

# **Promotion of Employment and Decent Work in LDCs**

Programme of Action for the Least Developed Countries for the Decade 2001-2010, UN-OHRLLS, meeting of National Focal Points, Geneva 18/07/06

Graeme Buckley, ILO

# STRUCTURE OF PRESENTATION

- Brief background to ILO and recent policy work on poverty reduction focused on PRSPs
- Sustainable enterprise development and LDCs
- The environment for doing business in LDCs

# What the ILO does.... and doesn't do....

- Office – Organisation - Tripartism
- Governing Body and ILC (poverty in LDCs on the agenda)

## Activities

- Standard setting: Conventions (e.g. CLS) and Recommendations (e.g. 189)
- Research, publications and meetings
- Training and technical cooperation

# Poverty reduction

- Decent work: rights, employment, protection and dialogue (across sectors)

- Working Out of Poverty 2003

<http://www.ilo.org/public/english/standards/relm/ilc/ilc91/pdf/rep-i-a.pdf>

- Decent work and PRS: A Reference Manual for ILO Staff and Constituents

[http://www.ilo.org/public/english/bureau/integration/download/tools/6\\_3\\_107\\_prsrefmanual.pdf](http://www.ilo.org/public/english/bureau/integration/download/tools/6_3_107_prsrefmanual.pdf)

- Social Dialogue and Poverty Reduction Strategies, Buckley & Casale (2006)

# Global Employment Agenda

- Introduced by GB in March 2002
- Employment Policy Convention 122
- Employment strategies for DWCP – a new vision, Governing Body March 2006

<http://www.ilo.org/public/english/standards/relm/gb/docs/gb295/pdf/esp-1-1.pdf>

# The GEA

- Trade and investment for productive employment and market access for developing countries
- Technological change for higher productivity, job creation and improved living standards
- Sustainable development for sustainable livelihoods
- Macroeconomic policy for growth and employment
- Decent employment through entrepreneurship
- Employability by improving knowledge and skills
- Active labour market policies for employment, security in change, equity and poverty reduction
- Social protection as a productive factor
- Occupational safety and health
- Productive employment for poverty reduction and development

# OBJECTIVES of ILO PRSP WORK

- Empowering the constituents by building their capacity to influence the drafting and implementation of national poverty reduction strategies (and to engage in other policy dialogues);
- Incorporating relevant dimensions of the decent work agenda into poverty reduction strategies by identifying appropriate entry points and country specific priorities; and
- Influencing and developing partnerships with key stakeholders through advocacy of decent work agenda.

# In 2002, the Office reported to the Governing Body that....

- PRSPs needed to include a more thorough analysis of employment and other aspects of decent work
- Constituents needed to be more integrated in participatory processes
- More attention needed to be placed on equity in addition to growth (growth is not enough)

# Highlights of progress reported to GB November 2005

- More visible, coherent and focused approach (internal and external to Office)
- Broadened the scope of policy options and their critical review during the PRS process, e.g. Ghana, Pakistan.
- Expanded and deepened country level capacity building work, e.g. Indonesia, Ethiopia
- Chaired the UNDG Working Group on PRSPs and helped draft UNHCHR guidelines on a human rights approach to poverty reduction strategies
- Developed practical tools and guidelines including comprehensive manual on *Decent Work and Poverty Reduction Strategies (PRSs)*
- Office wide initiatives on analysis, advocacy and research

<http://www.ilo.org/public/english/standards/relm/gb/docs/gb294/pdf/esp-5.pdf>

# **NATIONAL POVERTY REDUCTION STRATEGIES ARE IMPORTANT BECAUSE**

- They are the national strategy for achieving the Millennium Development Goals (MDGs).
- They are linked to the prioritisation of public policy actions and public expenditure frameworks.
- They are linked to development assistance from the World Bank and other multilateral and bilateral donors.
- The UNDAF and the Decent Work Country programmes (DWCPs) are framed in light of nationally formulated PRS.

# HOW TO ENGAGE IN POVERTY REDUCTION STRATEGIES

- Need to plan involvement and stay the course through full PRS cycle (no magic bullet/no vending machine approaches)
- Build synergies with existing and planned country level work
- Need to be proportional in terms of inputs by prioritising where most value can be added

# Future directions (1)

- Deepening capacity building of constituents
- Strengthening the influencing agenda vis-à-vis key stakeholders, e.g. parliamentarians (drivers of change)
- Ensuring the poverty diagnostic in PRSs includes reference to the employment situation, especially as it affects, for example, women, indigenous peoples, migrants, the disabled, informal economy and rural workers all of whom are likely to experience poverty in distinct ways.

