



FOURTEENTH ITEM ON THE AGENDA

**Report of the Committee on Employment
and Social Policy**

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1. The Committee met on 20 and 21 March. As Mr. Payaman no longer represented his Government in the Governing Body, the Committee was invited to elect a new Chairperson. Ambassador Soltanieh, Government representative of the Islamic Republic of Iran, was elected Chairperson of the Committee, upon nomination by the Government representative of Malaysia, speaking on behalf of the Asia and Pacific group, and seconded by the two Vice-Chairpersons. The Employer and Worker Vice-Chairpersons were Mr. Niles and Mr. Ito, respectively.

I. Overview of the work of the Employment Sector

2. The representative of the Director-General (Mr. Hultin, Executive Director of the Employment Sector) introduced the agenda item.¹ He outlined the global employment challenge the world was facing, reminding the Committee that 500 million new jobs would need to be created over the next ten years and that a similar number of workers did not earn enough to keep their families out of extreme poverty. This challenge had to be seen in the context of globalization, developments in the area of information and communications technology (ICT), demographic changes and the effects of HIV/AIDS in many countries.
3. To help member States meet this challenge, the Office was developing a comprehensive and coherent strategy which would: place the quantity and quality of employment at the heart of macroeconomic and development policies; encourage investment in training to enhance employability; emphasize the need to base any crisis response on the creation of sustainable employment; promote small enterprises; improve labour market efficiency; and promote gender equality in terms of access to jobs and training.
4. The Sector was undertaking research to strengthen further its knowledge and information base and develop tools for use by constituents. Some examples in this context were the *World Employment Report 2001* and *Key Indicators of the Labour Market*, databases on employment and human resources policies, based on Conventions Nos. 122 and 142, on business and social initiatives, and on equal employment opportunities. The Sector was also advocating a strong message that employment creation was central to decent work, that the creation of more and decent jobs should be at the heart of development policies, and that a skilled labour force constituted a potential for economic growth. Examples of success in this respect were the fact that the ILO had been invited to join the DOTForce created by the G8; the action taken by governments following country employment policy reviews; and the adoption by many countries of the ILO's labour-based technologies. To provide direct advisory services and technical assistance, the sector had developed a great number of policy and programme tools in such areas as active labour market policies, enterprise development, socially responsible management practices, skills development, mainstreaming gender in employment, crisis response and employment-intensive investment. A Code of practice on managing disability in the workplace was about to be circulated to constituents for comment, and would be discussed at a tripartite Meeting of Experts in October 2001.
5. Illustrations of concrete activities being undertaken by the sector included the Jobs for Africa programme, which was active in 11 countries and covered a wide range of activities. Work was ongoing on the comprehensive employment framework (CEF), which would constitute a platform for advocating the ILO employment message and

¹ GB.280/ESP/1.

strengthening cooperation with the Bretton Woods institutions and other international organizations. The framework was to be discussed at the Global Employment Forum in November 2001.

6. The Worker Vice-Chairperson, Mr. Ito, welcomed the paper as well as the presentation by the Executive Director, who had provided very useful additional information. It was unfortunate that the paper did not meet the high expectations his group had of the work of the Sector. The paper lacked information on the impact of the Sector's activities, particularly at the policy level and in Africa. He would welcome a more substantive discussion of macroeconomic issues and policies by the Committee to guide the work of the Sector. Based on the information in the paper, the work of the Employment Sector was too supply-oriented; it also needed to take demand factors into account. For example, productivity improvement was important, but the office should also be examining how fiscal, monetary and wages policy could be used to boost aggregate demand and employment. Another example was the role governments could play in employment creation through infrastructure development and public works programmes. The Office should strengthen its efforts to promote social dialogue in multinational enterprises as well and to study the employment effects of mergers and acquisitions. He reminded the Committee that to be effective, employment policies needed the support of trade unions, and that his group supported re-establishing the technical economic capacity of the Office and increasing the resources devoted to MULTI, COOP and corporate responsibility.
7. The Employer Vice-Chairperson, Mr. Niles, indicated that his group attached great importance to the work of the Sector, since employment was at the heart of the Office's work. He did not agree with the Workers that the paper did not provide sufficient detail and reminded the Committee that it had asked the Office to provide a brief overview paper. In any case, the paper had been very well supplemented by the introductory presentation by the Executive Director. Although it was totally absurd to blame the ILO for the current global employment situation, he suggested that the Committee be provided with regular information on what had worked and what had not with respect to the Office's employment promotion efforts. He said he would also like to learn more about how the Office involved employers' and workers' organizations in its employment activities at the national level. Skills development and small enterprise promotion, particularly through the creation of effective microfinance mechanisms, were clearly priority items for the Sector's work. Referring to paragraph 9 of the Office paper, he suggested that labour market efficiency and equal access to the labour market should be treated as two separate issues. Since the Sector was perhaps being asked to do too much, given the enormity of the global employment challenge and its limited resources, the Committee might wish to set some priorities for the Sector's work. Employment creation did not depend on the ILO but largely on national efforts and the ILO could only give policy advice and conduct training programmes which should be on a tripartite basis.
8. The representative of the Government of India stated that decent work should be seen in the local context. In his country it would include emphasis on expanding social security coverage to informal sector workers and on ensuring that skills development programmes benefited from the opportunities offered through information and communications technology. Effective microfinance institutions were also important, particularly for the informal sector. His country would be glad to share its experience in this area and would like to learn from others how to introduce lifelong learning mechanisms.
9. The representative of the Government of Sudan, speaking on behalf of African governments, referred to the relevant papers submitted to the Programme, Financial and Administrative Committee. The results of the Sector's work in 2000 had been positive overall. He regretted the proposed reduction in the Sector's budgetary allocation and the lack of ILO presence in the region. He hoped that this could be compensated for through

the mobilization of extra-budgetary resources. It was particularly important to promote employment-intensive investment and cooperative development.

