



NINETEENTH ITEM ON THE AGENDA

The International Institute for Labour Studies

Report of the 49th Session of the Board

1. The Board of the International Institute for Labour Studies held its 49th Session on 9 November 2007. The meeting was chaired by the ILO Director-General. There were three items on the agenda: (i) programme and budget for 2008–09;¹ (ii) report of the Director;² and (iii) acceptance of contributions and gifts in support of the Institute's activities.³
2. Welcoming the Board Members and other delegates to the meeting, the Director-General expressed his appreciation of the significant contributions made by Mr Gerry Rodgers, former Director of the Institute. He noted that it was a highly productive period when Mr Rodgers was the head of the Institute and that numerous innovative activities were launched and a number of important publications brought forward under his leadership. The Director-General welcomed Mr Raymond Torres, the new Director, and noted that Mr Torres had returned to the ILO after occupying important positions at the OECD. Earlier, while working at the ILO, he had led the first set of country studies that comprehensively assessed the social impacts of globalization. Having stayed in touch with the ILO, and more importantly with the Decent Work Agenda, Mr Torres was his natural choice to lead the Institute in the coming years.
3. The Director-General emphasized the crucial role that the Institute, as an autonomous body dealing with policy oriented analysis, could play to support the achievement of decent work goals in coming years. He indicated his full support for the Institute's programme and budget for 2008–09 and highlighted its importance for the ILO as a whole. Globally there was growing support for the Decent Work Agenda, and remarkable consensus over the feasibility of shaping globalization for a better future. However, there was also a conspicuous need for linking research and policy-making in order to shed light on ways and avenues for realizing the goal of fair globalization. He emphasized that the Institute was perfectly placed to bridge this gap between research and the development of a policy agenda. The new periodic publication put forward in the programme and budget by the

¹ INS.B.XLIX/1.

² INS.B.XLIX/2.

³ INS.B.XLIX/3(Rev.).

Director of the Institute could play a crucial role in this regard. The Director-General stressed that no other international organization had the richness of experience in dealing with real life issues as the ILO. The tripartite structure, a unique product of the ILO, had effectively ensured an easy access to its knowledge base. It would be important to identify key research issues, anchored in tripartism, which could put the ILO in the vanguard as the provider of stable and sustainable solutions to the global economy. He listed some contemporary issues calling for attention: growing disconnect between growth and job creation; rising concerns on the quality of jobs; and declining share of wages. The Institute was well placed to find ways to attain a better balance between growth and decent work and to reconcile economic policies with the imperatives of social policies. He also hoped that the Institute could provide a solid analysis on the concept of a social floor, consistent with the development of markets.

4. The ILO Century Project, being managed by the Institute, provided a wonderful opportunity to go into the historical roots of tripartism and to consolidate the Organization's institutional memory. The Director-General hoped that, through the project, the ILO would emerge as a united family with a strong memory, and not one just displaying its old photographs. The project should become a capacity-building exercise and strengthen the knowledge base of all associates of the ILO concerning the richness of its past and its great contributions to shaping the idea of a just society.

Programme and Budget for 2008–09

(INS.B.XLIX/1)

5. The Director paid homage to his predecessor. His impressive achievements were well reflected in the comprehensive range of outputs described in the report of the Director. This also included the creation of the Decent Work Research Prize, the publication of the ILO–WTO study on trade and employment and the upgrading of the *International Labour Review*.
6. The Director then presented the main elements of the programme and budget for the next biennium. The aim was, first, to complete a range of ongoing projects on global production networks, internationalization of labour markets, labour law in developing countries and international framework agreements. Second, an attempt would be made to move towards a more integrated approach to research, via a new periodic publication on key global challenges shaping the world of work. For 2008, the new publication would focus on: (i) globalization, employment and inequalities; (ii) an analysis of the social impact of financial liberalization; and (iii) an examination of the role of tripartite policy-making. For 2009, the publication would examine in detail the policy challenges arising from some of the 2008 findings, notably as regards labour law and the informal economy, social protection and the role of corporate social responsibility versus national regulation in promoting workplace practices. The 2009 volume would end with a reflection on the issue of social floors. Such an approach would enhance synergies between different projects and would help use research conferences as a catalyser for better diffusing the findings of the Institute's work (a regional conference on "green jobs" was planned in this regard). It would also make it possible for the high-quality research team that presently existed at the Institute to devote more time to preparing their own research, rather than contracting projects out. The new periodic publication would also improve the visibility of the Institute's research. Third, a follow-up to the successful ILO–WTO project was proposed as a fourth aim; its outcomes could form the basis of a topic in the new periodic publication. Fourth, as part of the Century Project, an edited volume would be produced in time for the 90th anniversary of the ILO. Fifth, the education programme would continue to play a key role in the Institute's work programme. It should also benefit from the

outcomes of the new periodic publication. Finally, the Director presented the budget figures for 2008–09, and highlighted the extremely tight situation in this regard.

