tripartite agreements (pacts) in the 1990s.

**The Netherlands**, in the 1970s and the first half of the 1980s underwent the traumatic experience of a sharp rise in unemployment, structural diffi-

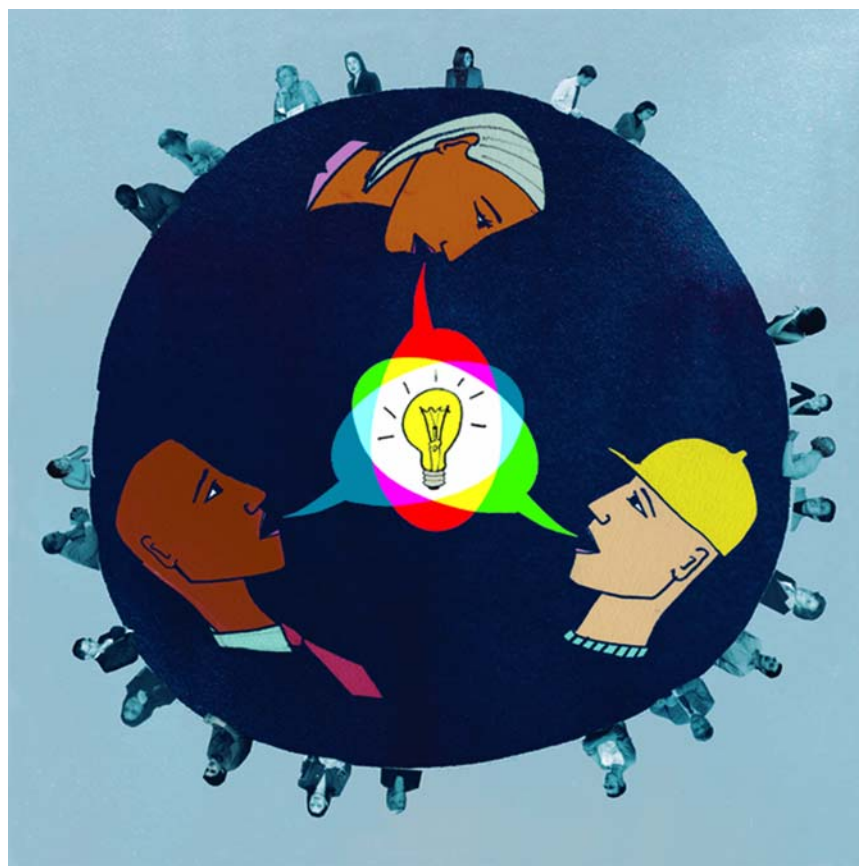


culties, high interest rates and growing budget deficits. These difficulties presented not only a challenge to the Dutch welfare state, but also to the traditional “polder system” which was based on compromise in the social dialogue model and obtaining public support for policy measures. Relations between interest groups became hostile, and it seemed to be impossible for employers and workers to reach an agreement.

The famous Wasenaar agreement between the social partners, reached quite surprisingly after years of disagreement in 1982, represented a real turning point in the fight against economic misery and unemployment of the 1970s and early 1980s. It was also the starting point for the recovery of labour market and employment performance in the late 1980s and 1990s. The Agreement stated that “structural improvement in employment requires: recovery of economic growth; stable prices; improved competitiveness of companies coupled with better rewards”. Paradoxically, it was the Government which made a major contribution to the conclusion of this agreement, as “compelled by the looming shadow of state intervention, the social partners got together and accepted each other as bargaining partners”.

**Japan** entered a period of prolonged recession in the mid-1970s. The crisis brought about structural changes and severe problems of redundancy appeared in many industries such as steel, ship-building and engineering. However, unlike most other industrialized countries, Japan managed to go through this period without persistent inflation, high unemployment or numerous strikes. Some observers think that the Japanese system of collective bargaining, complemented by an elaborate joint consultation system, facilitated the transformation and modernization of the Japanese economy during this period and helped avoid major social conflicts.

In the 1980s, the **United States** was badly affected by a dismal economic performance which was followed by a weak recovery. At the same time, innovations and cost cuts in response to severe foreign competition combined with government deregulation put enormous pressure on the industrial relations system. Concession bargaining was largely adopted: the dominant questions being how best to provide job and income security. Many of the concession bargains of the 1980s drew on well-known techniques for coping with economic



© Illustration: Gill Burton

adversity – advance notice of change, retraining, severance pay, early retirement bonuses, work-sharing, interplant transfers, moving allowances, supplementary unemployment benefits, attrition clauses and the guaranteed annual wage.

In terms of industrial relations, the main lesson from the 1970s and 1980s is that the crisis may have disruptive effects even on well-established industrial relations systems. However, these disruptions are temporary if the systems have the capacity to adapt, if they are supported by appropriate public policies and efficient institutions, and if there is a common will to find a compromise. As illustrated by the case of Ireland, a positive experience of using social dialogue as a tool to address the crisis may usher in the beginning of a new and lasting era where industrial relations can contribute to prosperity.

Finally, experience with “concession” bargaining shows the pragmatism of enterprise-level bargaining. Nevertheless, in the context of the current crisis, which was not sparked by high wages, the application of wage moderation as a general model would seem more than problematic.

# Building decent societies: Rethinking the role of social security in development

**A**s people struggle to cope with the economic and social impact of the crisis, there is a growing need for social protection systems. But despite international efforts to establish a comprehensive plan for social security, huge sections of the world's population continue to be denied the right to social protection. A new ILO publication, *Building decent societies: Rethinking the role of social security in development*<sup>1</sup> addresses the question of whether and how social protection systems in general, and social security in particular, should be ranked higher on the world's policy agenda.

Bringing together historical and contemporary developments in social protection in OECD and developing countries and especially considering the current global financial and economic crisis, this book looks at new international strategies that can establish social security, reduce poverty and contribute to economic and social development. It concludes that to achieve this goal, low-income and

middle-income countries require social security systems of a scale to match the systems operating in high-income countries.

Today, the 30 OECD countries commit an average of more than 13 per cent of GDP directly to social security, in dramatic contrast to low-income countries that contribute less than 2 per cent on average. Lessons have to be drawn from economic and social policies of both these groups of countries in order to remedy this discrepancy. **Social protection in Europe and the OECD**

Social protection systems in Europe and OECD countries have evolved over more than a century. Today, high social expenditure levels are generally associated with low poverty, yet there are exceptions such as Estonia, Poland and Slovakia where, despite generous expenditure levels, poverty is still high. With the integration and development of the internal market, the European Union (EU) has come under increasing pressure to adapt a new social protection development model that is based on social justice and solidarity – an EU social policy financed at EU level.

Social security systems in OECD are a mix of universal and selective measures, yet all OECD countries accept the underlying belief that social security is a means of modernization and sustainable growth, and a key factor in reducing domestic poverty. If the OECD systems of social security were to be adopted by low-income countries, key changes would have to be made that take into consideration the global economy.

The question of whether such models can be



<sup>1</sup> Peter Townsend, *Building decent societies: Rethinking the role of social security in development*, ISBN 978-92-2-121995-8. ILO, 2009 (co-publication with Palgrave Macmillan Publishers). See also page 36



imported to developing countries depends on the differences in political voice of the country. Rich democracies have relatively egalitarian programmes, some of which are universal and some of which are targeted at the poorest income ranks. On the other hand, in many developing countries regressive or even elitist programmes still prevail. The European model of welfare, while it may never be fully emulated, still provides a useful reference for welfare state reformers in developing countries.