10. The representative of the Government of France, speaking on behalf of the IMEC governments, welcomed the paper and the presentation. Together with the other documents before the Committee, they reflected a coherent approach to employment on the part of the Office. The *World Employment Report 2001* offered some positive perspectives. The proposed comprehensive employment framework could become a key instrument to promote employment since it would establish the links between employment, macroeconomic and poverty alleviation policies and would also bring out the linkages with social protection and social dialogue. Employment strategies should give high priority to those who are excluded from the labour market. Promotion of employability, particularly of the young, should be another priority. Technical cooperation to improve the effectiveness of employment services and vocational training institutions and of employers' and workers' organizations could play an important role. He welcomed the *Key Indicators of the Labour Market* and considered that the ILO had an important role to play in disseminating information on good practices in the area of employment and social development, including on local and private initiatives. It was necessary to strengthen the ILO's employment promotion activities in the field, particularly in Africa and in the least developed countries, focusing on programmes where the ILO can bring real added value. Cooperation with the Bretton Woods and with other UN agencies needed to be intensified, and some thought might be given to organizing a regular meeting on employment with these organizations. IMEC also expressed the view that the Committee should have more operational documents for concrete decisions rather than solely for information.
11. The representative of the Government of the United Kingdom expressed her appreciation for the introductory presentation by the Executive Director, which she considered more informative than the paper. Agreeing that employment was at the heart of the Office's work, she asked for more information on how the Office measured performance and decided on priorities for resource allocation. She welcomed the development of the different databases and requested further information on activities in the areas of disability and microfinance. To find out what worked and what did not, it might be useful for the Committee to have question and answer sessions with programme managers. She welcomed the planned comprehensive employment framework.
12. The representative of the Government of the United States had appreciated the presentation of the paper, but was disappointed with the Committee's agenda. The Committee should discuss more substantive issues and be more forward-looking. He wondered what evidence the Office had that its advice was in fact followed.
13. The representative of the Government of Malaysia, speaking on behalf of Asia and Pacific governments, expressed her appreciation for the *World Employment Report 2001* and called upon the Office to play an active advocacy role with respect to the positive impact that globalization could have on employment if properly managed. She also supported the Office's work to promote small enterprise development and suggested it work with UNCTAD and UNIDO in this area. The proposed comprehensive employment framework should distinguish between global and national issues and policies. The group acknowledged that emergence of the new global economy, led by advances in the field of communications and technology, was compelling countries and the regions of the world to urgently adopt new strategies to enhance their competitiveness through improved access to global networks. However, it was only through efforts to narrow the technological gap that integration of developing countries in the new global economy could be accelerated. The productivity and competitiveness of enterprises in developing countries should be enhanced to cope with a globalized trade market. Reduction of poverty as well as the

promotion and extension of social protection systems to low-income families and informal sector workers should accompany economic globalization.

14. The group attached high priority to the creation of greater employment and income opportunities for women and men. Decent work outlined that the defence of rights at work necessarily involved the obligation to promote employment. Without productive employment, the goals of decent living standards and social and economic development remained illusory. Youth unemployment was considered a real challenge to national policy in several member States, particularly in developing countries. Youth unemployment was also a cause of brain drain and migration. Finally, the group would like to reiterate the need for continued discussion on employment policies as a standing agenda item in the Committee.
15. The representative of the Government of China regretted the proposed reduction in the Sector's budget since employment was the core of decent work. The reduction might also send the wrong signal to governments and to other organizations when it came to advocating the inclusion of employment promotion on the development agenda. He agreed that youth employment should be a top priority.
16. The representative of the Government of Nigeria informed the Committee of the effective assistance his country was receiving from the Office in the area of youth employment.
17. The representative of the Government of Japan felt that the Office could make best use of its resources by focusing on poverty alleviation through employment. His Government highly appreciated the *World Employment Report 2001*, the *Key Indicators of the Labour Market*, and the InFocus Programme on Boosting Employment through Small Enterprise Development. He would also welcome work in the areas of youth employment and the ageing workforce.
18. The representative of the Government of Trinidad and Tobago pointed out that, given the formidable challenge, there were no easy, clear-cut answers. She therefore supported the proposed multi-pronged approach of the comprehensive employment framework. She also expressed her support for the activities in the area of management practices and international labour standards and for the resource kit on promoting gender equality in trade unions.
19. The representative of the Government of Bangladesh was disappointed by the proposed reduction in the Sector's budget and hoped the Office would be able to mobilize substantial extra-budgetary resources, particularly to help developing countries create employment in the area of information and communications technologies.
20. The representative of the Government of the Libyan Arab Jamahiriya agreed with the statement by the representative of Sudan. Skills training in the area of information and communications technology posed a particular challenge. Social dialogue and tripartite involvement were essential to successful employment creation. He called upon the Office to ensure that all countries could benefit equally from its activities.
21. The representative of the Government of Namibia considered youth employment a top priority, given the potentially tremendous destabilizing consequences of youth unemployment. Although governments did not create jobs, they could play an important role by creating an enabling environment in which the private sector could flourish. Investment in training and education were also essential. His country had realized this early on and had recently created a training fund to encourage the private sector to fund more training.