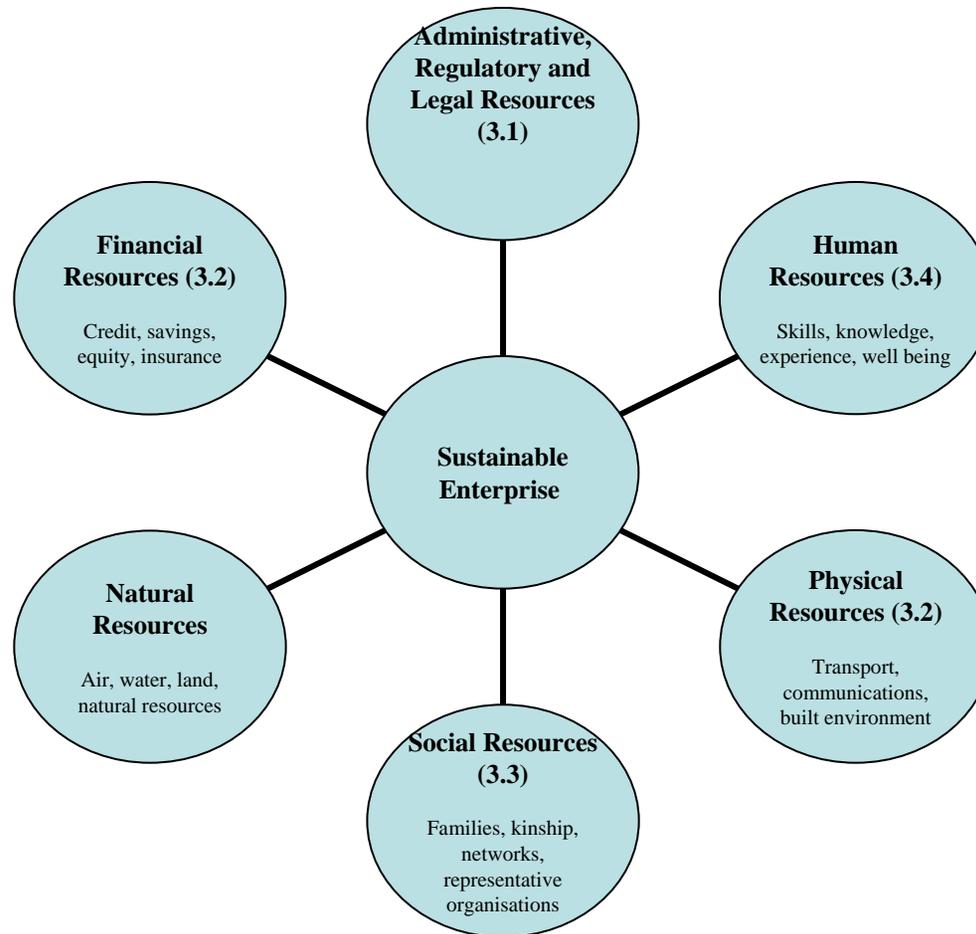
# Future directions (2)

- Further promotion of rights based issues in PRS
- Better integrating decent work outcomes in monitoring and evaluation frameworks
- Further work on influencing and impacting on national fiscal and budgetary processes (e.g. procurement policy)
- Strengthening poverty agenda in DWCPs and decent work agenda in UNDAFs and similar planning instruments

# Brussels Programme of Action for LDCs

- Good governance at national and international levels (the PRSP work)
- Building human and institutional capacities (PRSP work)
- Building productive capacities to make globalisation work for LDCs (Sustainable enterprise)

# Sustainable enterprise (what it means)



## Six dimensions of decent work (map onto the concept of sustainable enterprise)

- Opportunities for work
- Work in conditions of freedom
- Productive work
- Equity in work (fairness between workers)
- Security at work
- Dignity at work (between workers and employers)
- *Socio-economic context*

# Promoting sustainable enterprise (how to do it)

- An enabling environment
- Value chain upgrading and clustering
- Local economic development
- Good workplace practices
- Informal economy upgrading
- Development of cooperatives
- Development of SMEs
- MNCs, industrial and investment policy

# Key issues in the Business Environment

- How easy is it to start an enterprise: to register and license it?
- How is inspection implemented to ensure businesses operate legally and not in contravention of the principles of decent work?
- Does the system and process for commercial justice work to support enterprise - including in terms of dispute resolution and enforcing contracts?
- Does the legal system support efficient registration, transfer and respect for property rights?
- What is the impact of labour laws on the formation and growth of enterprises?
- Is the financial system inclusive in terms of providing a range of products and access to all entrepreneurs irrespective of their size?
- In what ways does the tax system support or hinder the creation and growth of enterprise?
- What aspects of the physical environment - such as roads, communications, energy, water etc. - hinder the creation and growth of enterprises?

- Does the business regulatory environment discriminate in any way against women or other disadvantaged groups?
- What measures exist to encourage formalisation of informal enterprise?
- What policy reforms would make it easier for business to trade within countries and/or to access overseas markets?
- Are institutions free to advocate for reform of the environment for doing business and are systems in place for dialogue on reform through mechanisms for social dialogue and public-private dialogues?
- Are there any particular sub-national policies which hinder the creation and growth of enterprise?
- Is there a general competition policy which encourages enterprise creation and growth and does the government implement this in terms of its own procurement policies?
- How easy is it to close a business?

# Doing Business in LDCs

- Across 10 areas (starting a business, getting credit, paying taxes, enforcing contracts etc.)
- 155 countries
- 2 procedures and 2 days to start a business in Australia but 14 procedures and 153 days in Mozambique
- In Singapore it takes 7 hours and 2 signatures to clear goods through customs but in Bangladesh it takes 7 days and 38 signatures
- Bottom 50 include 35 LDCs, the top 50 includes 3
- Improving the regulatory conditions can lead to increased growth
- **LOW COST & HIGH IMPACT** (key compared to other policies)

# Competitiveness

- The ease of doing business is a key determinant of competitiveness
- Compare the Global Competitiveness Report (117 countries) with the Doing Business Report – high correlation
- ILO engages with LDCs to address this challenge to promote sustainable enterprise through policy reform

# Policy Change for BE in LDCs

- (Chair of) Donor Working Group (Cairo to Bangkok)

<http://www.sedonors.org/groups/group.asp?groupid=2>

- Ensure policy reform is in PRSPs, UNDAF, DWCPs
- Discussion of Doing Business: LDCs perspective (proposed item) in Roadmap and Related Actions of Mid term global review