#### Experiences from low-income countries

In developing countries, social security systems are desperately under-resourced and very diverse. A century ago, colonial powers in Asia, Africa and the Caribbean introduced low coverage schemes that mainly benefited civil servants and employees of large enterprises for health care, maternity leave, disability allowances and pensions. The mass of the population, especially the rural poor, had no cash relief. Today, the key challenge is to extend coverage of social security to the population as a whole.

Despite long-standing doubts of governments and donors, research shows that there can be positive synergies between social protection and agricultural growth policies – the government of Ethiopia, for example, is moving from a food-first to a successful cash-first approach. Research in Bangladesh, Ethiopia and Malawi generally supported a long-term build-up of social protection spending, and the programmes had the positive effect of creating community assets, like soil and water conservation and roads, as well as household agricultural assets, including livestock.

South Africa, on the other hand, inherited a system of social assistance, which was racially equalized, expanded and, in 1998, complemented by a cash benefit for young children. By 2010 there will be a new mandatory, contributory earnings-related fund which will be the vehicle for retirement savings, unemployment insurance, and disability and death benefits – a major step towards a comprehensive system.

A major challenge in welfare development in South Africa and elsewhere is the lack of a coherent or comprehensive social assistance policy in the face of the HIV/AIDS epidemic. Related to this is the large-scale problem of ensuring a system of universal health-care coverage. Of the 100 million people worldwide pushed into poverty by medical bills, the majority are in developing countries. An interesting exception is Thailand where universal



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The key challenge today is to extend coverage of social security to the population as a whole... and introduce a basic social protection floor in all countries...

coverage was achieved in a matter of only 27 years (compared to the 70 years it took developed countries) by pursuing extensive pro-poor and pro-rural policies.

#### Global promotion of social security

The prime strategies of the United Nations and all international bodies should consist in promoting globally a social security floor as a core element of poverty reduction policies and wider development policies that enable countries to grow with equity. There is a powerful case for rapid expansion of universal social security in low-income countries. This is a strong message that has become particularly relevant to the global financial and economic crisis of 2008–09 and has started to find its way into debates on development policy. Joint national and international efforts to introduce a basic social protection floor in all countries, as called for by governments, workers and employers in the ILO Global Jobs Pact in June 2009, are a significant step forward in this regard.

# International Labour Conference

The June 2009 session of the International Labour Conference not only adopted a historic Global Jobs Pact but also considered a wide range of other issues, including a new ILO instrument on HIV/AIDS and the world of

work, the economic and social cost of forced labour worldwide, the effect given to ILO Conventions and Recommendations, and gender equality as a cross-cutting issue in the ILO's Decent Work Agenda.





The Conference held the first of two discussions on a new international labour standard on HIV/AIDS and the world of work. In the face of a growing epidemic, compounded by the impact of the financial crisis on health budgets, development assistance and treatment programmes, the Committee combined a sense of urgency with a commitment to practical action, consensus and collaboration.

It is expected that an instrument focusing on HIV and the world of work will give new impetus to prevention programmes and anti-discrimination measures at national and workplace levels, and will help reduce health-related uncertainties. It would further strengthen the contribution of the world of work to achieving universal access to HIV prevention, treatment, care and support and encourage information gathering and monitoring. A second discussion on the

proposed Recommendation will follow in June 2010.

The Conference also took stock of gender equality in the world of work, a core value of the ILO and an essential component of the ILO's Decent Work Agenda. Its Committee on Gender Equality noted that real progress had been made towards achieving equality between women and men since 1985, when the International Labour Conference last held a general discussion on the issue. It also acknowledged, however, that major challenges remain: women still carry the majority of family responsibilities, often hampering their full participation in the labour market and their economic empowerment; they continue to earn less than men for work of equal value; they are over-represented in the informal economy and in low-paying unskilled jobs; and women are still under-represented in leadership positions.



#### THE INTERNATIONAL LABOUR CONFERENCE: AN OVERVIEW

The 98th International Labour Conference adopted a programme and budget for the 2010–11 biennium of US\$726.7 million which maintains the same level of resources as 2008–09. More than 4,000 government, worker and employer delegates from the ILO's 183 member States participated in the Conference.

Delegates said that the global economic crisis was jeopardizing fragile gains in empowering women, but also presented opportunities to shape new gender equality policy responses, with measures providing better opportunities for both women and men to reconcile work and family responsibilities. The ILO's future work – and responses to the jobs crisis – should assist constituents in creating equal opportunities for women and men in terms of education and skills training, the sharing of family responsibilities, remuneration of work, jobs in the formal economy and entrepreneurship development. A report prepared for the Conference highlights good practices in overcoming gender equality deficits with regard to access to employment opportunities, social protection, social dialogue and rights at work.

During the plenary, delegates addressed the latest ILO report on the situation of workers in the occupied Arab territories which depicts "a dismal human, economic and social situation in the occupied Arab territories, overshadowed by stalled peace negotiations".

The Conference Plenary discussed the ILO's annual Global Report on forced labour on 9 June. The report, entitled *The cost of coercion*, estimates the "opportunity cost" of coercion to the workers affected by forced labour practices in terms of lost earnings at over US\$20 billion (see separate article below).

# International labour standards

The Conference Committee on the Application of Conventions and Recommendations examined 25 individual cases covering the whole range of concerns addressed by the ILO Committee of Experts on the Application of Conventions and Recommendations in its report submitted to the Conference\*.

The Committee again held a special sitting on the application by Myanmar of the **Forced Labour Convention, 1930 (No. 29)**, following up measures taken in the context of article 33 of the ILO Constitution.

Acknowledging some limited steps on the part of the Government of Myanmar, including the further extension of a complaints mechanism on forced labour, the Committee was however of the view that those steps were totally inadequate. It strongly urged the Government to fully implement without delay the recommendations of the Commission of Inquiry and the comments and observations of the Committee of Experts. More particularly, it asked the Government to take necessary steps to bring the relevant legislative texts and the new Constitution into conformity with ILO Convention No. 29; ensure the total elimination of persistent and widespread forced labour practices, and that perpetrators of forced labour, whether civil or military, were prosecuted and punished under the Penal Code; issue an authoritative statement at the highest level clearly confirming to the people of Myanmar the Government's policy for the elimination of forced labour and its intention to prosecute perpetrators; approve a simply worded brochure in accessible languages on the functioning of the complaint mechanism on forced labour; and eliminate the continuing problems in the physical ability of victims of forced labour or their families to complain.

The Committee also noted with serious concern the continued human rights violations in Myanmar including the detention of Aung San Suu Kyi. The Committee called for her release

and that of other political prisoners, as well as labour activists. It further called for the immediate release of those persons who were associated with the operation of the complaints mechanism and who were currently incarcerated.

Myanmar was also listed as a case of continued failure to implement the **Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)**. The Committee recalled that the persistence of forced labour could not be dissociated from the prevailing situation of a complete absence of freedom of association and the systematic persecution of those who try to organize.

The Committee also drew the attention of the Conference to two other special cases. In the case of the Islamic Republic of Iran, concerning the application of the **Discrimination (Employment and Occupation) Convention, 1958 (No. 111)**, the Committee remained concerned at the lack of evidence of any real progress made with respect to the situation of women in the labour market, and expressed continuing concern about the situation of religious and ethnic minorities with regard to their equal access to employment and occupation.

In the case of Swaziland, the Committee called upon the Government to ensure the release of any persons being detained for having exercised their civil liberties, and regretted that, although the Government benefited from ILO technical assistance for some time now, the amendments requested for many years now to bring national legislation in conformity with the **Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)**, have yet to be adopted.

The General Survey discussed by the Conference Committee this year was on the **Occupational Safety and Health Convention, 1981 (No. 155)**, the **Occupational Safety and Health Recommendation, 1981 (No. 164)**, and the **Protocol of 2002 to the Occupational Safety and Health Convention, 1981**. The Committee adopted conclusions on its discussion in which it set out elements for a Plan of Action to promote the instruments.