22. The representative of the Government of Portugal mentioned the important role of education and training for employment. She informed the Committee of a recent tripartite agreement on employment, education and training, signed in her country by the social partners. She supported the proposed comprehensive employment framework. It should be results-oriented and propose cost-effective policies and interventions, linking macroeconomic and employment policies. Social dialogue, both at the national and local levels, should be another important element, not necessarily limited to the tripartite partners. She reminded the Committee of earlier calls to reform its agenda.
23. The representative of the Government of Chile indicated that his Government was very concerned about employment issues. In his country, in spite of a period of sustained economic growth, unemployment was still too high. Paragraph 9 of the paper gave the impression that the Office already had the answers, and he wondered whether it had already developed a model for employment creation and simultaneously for promoting job quality, particularly in the informal sector.
24. The representative of the Government of Switzerland considered that the Office should strengthen its work on social responsibility and should be more open to working directly with enterprises. The Office should also develop a strategy for work in the informal sector. The comprehensive employment framework should take into account the work being done by the OECD.
25. Mr. Anand (Employer member) asked the Office about the source of some of the employment statistics mentioned in the paper, since they seemed to contradict his own observations in Asia. He agreed that education and training were essential for employment. The Office ought to strengthen its cooperation with the World Bank in the area of microfinance. This was a key issue for small enterprises, which often could not obtain credit because they lacked collateral. He wondered whether it would not be useful for the Committee to receive reports on what governments actually did to promote employment. Too little progress was being made in alleviating poverty through job creation.
26. The representative of the Government of the Netherlands reminded the Committee of the links between employment, social protection and social dialogue. While employment and social protection issues were already dealt with by this Committee, social dialogue was, to her knowledge, not discussed by any of the other Governing Body committees. She therefore proposed (also on behalf of the Governments of Brazil, Canada, Denmark, France, Germany, Italy, Portugal and Switzerland) that the Committee should have regular substantive discussions on the links between social dialogue and employment. This could start during the Committee discussions in November 2001.
27. The Worker Vice-Chairperson supported the proposal made by the representative of the Government of the Netherlands, pointing out that trust between workers and employers was essential to make progress and social dialogue should be promoted. He agreed with previous speakers on the importance of education and training for employment.
28. The Employer Vice-Chairperson supported the calls to consider youth employment a priority but proposed that it be discussed in a disaggregated way since there were no universal invalid solutions. The sentence on the risks of location-independent production in paragraph 7 of the paper could give rise to misunderstandings: such production could in fact help close the digital divide. The ILO was not the right organization to discuss the impact of mergers and acquisitions as proposed by the Workers. With respect to social dialogue in multinational enterprises, his group felt that social dialogue should be limited to the national level. He supported the proposal made by the representative of the Government of the Netherlands, provided the discussion remained limited to the relation between employment and social dialogue.

29. In his response to the Committee, the Executive Director expressed his appreciation for the guidance received. He noted the clear interest of the Committee to receive more concrete information on the Sector's work and pointed out that much information was already available on the Internet. The sector would try to make this information accessible in a more user-friendly way. He indicated that the comprehensive employment framework would constitute an endeavour to strike the right balance between supply and demand issues and to propose a proper mix of interventions linking policy analysis to operational activities, while taking into account the importance of social protection and social dialogue.
30. On the question of resource allocations, he pointed out that the current allocations had been arrived at during the reorganization of the Office in 1999 on the basis of a careful analysis of the scope and needs of different programmes and of the demands made upon the Office by constituents. In addition, the Sector undertook a progress review of its activities every four months to make adjustments, as necessary, to ensure that major outputs were delivered on time and that emerging demands were acted upon. The Sector was further subject to the Office-wide evaluation mechanisms being put in place. He agreed that mobilization of extra-budgetary resources for the Sector's activities was of the utmost importance and referred, in this context, to the Jobs for Africa programme and the proposed donor conference.
31. He noted that paragraph 9 of the paper had been the subject of many observations. He assured the Committee, and in particular the representative of the Government of Chile, that the points raised would be carefully considered. Work was still in progress, particularly on the issue of promoting both job creation and job quality. He had noted the different views of Employers and Workers on the issue of the employment impact of mergers and acquisitions but reminded them that enterprise restructuring was taking place continuously in one form or another. He informed the Committee that the Office had undertaken considerable work on socially sensitive restructuring in transition countries.
32. The Chairperson concluded the discussion of this agenda item by stating that the Committee clearly had high expectations of the work of the Sector and that the Office would need to take the Committee's deliberations into account to make improvements. There seemed to be general agreement that employment promotion was the core activity of the ILO, that unemployment was a concern for all constituents and that close cooperation between the social partners was necessary to remove obstacles to employment creation. There was also general concern about the proposed reduction in the Sector's budget.
33. As a point of clarification, the Worker Vice-Chairperson emphasized that his group certainly considered employment as one of the core ILO concerns, but that the importance of social dialogue and the other strategic objectives should not be overlooked. There is no hierarchy among the four sectors.