7. Mr Anderson (acting Employer Vice-Chairperson) welcomed the new Director and recognized the commitment of the Director-General to reinforcing the work of the Institute. He also expressed his gratitude for the work conducted by the Institute under the previous Director. He fully endorsed the programme and budget for the next biennium, while recognizing the fact that the Institute operated under considerable financial pressure.
8. He raised a number of general points regarding the document. He stressed that, in designing and implementing the details of the various research activities, the Institute should maintain an informal dialogue with social partners during the biennium. He emphasized the role of also undertaking research on small and medium-sized enterprises, which constituted the backbone of economic development and new job creation; research on this topic should look at the capacity of small firms to address economic challenges in the specific contexts where they operated. The spokesperson supported the proposal for launching a new Institute publication aimed at integrating research conducted in the Institute into a single volume. He emphasized the need to envisage research, not only from the viewpoint of reconciling *labour* and *capital*, but also for the virtuous cycle generated between social development and economic development and vice versa. The Institute should also develop and conduct research bearing in mind the so-called “SILC” (Strengthening the ILO’s Capacity) initiative.
9. He also made a number of specific observations. First, with regard to paragraph 12 of the document on the forthcoming publication on *global production systems*, the Bureau of Employers’ Activities had recently conducted a symposium on the same subject, and would be happy to transmit papers which might be relevant to the ILS publication. Second, regarding the projects on *internationalization of labour markets*, *labour law and decent work* and *cross-border social dialogue* mentioned in paragraphs 13–15 of the document, the Employers’ group recognized the significance of these projects and fully supported them, especially where they focused on specific issues that had not previously been fully explored.
10. As for the proposed new publication of the Institute in 2008, the Employer spokesperson highlighted the particular importance of the chapter on tripartism, as a research area that had not yet been fully explored, due to the fact that very few public institutions conducted research on this topic, with the exception of the ILO. Regarding the 2009 proposed agenda for research and the new publication, which would be more focused on *policy responses*, the Employers’ group felt that there was a thin line between research and policy, and that policies ultimately are the responsibility of the social partners. It was essential that the research conducted in the Institute provided a basis for the social partners to engage in policy dialogue and policy-making, without pre-empting decisions. Mr Lima Godoy (Employer member) added that this was all the more important given the profound challenges facing the world of work.
11. He also suggested that summaries or abstracts, as headnotes to each piece of research, would assist employer organizations in distributing the work of the Institute to those specific people in industry who might be interested in the topic and add value to it.
12. Ms Yacob (acting Worker Vice-Chairperson) also welcomed the appointment of Mr Torres as new Director of the Institute. She noted that the Workers shared many of the points raised by both the Director-General and the Director on the key themes of the Institute, notably the issue of balanced globalization and the need for a social floor in times of restructuring.

13. She expressed the Workers' strong concern about the long-term financial health of the Institute. The regular budget did not cover the Institute's staff costs. To date, the gap could be covered by recourse to the reserve, but at the end of the next biennium this would no longer be possible, as the reserve had almost been depleted. The solution would be for the Institute to receive a higher allocation from the ILO's regular budget or to design a strategy for mobilizing extra-budgetary resources. The Institute needed additional Professional staff resources in order to continue delivering high-quality research and providing important inputs for the ILO as well as the outside world – something which the new periodic publication which was being proposed in the programme and budget could help achieve.
14. The subject matter outlined in paragraphs 12–15 of the document was important and should build on other work done in the ILO on these themes. For instance, in the area of migration, the Institute's research should be connected to the ILO's Multilateral Framework on Labour Migration and a rights-based approach to migration. Corporate social responsibility initiatives were mostly management-driven but cases also existed where such initiatives were negotiated between social partners. The Institute's research should not overlook such cases.
15. The Workers welcomed the proposed new periodic publication and observed that important topics had been identified for the 2008 volume. Concerning the links between international economic integration, employment and inequalities, from the Workers' perspective the focus had to be on inequalities. The scope and cost of inequalities deserved closer examination together with the policies to overcome them. The ILO's mandate was to improve the lives of working men and women. Research was needed on what kind of economic development is compatible with the ILO mandate. The social impact of financial liberalization was a welcome topic given the numerous repercussions for workers in this area. The question of how tripartism could contribute to bettering the lives of workers was similarly interesting. As for the content of the publication proposed for 2009, Ms Yacob welcomed the idea of considering policy responses, as a natural follow-up to the 2008 volume. She felt somewhat uncomfortable with a number of formulations used in paragraph 18 of the document and hoped that these would not be misinterpreted, notably as regarded the benefits from mobility and the concept of "flexicurity". Also, linking social protection with work incentives must not mean depriving needy persons of social assistance. She noted that international framework agreements were not voluntary codes of conduct – instead they are negotiated agreements belonging to the realm of industrial relations – and that workers should not be put together with civil society groups.
16. Ms Yacob wondered why the follow-up to the study on "trade and employment" was scheduled only for 2009. She remarked that the focus on the informal economy was narrow and needed to be expanded to include other topics. The Institute should also consider the debate on the follow-up to the study at the Working Party on the Social Dimension of Globalization. She fully supported the proposed work on green jobs as well as the ILO Century Project. In connection with the latter it would be important to highlight the ILO's contributions through its norms and standards.
17. In relation to the education programme, the Workers welcomed the Institute's collaboration with the Global Labour Union and hoped that this could be expanded in future. Organizing periodic retreats for top-level ILO constituents could pose financial difficulties and the question of participation in this activity remained to be addressed. The Institute could create more value for visiting scholars and fellows by providing them with increased interaction with the social partners.
18. Research conferences with the participation of constituents were useful and the Workers had a number of suggestions to make on topics to be treated in future. The first Decent Work Research Prize had been a very successful operation. As for publications and