\* For more information, please go to:

[http://www.ilo.org/global/What\\_we\\_do/Officialmeetings/ilc/ILCSessions/98thSession/comm\\_reports/lang--en/index.htm](http://www.ilo.org/global/What_we_do/Officialmeetings/ilc/ILCSessions/98thSession/comm_reports/lang--en/index.htm)



The role of the International Labour Conference is to adopt and oversee compliance with international labour standards, establish the budget of the Organization and elect members of the **Governing Body**. Since 1919, the Conference has served as a major international forum for debate on social and labour questions of

worldwide importance. Each of the 183 ILO member States has the right to send four delegates to the Conference: two from government and one each representing workers and employers, each of whom may speak and vote independently.

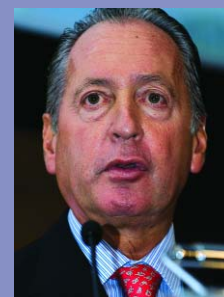
**ILO GOVERNING BODY ELECTS NEW CHAIRPERSON  
COMMITTEE ON FREEDOM OF ASSOCIATION CITES MYANMAR, CAMBODIA AND ISLAMIC REPUBLIC OF IRAN**



© ILO PHOTO



Sir Leroy Trotman



Mr. Daniel Funes de Rioja

The Governing Body of the International Labour Office (ILO) elected H.E. Mrs Maria Nazareth Farani Azevêdo, Ambassador of Brazil and Permanent Representative of Brazil to the United Nations Office in Geneva as Chairperson for its 2009–10 Session.

The 305th Session of the Governing Body also considered a range of other business, including a report of the ILO Committee on Freedom of Association.

Mrs Farani Azevêdo replaces H.E. Mr Zdzislaw Rapacki, Ambassador of Poland to the Conference on Disarmament and Permanent Representative of Poland to the United Nations Office in Geneva, who served as Governing Body Chairperson during the 2008–09 Session. Between 2003 and 2007 Mrs Farani Azevêdo worked directly with the Minister of Foreign Relations, initially as his Advisor on Political Issues, and, starting in 2005, as his Chief of Staff. In 2004–05, Ambassador Azevêdo was President Lula's Chief Negotiator for his "Action Against Hunger and Poverty" initiative. Since September 2008, she has been the Permanent Representative of Brazil to the United Nations and other International Organizations in Geneva.

Sir Leroy Trotman, General Secretary of the Barbados Workers' Union and spokesperson of the Workers' Group in the Governing Body, was re-elected Workers' Vice-Chairperson. Mr Daniel Funes de Rioja, President of the Social Policy Department of the Argentine Industrial Union and Chairman of the Employers' Group of the

Organization of American States from 1995 to 1998, was re-elected as Employer Vice-Chairperson.

The three will serve as Officers of the Governing Body during its 2009–10 Session. The Governing Body is the executive council of the ILO and meets three times annually in Geneva. It takes decisions on policy and establishes the programme and budget of the 183 member States of the ILO.

Following up on the discussions of the International Labour Conference, government, employer and worker representatives welcomed the adoption of the Global Jobs Pact at the Conference and called for immediate practical action to put it in place. The Pact was designed to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families worldwide.

The Governing Body approved the 354th report of the ILO Committee on Freedom of Association. At its meeting, the Committee examined 26 cases. Altogether there are currently 134 cases before the Committee. The Committee drew special attention to the cases of Myanmar, Cambodia and the Islamic Republic of Iran (for further information, see: [http://www.ilo.org/global/About\\_the\\_ILO/Media\\_and\\_public\\_information/Press\\_releases/lang-en/WCMS\\_108519/index.htm](http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang-en/WCMS_108519/index.htm)).

# The ILO at 90: Working for social

The June session of the International Labour Conference presented the perfect opportunity to hear directly from the regions how they celebrated the ILO's 90th anniversary and what they expect from the ILO in the future. The objective of the celebrations was to have a "global summit at local level". It has been met with 200 events in 120 countries including thousands of participants, from heads of State and government to the grassroots.

In Africa, the diversity of activities across 49 countries included a photographic exhibition in Ethiopia, dissemination of memorial coins and stamps in Egypt, popular processions in Democratic Republic of the Congo and Ghana, Decent Work songs in Madagascar and the Seychelles, talks and marches with children in Morocco and Niger. There were also poetry and essay competitions in Cameroon, Namibia and Swaziland as well as tripartite basketball games in Guinea and football matches in Sudan. And in Algeria, the inauguration of the new ILO Office was a very moving moment.

As pointed out by ILO Regional Director for Africa, Charles Dan, that diversity highlighted three major features. First, there was a focus on today's urgent priorities, principally the implications of the global crisis on Africa's peoples. The strong message was the importance of a concerted reply anchored in local development and a vibrant social economy. Second, the urgency emerged to implement Decent Work programmes in countries coming out from crisis, and third, tripartism was widely promoted as a powerful development tool.

In Asia and the Pacific, Regional Director Sachiko Yamamoto said, the aim was to make the world of work, work better for the world. In Asia also, the present economic and social crisis was the underlying theme in all of the of 22 countries which marked the Anniversary. ILO 90 organizers used the occasion to extend the message of ILO's continuing relevance by reaching out to other partners such as Ministries of Commerce, Industry and Women's Affairs, the media and the pub-

lic at large, including children. Similarly, in Lebanon a high-level tripartite event was held in Parliament, and in Jordan, events were co-sponsored by the ILO and other Agency partners. A number of heads of State and government also participated, which included an innovative Proclamation by the President of the Philippines declaring 21 April to 1 May, "ILO Week".

Twenty-two countries in Latin America and the Caribbean participated in ILO 90 with tripartite events. Here too, the occasion afforded opportunity for new partnerships, including parliamentarians and youth, for instance. A number of new publications and tools were also launched, from mechanisms for social protection and national tripartite certification of labour skills to a regional labour statistics database. A blog created for this occasion provided up to date interactive knowledge sharing.

Regional Director Jean Maninat also drew attention to the crisis and the very concrete response set in motion by Argentine President Kirchner when she highlighted the need for the ILO to be part of G-20 discussions, and then subsequently obtained the support of Brazilian President Lula to send a joint letter to that effect to British Prime Minister Gordon Brown.

In Europe and Central Asia, Regional Director Petra Ulshoefer started off by emphasizing the enthusiasm of tripartite constituents and the high-level participation that was mobilized amongst the 20 countries involved. The diversity of events reflected national priorities, but like the other regions, references were made to the global crisis and the importance of adhering to the principle of social justice.

As in Latin America, plans were unveiled to imbue regional and international mechanisms with the ILO agenda. For example, Belgium's Vice-Prime Minister announced that decent work would be an important theme for its forthcoming EU Presidency. Events focused on country achievements as a result of cooperation with the ILO over the years in the context of the universality of ILO values and their enduring relevance for each national context. The slogan "90 years working for social justice" was repeated to highlight ILO's past and present strong response to the crisis and its capacity to adapt and modernize.



# justice on five continents

The intent to harness local dialogues to have global significance and impact, to quote the Director-General, was well documented in this preliminary overview provided by the Regional

Directors. A number of further activities remain in the pipeline through the end of the year. These also span the globe, helping to make ILO messages, values and solutions local and sustainable.