II. Human resources development

34. A representative of the Director-General (Mr. Aro, the Director of the InFocus Programme on Skills, Knowledge and Employability) introduced the agenda item.² Human resources training and development was at the core of the ILO's work. Broad and portable skills and knowledge that responded to the needs of the labour market and allowed for lifelong learning and the opportunity to use such skills were essential elements of decent

² GB.280/ESP/2.

employment. IFP/SKILLS' two-pronged strategy, focusing firstly on reforming and strengthening training policies, programmes and institutions, and secondly, on equality of opportunity and access to training and decent employment for disadvantaged groups, aimed to give human resources training and development a clear focus in the context of decent work.

35. Regarding knowledge development, the IFP/SKILLS was elaborating, maintaining or contributing to, information bases on employment and human resources development policies, investment in training, national qualifications frameworks as well as disability and work. In addition, several publications, for example, on human resources development and management, skills assessment in the informal sector, mental health in the workplace, youth unemployment and employment had been, or would be, published in the current biennium. Tools provided by the IFP/SKILLS were based on this growing body of knowledge and were used as a basis for services to constituents. Technical cooperation services to strengthen constituents' capacity and national institutions were currently run in 13 countries, with capacity for more.
36. Partnerships with workers' and employers' organizations, other UN agencies, donors and other relevant groups were crucial to the IFP/SKILLS' work. These partnerships were crucial: to meet the challenges of providing employable skills and promoting lifelong learning relevant to the rapidly developing labour markets; of developing flexible training delivery systems; of promoting inclusion through training opportunities and of maintaining adequate labour market information systems.
37. The Employer Vice-Chairperson noted that the paper, together with the presentation, provided a good overview of current work. The role of employers' and workers' organizations was explained in the presentation even if it was not mentioned in the paper, which it should have been. He cautioned the Office of the importance of involving employers' as well workers' organizations in questions concerning human resources training and development to make the programme's activities relevant and sensitive to the real skills requirements of the national economies. The emphasis given both in the paper and in the presentation on lifelong learning was welcomed. Referring to paragraph 13 of the paper and the demands the ICT set for skills development, he stated that further evaluation was needed on what actually worked and, particularly, what did not work.
38. The Worker Vice-Chairperson recognized that human resources training and development was not a simple issue and that it required several other factors to be taken into account.
39. Mr. Patel (Worker member), also speaking on behalf of the Workers' group, emphasized that the conclusions on human resources development reached at the International Labour Conference at its 88th Session (2000) set out the benchmark for ILO activities. The Workers' group recognized some helpful activities and actions that the Office had taken to give effect to the conclusions, such as proposals for informal meetings of experts on the database on investment in training and on the national qualifications frameworks. Mr. Patel emphasized the importance of the involvement of ACTRAV and ACT/EMP in the development of these proposals. However, the Workers' group expressed its deep concern at the failure of the paper to give effect to all the conclusions, rather than some only, and cited 12 key aspects of the conclusions and requested a reformulation of the work of the Office as a whole in order to give full effect to these conclusions. The ILO should pay more attention to the recognition that education and training were a critical condition of employment promotion and should therefore address the areas identified in the conclusions dealing with policies that expand demand in the economy, appropriate fiscal policies, social security and collective bargaining as areas that constitute basic building blocks for investment in training; and in particular the Office should address the challenge of the conclusion that the ILO should research integrated policies that include consideration of a

new financial and social architecture for the global economy, though not the sole one; second, the current programme of training in the informal sector should be revisited in order to build a coherent basis for the programme based on transforming informal sector work into decent work fully integrated into mainstream economic life, rather than perpetuating the informal sector; third, advocacy programmes to promote universal access to education and training should be developed; fourth, practical steps to ensure that the special training challenges faced by developing countries, including the need for debt reduction and cancellation and mobilization of resources for basic literacy and numeracy and an ICT infrastructure, were taken into account and that the skills gap between the North and the South was narrowed; fifth, in parallel to the development of the database on investment in training, tools and services to promote investment in training and to illustrate the benefits of training should be provided; sixth, the ILO should play an advocacy role regarding ICT and its impact on skills development and should run well-chosen practical projects to assist in ICT diffusion among workers and communities rather than provide endless documents on the digital divide; seventh, the Workers' group would like to see how the ILO would be able to give effect to the conclusions regarding the role of the MNEs in training; eighth, the ILO should work together with the international financial institutions to ensure investment in human resources development; ninth, the ILO should do more research on gender-specific dimensions of training and skills development to ensure that implicit and explicit discrimination against women was removed through more objective and transparent skills recognition; tenth, the Office should set out a coherent programme geared at building career development services capacity, in particular in developing countries; eleventh, the ILO should give effect to the wider range of means for capacity building of the constituents as set out in the conclusions; and finally, the Office should take into account the mandate set by the conclusions concerning the Human Resources Development Recommendation, 1975 (No. 150), which requires addressing a broad agenda of issues.