communications, the spokesperson underlined how important it was that the research findings actually reached the social partners and the Institute should make every effort in this respect.

19. Mr Ahmed (Worker member) wished to highlight in particular that the Institute's work should be guided by a focus on workers' rights and how these could be defended.
20. The representative of the Government of Hungary began by expressing his thanks to the former Director for the excellent job done. He congratulated the new Director and wished him success and good luck. He emphasized that the Institute was a special asset to the ILO, as illustrated by the presence of the Director-General throughout the Board meeting. Having a research office in the ILO provided important opportunities and advantages. First, the Institute could deal with complex issues not addressed by other parts of the Office. Second, the Institute could focus on topics of strategic and long-term importance for which other parts of the Office had limited time. Third, the Institute could address sensitive topics that may be difficult for the constituents to deal with. He stressed that the Institute, as part of the Office, maintained special independence because of its links with outside independent academics. Concerning the ILO's Century Project, he agreed with the Director-General that a "family photo" was not merely needed for the purpose of a family gathering. He affirmed that an examination of the role of the ILO over the past 90 years must be developed, as the ILO has had a positive impact in many areas over its history. There was also a need for a critical analysis of the ILO operating in a changing environment. For example, relatively limited attention has been paid by the ILO to the evolution of tripartism. The Institute was a perfect place to conduct research on this issue.
21. The representative of the Government of the Islamic Republic of Iran extended a hearty welcome to the new Director. He opined that research was a deep ocean which needed strong divers to collect the pearls at the bottom of the ocean of research. He gave thanks and recognition to the previous Director for what he had accomplished as Director of the Institute. He also acknowledged the positive initiatives of the Institute serving as a catalyst to strengthen action involving the ILO and member States. He agreed with the Employers that small firms could be an important research area. He drew attention to the joint ILO–WTO study, which he acknowledged was a significant work. Since the WTO was gaining in influence and importance every day, he would like to see more research on trade and employment and welcomed the Institute's proposed follow-up. Further research challenges included the issue of the environment. He noted the research workshops on global production networks and local creation of decent work to be held in India in 2007 and in Brazil in 2008 as good examples of how the Institute could deliver messages on issues of importance to constituents at the national and regional levels. Similarly, the thematic workshop to be held in Nairobi in 2007 was welcome. He emphasized that it was important to build closer collaboration between the Institute and constituent institutes for research in their home countries.
22. The Director-General thanked the Board members for the rich and fruitful discussions and responded to the numerous points and issues they had raised. In particular he appreciated the clear convergence emerging from the discussions on the idea of decent work for fair globalization. The ideas for strengthening the research and educational activities expressed by the Board would be duly reflected in the report of the meeting. He also thanked the Board for being gracious over the work of Mr Rodgers and for welcoming Mr Torres. He also complimented the staff members for their commitment and team work which kept the quality and profile of the Institute high in the ILO.
23. Responding to the concern raised by the Board on the decline of resources, he emphasized the importance of ensuring financial viability of the Institute. To this end he would look into the regular budgetary support made available to the Institute.

24. *Noting the above comments, the Board, in accordance with article II, paragraph 6, of the Regulations of the Institute, decided to adopt the programme and budget for the International Institute for Labour Studies for 2008–09, to transmit the programme to the Governing Body of the ILO for endorsement, and to submit the budget for final approval.*

Report of the Director **(INS.B.XLIX/2)**

25. The Employer spokesperson asked for the Institute to provide further specific information concerning the Asian Regional Meeting on green jobs, and reiterated the importance of involving the social partners in such an event.
26. The Worker spokesperson stated that any future Institute work on scenarios should ensure the inclusion of constituents' views. Work on social models that had been confined to Europe and Latin America should, if planned for the future, be extended to Asia. She also inquired about the outcomes of the independent review of the ILO and the Institute's research.
27. The Director replied to the various specific comments and indicated that the outcomes of the independent review on ILO research would be presented at the next meeting of the Institute's Board in 2008.
28. *The Board took note of the report.*

Acceptance of contributions and gifts **(INS.B.XLIX/3)**

29. *The Board took note of the report.*

Geneva, 12 November 2007.