President of Argentina, H. E. Cristina Fernández de Kirchner, calls for ILO involvement in the G-20, speaking at a tripartite seminar on Decent Work.  
© ILO/Argentina



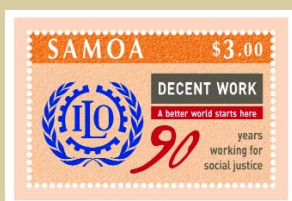
Egyptian Mint issues engraved commemorative silver coin: "Working for social justice is more than the theme of the anniversary. It is our assessment of the past and our mandate for the future."  
© Mahamad El Haddad



The first Pan-African Photographic Exhibition featured glimpses of daily life and the social dimension of labour, captured by eight prominent African photographers.  
© ILO/Ethiopia



Brazil unveils ILO 90th anniversary globe sculpture representing tripartism in the world.  
© Alessandro Dias



A commemorative stamp marking ILO's 90th anniversary was issued in Samoa at a joint ceremony attended by representatives of government and workers' and employers' organizations.  
© Keen Media, Bangkok



Stakeholders "sign up" for Decent Work, launching a campaign to promote the ILO Social Justice Declaration.  
© Qayyum Raza Mir, Fotofashion



In Cambodia, ILO's 90th anniversary celebrations showcased local entrepreneurship and crafting projects which have received ILO support.  
© ILO/Cambodia



Millions view ILO-90 billboards in Moscow's metro stations every day. The messages invite passengers to join ILO's 90th anniversary celebrations.  
© ILO/Moscow



ILO's tripartite constituents in Jordan mark the 90th anniversary by focusing on the Better Work Programme.  
© ILO/Jordan



Social partners develop interim decent work country programme for South-Central Somalia linking improved security, peace and governance to better employment opportunities.  
© Mohamed Roble Hussein, Somalia

# The social and economic cost of forced labour



© J. W. Delano, AT WHAT COST/ILO

In a new study on the patterns of forced labour worldwide, the ILO says the “opportunity cost” of coercion to the workers affected exceeds US\$20 billion per year.



<sup>1</sup> *The cost of coercion*, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, 2009, International Labour Office, Geneva. ISBN 978-92-2-120628-6.

The report, entitled *The cost of coercion*,<sup>1</sup> details the growing number of unethical, fraudulent and criminal practices that can lead people into situations of forced labour, and calls for increased efforts to eradicate the practices. It also charts the significant progress on the international and national levels in reducing and preventing forced labour, but warns of the possible impact of the global economic and jobs crisis.

Moreover, the report estimates that the “opportunity cost” of coercion to the workers affected by these abusive practices, in terms of lost earnings, now reaches over US\$20 billion. This presents a powerful economic argument, as well as a moral imperative, as to why governments must now accord higher priority to these concerns.

Noting that it was being issued amid the worst economic and financial crisis for many decades, the ILO report added that “in such a crisis situation, it is the vulnerable who suffer the most. At such times it is all the more necessary to ensure that adjustments are not made at the expense of the safeguards that have been painstakingly put in place to prevent forced labour and trafficking abuse in supply chains.”

The study paints a mixed picture of global efforts to combat forced labour. While most countries have introduced legislation that deals with forced labour as a criminal offence and the issue itself is no longer hidden or taboo, others are finding it difficult to identify cases of abuse, let alone define adequate policy responses.

The report points out that intensified international and national efforts to reduce and prevent forced labour include new laws and policies at national and regional level as well as a growing provision of social protection for those most at risk of forced labour and trafficking.

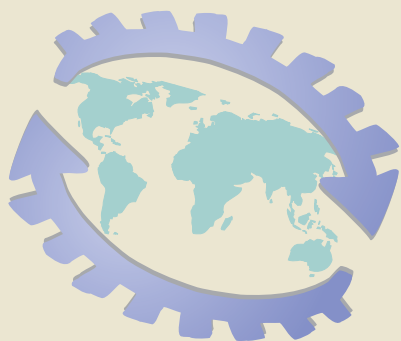
“Most forced labour is still found in developing countries, often in the informal economy and in isolated regions with poor infrastructure, labour inspection and law enforcement,” the report says. “This can only be tackled through integrated policies and programmes, mixing law enforcement with proactive measures of prevention and protection, and empowering those at risk of forced labour to defend their own rights.”

“We must never forget that forced labour is a serious criminal offence that requires criminal punishment,” said Roger Plant, head of the ILO’s Special Action Programme to Combat Forced Labour. “But we must also remember that forced labour is often poorly defined in national legislation, making it difficult to address the multiple subtle ways in which workers can be denied their freedom. The challenge is to address these problems in an integrated way, through prevention and law enforcement, using both labour and criminal justice.”



## AROUND THE CONTINENTS

A REGULAR REVIEW OF THE INTERNATIONAL LABOUR ORGANIZATION AND ILO-RELATED ACTIVITIES AND EVENTS TAKING PLACE AROUND THE WORLD



## Work and the family in Latin America

■ The massive and irreversible inclusion of Latin American and Caribbean women in the workforce has highlighted the challenges of traditional interplay between work and family life. Responding to these tensions is an essential step towards gender equality and for more productive economies, says a joint report prepared by the ILO and UNDP. Today, more than 100 million women – an unprecedented number – throughout the region work, according to the report “Work and Family: A new call for public policies of reconciliation with social co-responsibility”. According to the report, 53 per cent of women in Latin America and the Caribbean are part of the workforce, a rate that rises to 70 per cent when considering only women between 20 and 40 years old. This has been significantly improving countries’ ability to generate wealth, enhancing well-being of households and reducing poverty.

*For more information, please contact the Regional Office for Latin America and the Caribbean at [americas@ilo.org](mailto:americas@ilo.org)*



© J. Maillard/ILO

## South-South cooperation on social security

■ At the June 2009 session of the International Labour Conference the Government of Brazil and the ILO signed a new South-South Cooperation Programme on Social Security. The initiative was inspired by President Luiz Inácio Lula da Silva’s commitment to support efforts by countries of Latin America and the Caribbean, Africa and Asia to promote Decent Work and Social Justice through peer horizontal cooperation and a spirit of solidarity between nations. The Programme Document constitutes an annex to the Complementary Agreement signed by ILO Director-General Juan Somavia and the Brazilian Minister of Foreign Affairs Celso Amorim on 22 March 2009. The current annex includes provi-

sions for increasing the coverage and effectiveness of social protection in the framework of the Decent Work Agenda. The Government of Brazil would promote good practices and lessons learned in social security schemes in Latin American and Portuguese-speaking countries in Africa and Asia.

*For more information, please contact the Regional Office for Latin America and the Caribbean at [americas@ilo.org](mailto:americas@ilo.org)*

## Business responses to ageing societies

■ The Bureau of Employers Activities of International Labour Organization (ILO) held a seminar on 28–29 April to discuss how businesses are responding to the challenges of an ageing workforce and the measures needed to keep social security systems afloat. The International Symposium on Busi-

## ILO-IFC BETTER WORK PROGRAMME SCALING UP



© P. Deloche/ILO

IFC, a member of the World Bank Group, and the International Labour Organization (ILO) are scaling up their Better Work partnership to help raise labour standards in global supply chains, which will improve the lives of about 1.2 million workers in developing countries. Last May, the two institutions signed a new cooperation agreement that will consolidate efforts to improve labour standards and continue to promote the business case for better working conditions. This will allow the Better Work programme to respond more quickly to changes in market conditions in this time of crisis.

The first phase of this initiative established the Better Work global programme and activities in the garment industries of Jordan, Viet Nam and Haiti. The second phase will focus 80 per cent of its effort on scaling up its engagement in the apparel industry and 20 per cent on diversifying to new industries and

extending access to Better Work tools for improving compliance with labour standards. This effort will start in July 2009 and continue for three years.