40. Mr. Patel concluded by expressing concern over the inability of the paper to put in place a concrete programme to give effect to all the conclusions. The Workers' group encouraged full commitment to implement all the conclusions in consultation with the social partners, and suggested to review the existing programmes and activities in line with the conclusions.
41. The representative of the Government of Malaysia commended the Office on actions initiated in response to the conclusions concerning human resources development, noting that these were significant, in view of the time frame. He welcomed the proposal to review the Human Resources Development Recommendation, 1975 (No. 150) in 2003. The ILO's collaboration with the Asia and Pacific Skills Development Programmes (APSDEP) in developing competency standards was appreciated, as these standards would provide a platform for countries of the region to develop national standards taking account of their level of socio-economic development. The Government had taken steps to move towards a digital economy. Information technology now formed part of formal education, to prepare candidates for the future labour market. The ILO seminar on the knowledge-based economy to take place in Malaysia in 2001 was very appropriate. The Office's efforts to build an information base on effective policies and programmes for displaced workers was welcome, and the ILO should move a step further in developing projects and programmes to address this issue, in collaboration with member States. The massive layoffs arising from the financial crisis in the Asian and Pacific region could provide the basis for the development of a policy framework in this area.
42. The representative of the Government of India thanked the Office for the concise document and presentation. He noted that human resource development played a key role in promoting economic development and social inclusion, and was the best tool available to governments and social partners in harnessing human potential. Following the

conclusions concerning human resources development adopted by the International Labour Conference, the Office had supported member States in their efforts to promote training and development for employment, social inclusion and improved competitiveness in the global economy. India, with its total workforce of 380 million, including 10 million unemployed, would welcome priority action in the development of a database on current expenditure on vocational and continuing training, including suggested benchmarks on investment in training; the development of a database on best practices in national qualifications frameworks; conducting of a general study on the comparability of such frameworks; and the promotion of capacity building for social dialogue and partnerships in training. India also supported the proposal to include an item on the revision of the Human Resources Development Recommendation, 1975 (No. 150) of the International Labour Conference in 2003.

43. The representative of the Government of Germany emphasized the importance of human resources development, as the trainees of today were the workers of tomorrow. He noted that the benchmark set for the Office in the conclusions of the International Labour Conference was very high, and it was therefore understandable that the Workers' group had seen shortcomings in the discussion paper. The presentation filled many gaps, however, and the Office was on the right track. The paper prepared for the Committee on Technical Cooperation gave details of practical projects undertaken – including projects centring on training modules in use in Eastern European countries, which had been developed with German assistance. The Office's collaboration with the UNEVOC Centre of UNESCO in Bonn was welcome, reflecting as it did a movement away from the relationship of competition, which had previously existed. Provision for the revision of the Human Resources Development Recommendation, 1975 (No. 150) in the Programme and Budget for 2002-03 was welcome.
44. The representative of the Government of Sudan, speaking on behalf of African governments, welcomed the document and presentation, particularly the revision of Recommendation No. 150. He looked forward to the tripartite meeting in Africa. Developing countries needed training institutions and could benefit from the knowledge and skills of those trained outside the country. Evaluation should be carried out of the experience of certain Asian countries. The issue of investment in training needed to be taken up in social dialogue. Since training was increasingly expensive, partnerships with the private sector needed to be developed, so that skills required in the labour market could be provided. Least developed countries faced problems of finding employment for youth, women and other unemployed persons, and it was hoped that the ILO would provide support in training for jobs and small business development.
45. The representative of the Government of the United States welcomed the focus on training and development issues and reiterated his Government's position at the ILC: that the ILO's future work on these issues be guided by rigorous study and analysis. The focus should be on the effectiveness of existing ILO policies and practices. The Office paper was informative, but could have given guidance to the Committee on the feedback required. The need for evaluation was emphasized, focusing on such questions as the number of trainers using ILO manuals and the number of trainees who had benefited from training provided with ILO tools.
46. The representative of the Government of Canada recognized the ILO's important role in developing tools and sharing information on best practices for use by all member States. The work of the InFocus Programme on Skills, Knowledge and Employability would provide invaluable assistance to countries in dealing with technical difficulties relating to such issues as prior learning assessment or national qualifications frameworks. She suggested an information clearing house to make possible the verification of educational qualifications and equivalencies from institutions around the world. Working with the

private sector at national level was a way of ensuring that the generic training needs of a sector were addressed. Distance education was another important tool combining modern technology with more flexible scheduling and availability of training. The importance of education, training and lifelong learning was recognized by Canada, which had recently taken steps to facilitate access to skills and learning, targeting, in particular, youth at risk, adults with low literacy, persons with disabilities and aboriginals. Given the importance of human resources development and training issues in increasing employability, priority should be given to follow up the conclusions adopted at the 88th Session of the ILC.

47. The representative of the Government of the United Kingdom complimented the Office on the informative document and presentation. Human resources development was an enormously important area, as everything depended on skills for the future. There was so much to discuss, however, that it would be important to break the subject matter down into specific topics. Much work needed to be done if the topic was to be on the agenda in 2003. Databases were important, but not enough. More could be done to secure a rich exchange of experience in the ESP Committee. The Committee could take a specific item relating to HRD for discussion at each session.
48. The representative of the Government of South Africa expressed appreciation of the way in which the Office was giving effect to the conclusions of the ILC. Relating to the issue of investment in training, indicated in paragraph 8 of the paper, the two areas of investigation identified were separated and clarification was requested on the complementarity between one area of study focusing on investment and another focusing on the benefits of such investments. In determining whether countries' training systems had produced requisite skills, the *World Competitiveness Report* was generally used as the standard. Issues of social justice and inclusion were not reflected. The ILO should develop an alternative HRD indicator which would rank countries on a wider range of measures including the extent to which national investment systems culminated in individuals being employed (as a measure of employability). In addition to the development of a database on national qualification frameworks, the ILO could usefully establish a website where networking could take place between local, provincial and sectoral bodies and information could be exchanged regarding such frameworks. It would be equally useful for those involved in standard setting and quality assurance to be able to discuss design and implementation issues. South Africa had demonstrated its commitment to the HRD issue by adopting a comprehensive and integrated HRD strategy "A nation at work for a better life for all", which sought to improve the foundation for human development, enhance the supply of high-quality, scarce skills, increase participation in lifelong learning and support the creation of new jobs by ensuring that skilled people were available to implement new industrial policies. Support for innovation, research and development were key elements of the strategy, which was designed in consultation with the social partners and aimed at unleashing a skills revolution to transform the labour market in South Africa. This innovative strategy was expected to have an impact beyond the national context.
49. The Employer Vice-Chairperson said that there was clear agreement on the importance of training for economic development and tackling poverty. The ILC conclusions should guide the work of the Office, and the Employment Sector had been involved in work in this area before and such work was continuing. The Worker spokesperson's list of points comprised a long-term programme and represented an unfunded mandate. If this were to be undertaken at once, a huge resource allocation would be required. The ILC conclusions did not indicate how the work involved was to be funded, or whether it was to be undertaken at one time or sequentially. It was doubtful whether the work could be undertaken at once, and some items went beyond the capability and role of the Office and made the ILO look ridiculous – such as revising the international financial and social architecture. The suggestion of the representative of the Government of the United