The Better Work global programme is supported by the Netherlands, Germany, Switzerland, Ireland, Japan, Norway, Luxembourg, Italy, and New Zealand. The country programmes are supported by the United States, Jordan, Australia, Canada, the European Union, Finland, Ireland, Japan, New Zealand, the Netherlands, Norway, Sweden, and Switzerland. The programme is also supported with private-sector contributions from the United States Council Foundation with donations from the Levi Strauss Foundation, Jones Apparel Group, Sears Holding Group, and Wal-Mart.

For more information, visit <http://www.betterwork.org>.



© J. Maillard/ILO

ness Responses to the Demographic Challenge gathered business representatives from 23 countries to discuss a range of workplace measures and consider what policies can be adopted. As more people retire and live longer, fewer young people join the labour market and do so at a later age. This trend of increasing demand and lower contributions to schemes is threatening the future sustainability of social security systems everywhere, especially as regards health and old-age benefits. It is estimated that by the year 2045, more people will be over the age of 60 than under the age of 15 worldwide.

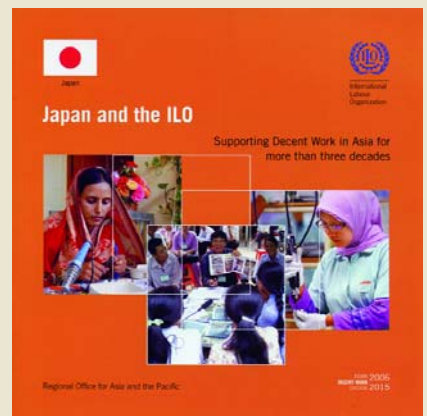
For more information, please contact the ILO Bureau for Employers' Activities at [actemp@ilo.org](mailto:actemp@ilo.org).

## Maldives becomes 183rd ILO member State

■ The Republic of Maldives became the 183rd member State of the International Labour Organization (ILO) following receipt in Geneva of a letter from the President of the Republic of Maldives stating on behalf of the Government that the Maldives had formally accepted the obligations of the ILO Constitution. Maldives' membership became effective on 15 May 2009. The country has been a member of the United Nations since 21 September 1965.

## 35 years of Japan/ILO partnership

■ An exhibition to mark the 35th anniversary of the Japanese Government's support for the International Labour Organization (ILO) was held at ILO headquarters in Geneva, Switzerland from 9–30 June. The exhibition celebrated the long-standing cooperation between the Government of Japan and the ILO, working together to realize the goal of decent work for all in Asia and the Pacific. It highlighted a number of areas of work, including combating unemployment and underemployment, creating job opportunities for women, improving occupational safety and health at work, and managing cross-border migration. The Government of Japan, through its Ministry of Health, Labour and Welfare, has financially supported the ILO – the UN specialized agency which deals with work and workplace issues – since 1974. The cooperation began with the funding of the Asian Regional Women Labour Administration Seminar in Tokyo in November 1974, and has continued steadily with the aim of addressing the changing needs of workers in Asia and the Pacific and realizing the Decent Work Agenda across the region. The cooperation programme is now known as the ILO/Japan Multi-bilateral Programme and is based in the ILO Regional Office for Asia and the Pacific in Bangkok.





## ILO-World Bank cooperation on disaster relief

■ Between 1980 and 2007, nearly 8,400 disasters caused by natural hazards have taken the lives of over 2 million people and produced economic losses of millions of US dollars. To address the consequences of natural hazards and rebuild livelihoods in the aftermath of disasters, the ILO and the World Bank signed a joint statement to reinforce their collaboration last June. The statement was signed in Geneva during the Second Session of the Global Platform for Disaster Risk Reduction. While the two organizations already enjoy close cooperation on post-disaster recovery and reconstruction programmes, the joint statement strives to further promote innovative joint initiatives at the field level to help disaster-prone countries to reduce the risk of loss of livelihood due to disasters, accelerate the transition to post-disaster recovery, and prepare livelihood adaptation measures in view of climate change challenges.

## New ILO brochure on green jobs



■ Green jobs have become an emblem of a more sustainable economy and society that preserves the environment for present and future generations

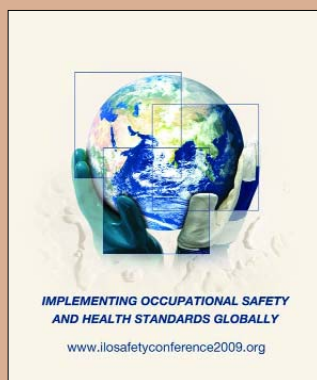


© T. Faltz/ILO

erations and is more equitable and inclusive of all people and all countries. A new ILO brochure summarizes the why, what and how of the ILO's global programme on green jobs. Why the transformation to a sustainable, low carbon economy is crucial for environmental and social reasons. What this transformation means for enterprises and labour markets. What the ILO means by green jobs. How green jobs and the greening of enter-

prises contribute to meeting pressing social and environmental challenges and how the ILO is setting up and implementing its global programme through partnerships. The brochure also includes contacts and links to key resources for further information.

For more information, please go to [http://www.ilo.org/integration/resources/pubs/lang--en/docName--WCMS\\_107815/index.htm](http://www.ilo.org/integration/resources/pubs/lang--en/docName--WCMS_107815/index.htm)

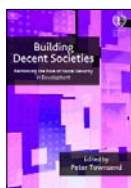
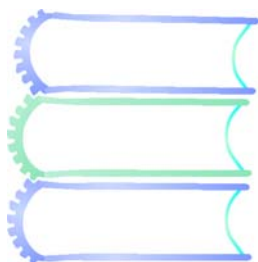


## Implementing Occupational Safety and Health Standards Globally in Time of Crisis

3-6 November 2009,  
Congress Centre Düsseldorf,  
Germany

Under the theme "Implementing Occupational Safety and Health Standards Globally in Time of Crisis", the International ILO Safety and Health Conference in Düsseldorf (Germany) will bring together 300 participants from 60 countries around the world during the A+A Messe Düsseldorf International Trade Fair and Congress. Policy-makers, social partners, CEOs from multinational enterprises, worker representatives, labour inspectors, prevention and social security experts, practitioners and non-governmental actors will give answers to the question: **How can the ILO and its partners help to claim the right to safe and healthy workplace even in time of global financial crisis?**

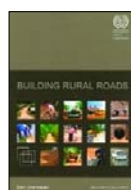
MEDIA SHELF



■ **Building decent societies. Rethinking the role of social security in development**

Edited by Peter Townsend. ISBN 978-92-2-121995-8. Geneva, ILO, 2009. US\$105; €75; 110 Swiss francs.

The downturn of the global economy has worsened the problems of poverty and unemployment across the whole world. This book makes the case for a comprehensive social security system to be developed in all countries, including the poorest ones, in order to eliminate desperate conditions of poverty, to reverse growing inequality and to sustain economic growth. It is increasingly understood that universal social security systems have an enormous potential for low-income countries which has not yet been sufficiently explored. Recognizing that economic and social development are inextricably intertwined across countries, new international strategies are required to design appropriate social security policies which would effectively help to reduce poverty and productively contribute to economic and social development.

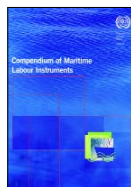


■ **Building rural roads**

Bjørn Johannessen. ISBN 978-92-12-120977-5. Bangkok, ILO, 2008. US\$40; €30; 45 Swiss francs.

This manual offers best practice methods and resources in building rural roads. Rural roads form the most important connection in terms of providing access to essential services such as education, health care, water supply, and economic opportunities for the rural population. Building good quality rural roads is a particular skill that requires proper planning, experienced supervision, good workmanship and the sustainable use of local resources as much as possible. The purpose of this manual is to provide technical staff ranging from site supervisors to engineers with a technical reference detailing commonly used work methods and best practices for constructing rural roads. It describes all phases of works management from the initial stages of iden-

tification and design, through technical planning, work organization, works implementation procedures and site administration, to reporting and control.