Kingdom – that the ESP Committee should pick out specific points for consideration sequentially over a period of time – was valuable.

- 50.** Mr. Patel said that many of the comments made by Governments were helpful and the Workers' group would support these, in particular suggestions that priority be given to the exchange of best practice and work on recognition of prior learning. Investment in training was of particular importance in developing countries. The ILC was sovereign and the Governing Body should not therefore debate the merits of the conclusions, but how to give effect to them. Therefore, the Office should provide a work programme outlining what was to be proposed to give effect to the all conclusions, with what priorities; this could then be considered and refined. It was important to ensure that effect was given to all conclusions. HRD constituted an important area of global cooperation, not only across nations for economic purposes, but also for societal benefit and human solidarity.
- 51.** Responding to the discussion, Mr. Aro said that it was a pleasure and inspiration for the Office to listen to and be guided by the discussion, which would be used to improve services which the Office endeavoured to provide in this area. He welcomed the proposal to continue the dialogue on specific topics in the Committee. On the question of what worked and what did not work, the discussion on technical cooperation and the TC document on training for employment³ also described in frank terms what had not worked and how the lessons learnt from this experience had been taken into account. Also in the Committee on Technical Cooperation, Governing Body members had reported on a training project in Russia and their assessment had been quite encouraging. Modules of Employable Skills (MES) were used in this project, which was an example of what IFP/SKILLS was doing in several countries and would like to do more widely. Regarding delivery on the ground, the video clip on Bosnia and Herzegovina shown in the presentation was an illustration of the range of skills provided. The IFP focused on having tools used at the workplace.
- 52.** The Employment Sector and IFP/SKILLS were committed to all the conclusions of the ILC without reservation. The document prepared in January 2001 reflected work carried out by the programme with its own resources between June and December 2000. Other work had since been added. Other parts of the Office were also conducting work on the HRD conclusions and this had been reflected in paragraphs 1 to 19 of the paper. Some of the conclusions went beyond the scope of IFP/SKILLS, and the programme fostered relations with other units as much as possible, although not all ILO units were in a position to change their workplans to the same extent or as quickly.
- 53.** Regarding the revision of the Human Resources Development Recommendation, 1975 (No. 150), IFP/SKILLS would be ready to prepare this by 2003. The terms of reference were included in GB.280/2, paragraph 22.
- 54.** On exchanges of best practice, the Programme was working on related issues and the NQF database was an example. This work would be continued into the next biennium. The South African Government's approach was welcomed and concrete proposals would be developed for cooperation on joint activities. Work on the conceptual approach was almost complete and this would be put to the social partners for discussion.
- 55.** On gender promotion, a gender poverty and employment capacity-building tool had been developed, and joint activities had been undertaken with GENPROM. A career guidance manual would be produced this year. Regarding social dialogue, IFP/SKILLS was

³ GB.280/TC/1.

receptive and proactive in working with the social partners, separately and together, at national and global levels.

56. In his concluding remarks, the Chairperson referred to key points which had emerged from the discussion. It was clear that skills and human resources development were key parameters in the global economy. There was a need to evaluate approaches to skills training to identify good practice. The emphasis in the Office's work in human resources development should be on the conclusions of the International Labour Conference. There was a need for development and improvement of ILO databases relating to human resources development, in particular investment in training. Finally, priority should be given to lifelong learning.