■ **Compendium of maritime labour instruments**

Maritime Labour Convention, 2006, Seafarers' Identity Documents (Revised) Convention, 2003, Work in Fishing Convention and Recommendation, 2007. ISBN 978-92-2-120612-5. Geneva, ILO, 2008. Also available in French and Spanish. US\$35; €23; 35 Swiss francs.

The Maritime Labour Convention, 2006, an important new international labour Convention, was adopted by the International Labour Conference at its 94th (Maritime) Session. Sometimes called a "bill of rights" for seafarers, the Convention sets out seafarers' rights to decent conditions of work and helps to establish conditions for fair competition for shipowners. It was designed as a global legal instrument that will become the "fourth pillar" of the international regulatory regime for quality shipping, complementing the key Conventions of the International Maritime Organization (IMO). The Convention contains a comprehensive set of global standards, consolidating almost all the existing maritime labour Conventions and Recommendations that have been adopted since 1920 in a single new instrument with a new format and requirements that reflect modern conditions in the industry.

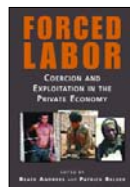


■ **The cost of coercion**

Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, 2009, International Labour Conference, 98th Session 2009, Report I(B). ISBN 978-92-2-120628-6. Geneva, ILO, 2009. Also available in French, Spanish, Arabic, Chinese, German and Russian. US\$35; €23; 35 Swiss francs.

This Global Report sheds new light on forced labour in today's global economy. It examines the daunting challenges faced by the many actors and institutions involved in a global alliance against forced labour, from the conceptual and political, through to the legal, juridical, and institutional. It shows how challenges have been met so far, often with the support or involvement of the ILO, and points to substantial examples of good practice that can guide future efforts to tackle forced labour in all its forms. It highlights the need for labour administration and inspectorates to be at the forefront of

action against forced labour and human trafficking, complementing other law enforcement and prevention mechanisms.



■ **Forced labour: Coercion and exploitation in the private economy**

Edited by Beate Andrees and Patrick Belser. ISBN 978-92-2-120164-9. Geneva, ILO, 2009. Co-publication with Lynne Rienner Publishers, USA. US\$22.50, €17, 25 Swiss francs.

Two centuries after the abolition of the transatlantic slave trade, at least 12.3 million people continue to be subjected to modern forms of forced labour characterized by coercion and exploitation. The original field research presented in this volume shows that the victims include not only indigenous workers in Andean countries or people of slave descent in Niger, but also migrant workers trafficked into Europe and the United States, and vulnerable members of the labour force in Brazil or Pakistan. The book highlights some of the measures that can be taken to combat these unacceptable practices and argues in favour of a labour market approach, which includes the regulation and monitoring of labour intermediaries, the strengthening of labour inspection systems, as well as a stronger involvement of trade unions and employment tribunals.



■ **Forced labour and human trafficking: Casebook of court decisions**

A training manual for judges, prosecutors and legal practitioners. ISBN 978-92-2-122177-7. Geneva, ILO, 2009. US\$32; €23; 35 Swiss francs.

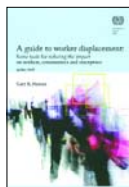
Forced labour and human trafficking have evolved into numerous and often subtle forms of abuse and exploitation, posing a challenge for law enforcement. This casebook covers a range of national experience, from judicial decisions on forced and bonded labour in developing countries to more recent decisions on forced labour and trafficking in industrialized countries. It seeks to illustrate how national court decisions have taken into account the provisions of the ILO's Conventions on forced labour, and how this may provide guidance for future court decisions. This casebook is a part of the ILO's Special Action Programme to Combat Forced Labour (SAP-FL), which has conducted research and surveys on modern forced labour and strengthened stakeholder capacity in the fight against it. It is aimed at judges, prosecutors and other legal practitioners.





■ **Growth, employment and poverty reduction: The case of Indonesia**  
Iyanatul Islam and Anis Chowdhury. ISBN 978-92-2-122001-5. Geneva, ILO, 2009. US\$40; €27; 40 Swiss francs.

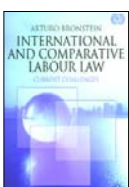
This timely study examines the impact of policies on growth, employment and poverty reduction in Indonesia, reviewing the periods both before and after the 1997 financial crisis and drawing important implications for today's policy-makers. Analysing the Indonesian labour market and exploring appropriate responses to foster growth and poverty reduction, the authors argue that "de-industrialization", decline in employment elasticity and lack of growth of real wages seem to be the key features of labour market performance in the post-1997 period. Influential commentators have suggested that this has resulted from onerous labour market regulations. The authors carefully dissect the evidence and make a case for a new reform agenda that empowers labour market institutions and prioritizes investment in public infrastructure and expenditure on human development over inflation targeting and fiscal conservatism.



■ **A guide to worker displacement: Some tools for reducing the impact on workers, communities and enterprises**

Update 2009. Gary B. Hansen. ISBN 978-92-2-122103-6. Geneva, ILO, 2009. US\$30; €20; 30 Swiss francs.

This guide is an update to the 2001 Guide to worker displacement that was published in response to the Asian financial crisis. The guide, drawing on experience primarily in North America and during the transition process in Central and Eastern Europe, explores how enterprises, communities and workers can respond to the financial crisis and how to reduce potential job losses. This includes possible strategies for averting lay-offs and promoting business retention by communities, enterprise managements and workers' association. The guide is primarily for use in industrialized and transition countries, and is aimed at policy-makers, employers and workers in developing appropriate responses that promote employment and worker retention during the recession.



■ **International and comparative labour law: Current challenges**

Arturo Bronstein. ISBN 978-92-2-121202-7. Geneva, ILO, 2009. Co-publication with Palgrave Macmillan Publishers. US\$80; €50; 80 Swiss francs.

lan Publishers. US\$80; €50; 80 Swiss francs.

Written by a leading expert in labour law, this invaluable study provides a comprehensive analysis of the challenges facing labour law in the 21st century across the globe. It focuses in particular on labour law and international trade, the employment relationship and the fundamental rights of the person in the employer/employee relationship, work in the informal economy and outsourced work, as well as discussing the most noteworthy changes in labour law at the regional level. The author offers different approaches to improving the effectiveness of labour law in the globalized era, including ratification of ILO Conventions, the harmonization of labour legislation in areas with an important trade market, the inclusion of social clauses in international trade agreements, and the application of corporate social codes across supply chains.

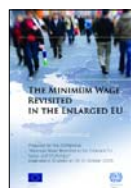


■ **Occupational wages and hours of work and retail food prices**

Statistics from the ILO October Inquiry, 2009. ISBN 978-92-2-022242-3. Geneva, ILO, 2009. Trilingual English/French/Spanish.

US\$70, €55, 85 Swiss francs.

A vital reference source for anyone interested in conditions of work and life, this trilingual publication provides detailed information on wages, hours of work and food prices. Covering 159 occupations in 49 industry groups, and the retail prices of 93 food items, it offers an indispensable statistical resource for international comparisons. CD-ROM: ISBN 978-92-2-022243-0. Geneva, ILO, 2009. Windows version, trilingual English/French/Spanish. Single user: US\$80; €65; 100 Swiss francs. Multi-user: US\$120; €100; 150 Swiss francs. Providing over 20 hours of detailed information on wages and hours of work for selected occupations (1984–2008) and retail prices of selected food items (1984–2008), this CD-ROM is a comprehensive, easy-to-use reference tool. It presents data on 159 occupations in 49 industry groups, and the retail prices of 93 food items.



■ **The minimum wage revisited in the enlarged EU**

Daniel Vaughan-Whitehead. ISBN 978-92-2-121987-3. Geneva, ILO, 2009. Co-publication with Edward Elgar Publishing. US\$85, €60, 90

Swiss francs.

This book provides in-depth and innovative analysis of the minimum wage in Europe, looking at its scope within the enlarged EU and posing the

question of harmonization between the minimum wages of the individual Member States – or even a common EU minimum wage. It also explores the role of the minimum wage at the national level, looking at trends and effects, with case studies on specific national policy issues or industrial sectors. Minimum wage fixing has returned quite prominently to the core of policy debates. Proposals to have common rules at EU level have also multiplied since EU enlargement, in particular to minimize "social dumping". Bringing together 15 national studies from noted European specialists in the field, this timely collection aims to stimulate the current debate.



■ **The promise and perils of participatory policy-making**

Research Series No. 117. Lucio Baccaro and Konstantinos Papadakis. ISBN 978-92-9014-876-0.

Geneva, International Institute for Labour Studies, 2008. US\$18; €12; 18 Swiss francs.

This book explores the effectiveness of civil society organizations and participatory policy-making in public policy. Do civil society organizations have a stronger influence when directly involved in policy-making than when they are operating from the outside? Does participatory policy-making enhance the efficiency and equity of public policy? This research volume explores these questions by contrasting the theoretical underpinnings of participatory governance and deliberation theories. It includes empirical findings from extensive field research in South Africa, a country that has introduced numerous participatory policy-making institutions from the early 1990s on.



■ **Safety and health in underground coalmines. An ILO code of practice**

ISBN 978-92-2-120162-5. Geneva, ILO, 2009. Also available in French and Spanish. US\$32, €25, 40 Swiss

francs.

This code of practice on safety and health in underground coalmines reflects the many changes in the industry and its workforce, as well as new developments in occupational safety and health policies and ILO instruments on occupational safety and health. A leaner, multi-skilled workforce, new technology and less prescriptive, more systems-oriented approach to addressing safety and health are also reflected in this code. The code sets out a national framework that specifies the roles of the competent authorities, employers, workers and their

organizations. It also comprises a methodology for identifying hazards, preventing and minimizing risks, as well as specific provisions for safe underground coalmining operations.

#### ■ **Workplace solutions for childcare**

Catherine Hein and Naomi Cassirer. ISBN 978-92-2-122035-0. Geneva, ILO, 2009. US\$40, €28, 40 Swiss francs.

Workplace partnerships are effective for work-



ing parents considering childcare solutions. The focus of this book is on why workplace partners around the world have become involved in childcare and about the nature of programmes that have been implemented. Partnership is a key theme, and the authors highlight the fruitfulness of collaborations that combine the resources and capabilities of different

actors. Ten countries, industrialized and developing, are examined through a national overview on policies and facilities for childcare and the implications for working parents, followed by case studies of specific workplaces. This book is aimed at policy-makers and workplace partners who are concerned to find practical solutions for helping working parents with their childcare needs.

## INTERNATIONAL LABOUR REVIEW, VOL. 148 (2009), NO. 1-2

#### ■ **The global crisis, social protection and jobs**

Joseph STIGLITZ

Policy responses to the global financial meltdown of 2008 and the collapse of aggregate demand have largely been driven by domestic interests. Resurgent protectionism, bank bail-outs and national-level stimulus packages are distorting competition and incentives to the detriment of developing countries, much-needed spending on social protection and, ultimately, rapid global economic recovery. Warning against underestimation of the job-destruction potential of the current crisis, the author argues for a truly global stimulus package, together with a rethink of economic paradigms and regulatory policies, financial assistance to developing countries, a less constraining IMF, and stronger social protection as an automatic stabilizer of economies.

#### ■ **Work more to earn more? The mixed feelings of Europeans**

Lucie DAVOINE and Dominique MÉDA

Would Europeans prefer to work more or less? How do they rate the importance of work in society? Surveys suggest that they attach great importance to work, yet a proportion of them would like to see work take up less space in their lives. How to explain this paradox? Three hypotheses are examined in the light of the findings of international surveys: lower expectations in regard to work, the gap between those expectations and disappointing labour market experience and, lastly, the wish to devote more time to other activities. The article concludes with some policy suggestions.

#### ■ **The "externalization" of labour law**

Antonio OJEDA AVILÉS

The powerful process of labour law adjustment which, for some three decades, experts have looked upon as one of fragmentation – not to say

disintegration – into evermore disconnected sub-fields is turning into a general trend that looks set to take on a structural dimension. An expansionary drive is indeed taking labour law into alien territories, seemingly jeopardizing its identity and traditional boundaries, albeit with a symbiotic interchange of reciprocal influences. This article analyses six avenues of expansion which have been observed in Europe and in some American and Asian countries.

#### ■ **Towards socially sensitive corporate restructuring? Comparative remarks on collective bargaining developments in Germany, France and Italy**

Guido BONI

Rapidly changing markets in the context of globalization call for increasingly frequent restructuring to sustain the competitiveness of individual firms. To meet this need while minimizing consequent job loss, the social partners in major European countries have devised a variety of decentralization mechanisms that enhance local-level flexibility without fundamentally calling into question the traditional national models of collective bargaining. Analysing the use of "opening clauses" in German industry agreements, France's firm-level "derogation agreements" and mandatory bargaining on "workforce planning", and Italy's tripartite "territorial agreements", the author concludes with a plea for a supranational framework to support socially sensitive restructuring across Europe.

#### ■ **Student labour and academic proficiency in international perspective**

David POST and Suet-Ling PONG

Based on the 2003 Trends in International Mathematics and Science Study, the authors find that negative associations between student employment and academic achievement are stronger in some countries than in others – differences likely to result from country-specific work opportunities

and needs. Turning to the 2004 Educational Longitudinal Survey of the United States for causality, they observe a curvilinear association between employment and math proficiency: working up to ten hours per week has a modest positive effect, 10–19 hours has no effect, and 20 hours or more has a substantial negative effect. The possible endogeneity of work-hours is then tested with instrumental variables.

#### ■ **Technological change and income distribution in Europe**

Cristiano PERUGINI and Fabrizio POMPEI

This article provides empirical evidence of the link between technological change and overall income inequality in 14 EU countries. The analysis begins by testing the skill-biased technological change (SBTC) hypothesis in sectors with different levels of technology intensity. After confirming the skill complementarity of technology and the predominantly skill-replacing character of investment, the analysis turns to sectoral changes in skilled-labour demand as a possible determinant of income inequality. It finds a non-linear relationship between SBTC and inequality in five of the eight sectors considered, suggesting an inverted U-shaped pattern that can be explained by stages in labour demand and supply adjustments over time.

#### ■ **Notes and debates:**

Transnational collective bargaining in Europe: The case for legislative action at EU level

*Edoardo ALES*

A Supreme Court challenge to Argentina's trade union model

*Adrián GOLDIN*

Core labour standards under the Administration of George W. Bush

*Christopher CANDLAND*

Labour statistics: The boundaries and diversity of work

*Patrick BOLLÉ*



**FORTHCOMING SPECIAL ISSUE OF THE INTERNATIONAL LABOUR REVIEW, VOL. 148 (2009), NO. 3 (SEP.)**

**Lessons from Latin America's neo-liberal experiment: From crisis to crisis**

This special issue of the *International Labour Review* assesses the impact on labour and social policy of the neo-liberal reforms carried out in Latin America. It consists of an introductory overview prepared by Lydia Fraile and six national case studies, including Argentina (by M. Novic, M. Lengyel and M. Sarabia), Bolivia (by F. Wanderley), Brazil (by M. Pochmann), Chile (by M. Riesco), Mexico (by M. C. Bayón) and Uruguay (by F. Filbueira and P. Alegre).