III. Preparations for the Global Employment Forum (GEF)

57. A representative of the Director-General (Mr. Rashid Amjad, Officer-in-Charge, Employment Strategy Department) introduced the agenda item.⁴ The purpose of the Forum would be to identify the policy options at the national, regional and international levels available to realize the potential productive contributions of the 500 million additional labour force members over the next decade and to review and discuss examples of policies and programmes which had been effective in stimulating the creation of decent jobs.
58. Regarding the structure of the Forum, presentations would be made by prominent speakers and senior representatives of business and the trade union movement followed by a plenary session. Parallel working sessions would be organized on specific key thematic areas. The concluding session would summarize and take stock of the key messages of the Forum.
59. The comprehensive employment framework (CEF) would be discussed in the plenary session and would help in the identification of key policy issues during the debate. The purpose of the CEF would be to offer policy-makers and social partners a new and constructive approach to employment by placing employment at the centre of economic and social policy; by facilitating the exchange of information on good practices and by building strategic alliances.
60. The Worker Vice-Chairperson stated that the Workers harboured considerable expectations and uncertainty towards the Forum but they hoped that it would not be a propaganda event. The Workers suggested that a preparatory committee be convened immediately after the Governing Body meeting to decide on how to run the meeting, resource people to be invited and papers to be presented. The general feeling in the Workers' group was that the two days allocated for the Forum were not sufficient to discuss all the issues mentioned in the preparatory paper. Three days would be more appropriate. He advised the Office to make sure that the main issues paper was prepared in good time before the Forum and requested that the CEF be presented to the Governing Body for discussion in November as well as at the Forum. After the Forum, he further suggested that the CEF be finalized at the March 2002 session of the Governing Body. Finally, he requested a progress report regarding the preparation of the CEF at the Governing Body in June after the International Labour Conference.

⁴ GB.280/ESP/3.

- 61.** The Employer Vice-Chairperson agreed with the Workers that the preparations for the Forum were behind schedule: the agenda should have been ready and the invitations sent out. He hoped that things would start moving quickly. He also agreed with the Workers that the event should be businesslike and therefore questioned the relevance for the ILO of inviting high-profile people, which may turn the Forum into an exaggerated media event. Regarding the formation of a preparatory committee suggested by the Workers, he pointed out that one had already been formed, but he agreed with the Workers that the planned two days for the Forum would be tight especially if it became a big media event. The focus of the Forum should be entirely on how the ILO could contribute to employment creation and suggested the following topics: fighting unemployment; building skills and education; encouraging investment; supporting SMEs; dealing with an ageing workforce; and promoting youth employment. Regarding the scope, he suggested that the Forum needed to be disaggregated down to the level where employment was actually created on a regional and preferably a national level and should focus on regions where unemployment was most severe such as in Asia. He also suggested that the ILO took advantage of the expertise of other agencies apart from those mentioned in the report, such as the OECD. In March 2002 the Governing Body should review the Forum and the finalized comprehensive employment framework (CEF).
- 62.** The representative of the Government of India described the challenges and opportunities presented by ICT; the importance of opening up employment opportunities for women through their increased access to education and training; the question of flexi-hours and, consequently, the need for countries to address the twin needs of anti-discriminatory legislation and promotional measures. He stated that the Forum should focus on region-specific policy recommendations for the promotion of employment and widening the social security cover. The Forum should suggest recommendations for policy in the area of cooperation between social partners for reducing redundancy and for investment in human resource development and training. Specific policy recommendations which could help women workers access better jobs were also needed. The joint initiative should primarily focus on the following important areas: training for remunerative employment in the informal sector; promotion of centres of excellence for entrepreneurship development; identification of bottlenecks that prevented integration for small enterprises in the global economy and to suggest appropriate measures; economic and fiscal policies that promoted more productivity in small enterprises; technical assistance to developing country-specific training programmes in areas where they had a comparative advantage; sharing experience regarding innovative social security programmes for youth; and the sharing of cross-country experience in respect of strengthening the public employment service for vocational guidance and career counselling.
- 63.** The representative of the Government of the United States was concerned that the Forum might turn into a media circus event. He remarked that it was essentially the private sector and not the ILO nor governments that created jobs. Governments' responsibility was to create an enabling environment for employment creation, and the ILO's role was to serve as an adviser to governments on how to create such an environment. The question was thus how to strengthen the ILO's role. He suggested therefore a more modest and suitable title for the comprehensive employment framework could be "a framework for the ILO's advisory services on employment" and that the focus should be on how the ILO could best become the centre of economic and social policy, facilitate the exchange of information on good practices and build strategic alliances as mentioned in the preparatory note.
- 64.** The representative of the Government of the Netherlands emphasized the importance of addressing the digital divide as it represented an increasing problem which warranted concrete action. She suggested that the forum could be used as a good starting point for the discussion on how the digital divide could be reduced and proposed that the preparatory

committee include this item on the agenda. She also requested the Office to come up with suggestions on how to address the digital divide both at the Forum and within the ILO.