Latin America finds itself at a crossroads after two decades of intense experimentation with neo-liberal reforms. Following the debt crisis in the early 1980s, the region abandoned its previous development strategy based on import substitu-

tion industrialization and state interventionism, seeking greater integration into the world economy and a larger role for the market. Throughout the continent, governments embraced the "Washington consensus", a policy package that emphasized macroeconomic discipline and structural reforms, freeing trade and investment flows and aggressively pursuing deregulation and privatization. In particular, these reforms translated into labour flexibilization, targeted social assistance and reliance on private-sector provision, with at least partial privatization of pension systems.

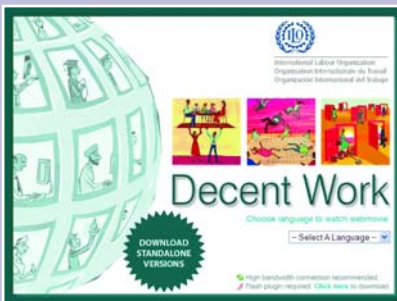
While there was some variation in the timing and pace of reform across countries, a high level of convergence was reached by the mid-1990s. Yet the reforms failed to produce expected out-

comes. Economic growth was weak and volatile, with a number of countries rocked by financial crises. Social outcomes were equally disappointing. There was little progress in poverty reduction and income inequality remained extremely high by international standards, social protection decreased, and the informal economy grew.

Since the end of the 1990s, however, Latin American politics have taken a "left turn". The earlier reforms have been called into question, with markedly improved social outcomes. Yet it remains to be seen whether the positive effects of this recent change of course can be sustained in the face of the current financial, economic and social crisis.

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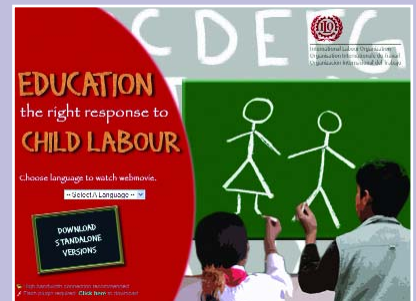
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**Education, the right response to child labour**



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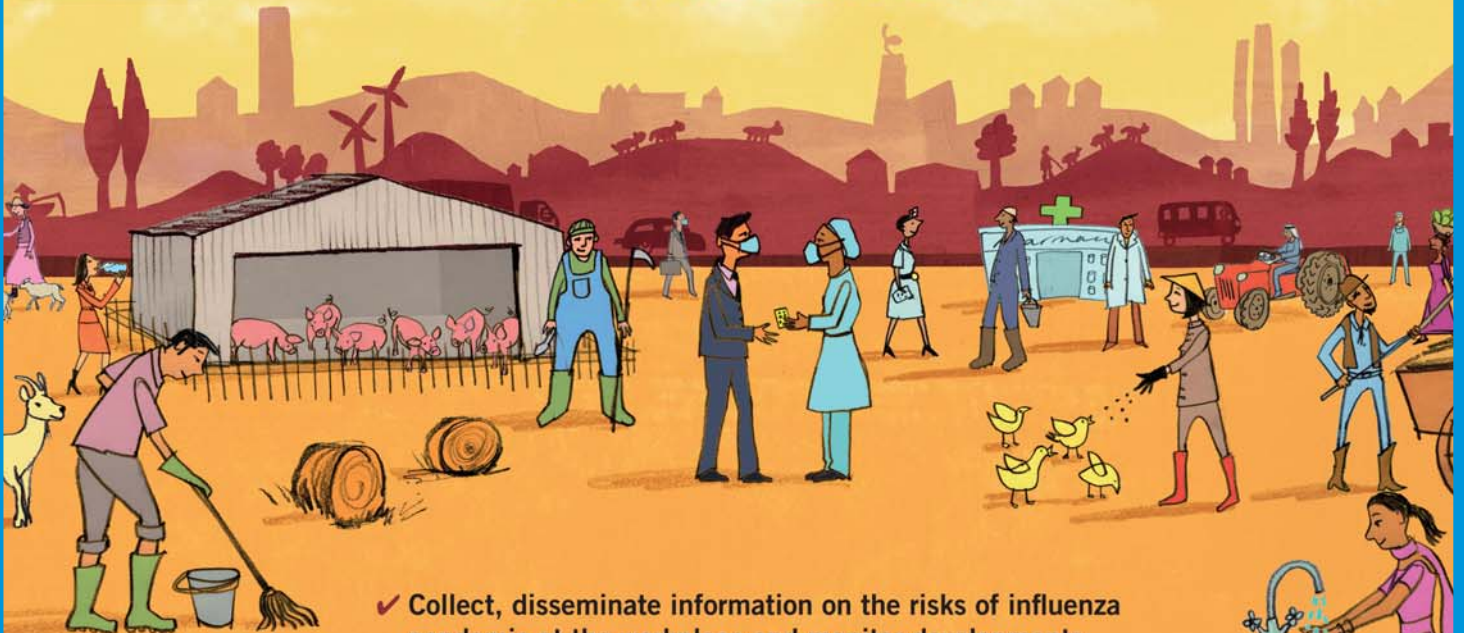
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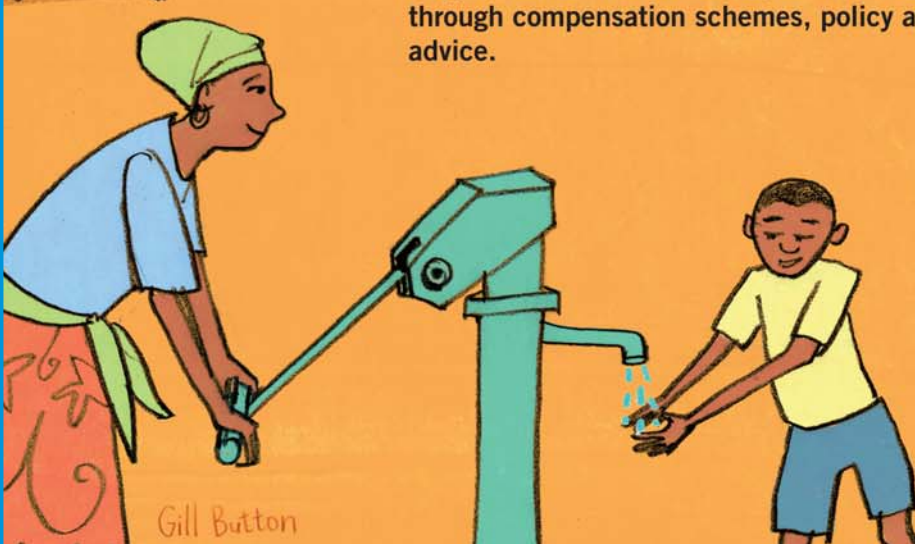
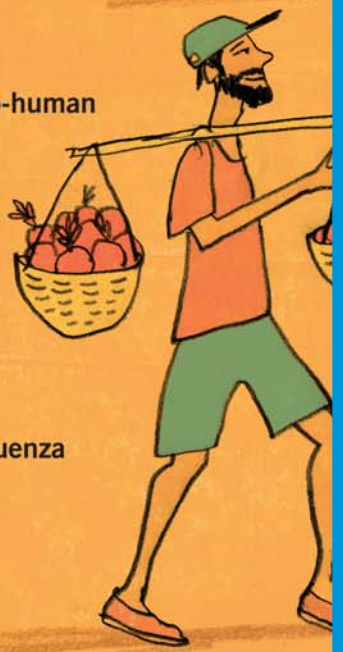
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