- 65.** The representative of the Government of Switzerland thanked the Office for the excellent presentation and expressed great interest in supporting the ILO in organizing and developing the CEF. The Forum would provide an excellent opportunity to address the critical issues of poverty reduction and employment creation. He emphasized the importance of the ILO creating strategic alliances with institutions such as the World Bank, IMF and WTO, enabling them to take into account the CEF, and incorporating their knowledge within the context of the poverty reduction strategy papers. He supported all measures taken to enhance job quality and productivity in the informal sector, where job training played an important role. He further noted that it was important to have a positive approach to technological change and that one needed instruments and success stories which the ILO was well placed to provide. He further suggested that the areas of technology, trade and investment and global governance should be included in the Forum. Finally, he expressed the hope that as many public and private decision-makers as possible would attend the Forum as well as informal sector representatives.
- 66.** The representative of the Government of China expressed thanks to the ILO for organizing such an important event. He stated that the Forum should be a follow-up to implement the decisions of the Special Session of the United Nations General Assembly. He reiterated the suggestion made in the Office report that the prominent speakers at the Forum should come from different countries at different stages of development and representing a geographical balance. The same should apply to the keynote speakers. He further stressed that the CEF should incorporate the views of the different countries and be prepared in consultation with ILO constituents.
- 67.** The representative of the Government of Portugal attached great importance to the Forum but queried what the role of the Committee would be in contributing towards its success. She felt that there were too many specific topics on the agenda and that it would therefore be difficult to go into any meaningful depth. She suggested that one should continue to capitalize on the ILO's work as well as benefit from other institutions such as the OECD.
- 68.** The representative of the Government of Trinidad and Tobago regarded the hosting of the Forum at the ILO as very timely, particularly in view of the persistent problems of poverty and unemployment which were made more complex by globalization issues. Regarding the Forum, she sought clarifications as to when the main issues paper would be ready; what the selection criteria for the prominent speakers were, and whether there would be guidelines to assist participants in preparing for the Forum.
- 69.** The representative of the Government of Indonesia emphasized that the main focus of the Forum should be on employment creation and looked forward to a further clarification from the Office as to how the outcome of the Forum would be prepared. The CEF which would be the main outcome should be deliberated as early as possible with the participation of all constituents. He suggested that the Forum should identify policy options for job creation, the elements of the informal sector, international economic policy and ICT.
- 70.** The representative of the Government of Mexico thanked the Chairperson and the Office for organizing the meeting. She remarked that she would have preferred to have had the opportunity to comment on the CEF and its components instead of just discussing and commenting on the preparations for the Forum. With regard to the CEF objective of facilitating the exchange of information on good practices in national employment policies and practices, she hoped that the Forum would come up with a plan of action.

71. The representative of the Government of Sudan said that emphasis in the Forum should be given to employment in all sectors of the economy – particularly the informal sector; the problem of HIV/AIDS and its impact on the world of work; human resource development, and collaboration with the UN agencies and Bretton Woods institutions. He further commented that one could not assume that the private sector alone could create jobs. Some countries lacked the necessary infrastructure to attract the private sector and in such cases governments had a greater role to play.
72. The representative of the Government of Canada commented that the Forum represented an important opportunity to identify the favourable conditions and policy options at the national, regional and international levels to meet the coming demands in a way that ensured long-term economic, social and environmental sustainability. She emphasized the important role of the Forum in placing employment at the centre of economic and social policy and creating the tools to do so through the establishment of strategic alliances. She further commented that the CEF was an important starting point for these efforts and requested that the CEF be made available to the Governing Body in June 2001.
73. The representative of the Government of Namibia remarked that the playing field was not level and that the situation was possibly less favourable than portrayed in the paper. He stated that he would like to see the development of a plan of action in the proposal, with clear benchmarks so that one could measure the impact of unemployment on the poor.
74. The Worker Vice-Chairperson remarked that the responses during the session had been constructive. Regarding the Forum's preparatory committee, the Workers' group had been participating in meetings. In response to Government delegates' interventions, he commented that both governments and the private sector had an important role to play in employment creation by emphasizing the importance of the government role especially in developing countries. Regarding the selection of topics for the Forum, the Workers would have to come back to this issue.
75. Mr. Amjad thanked members for the rich debate and valuable comments and suggestions on the content and organization of the Forum and CEF. In response to the various questions, he explained that two meetings had already been held to prepare the Forum and that another meeting would be organized shortly to take stock of the current Governing Body meeting. The specific topics mentioned by delegates would be taken into account in formulating the CEF, the first draft of which would be ready by mid-2001. After consultations, the draft document would be ready by September 2001 and would then be presented at the Forum. The results would thereafter be discussed at the Governing Body in November 2001 and the discussions would be taken into account in finalizing the CEF. The CEF would become an ongoing document which would impact on the ILO in its policy advisory role. Regarding the building of strategic alliances with UN agencies and Bretton Woods institutions, he considered this to be an effective method of reinforcing the employment message. Productive employment was a way to reduce poverty and it was therefore essential to build employment into their objectives.
76. The Chairperson summarized by saying that delegates had clearly emphasized the importance of holding such a Forum and the necessity for well-prepared and timely measures by the preparatory committee. He further stated that the majority had stressed the necessity to have the involvement and full cooperation of all the constituents, as well as representatives from all the different regions, developing and developed countries, and all relevant international organizations in order to ensure the success of the Forum. Finally, it was clear that focus should be made on the objectives of the Forum so that the ILO would have tangible and constructive proposals and a CEF to be presented at the following Governing Body session.

IV. *World Employment Report 2001 – Key findings*

- 77.** A representative of the Director-General (Mr. Campbell, Senior Economist, Employment Strategy Department) introduced the item.⁵ The report was made up of two parts: a review of global employment trends and an analysis of the impact of the information and communications revolution on the world of work.
- 78.** The global employment situation posed major challenges. The ILO estimated global unemployment at 160 million at the end of 2000. The majority of the 1.2 billion poor were supported by the earnings of 500 million “working poor”. Five hundred million new jobs needed to be created over the next decade to absorb the expected increase in labour market entrants. The present and future prospects depended on whether Europe could take over as the engine of growth, the recovery continuing in the Russian Federation, East Asia and Latin America, and the developments in the United States economy.
- 79.** The report then examined information and communication technologies in relation to quantity, quality and location of employment. One major conclusion was that job gains in that sector outweighed job losses. Another finding was that the quality of work in the information economy varied considerably. And finally, information and communications technology was changing the global division of labour and could aid development. Developing countries could enter the global information economy, provided they had a coherent national strategy, an educated workforce, and an affordable, accessible telecommunications infrastructure. However, there was a risk that the digital divide would widen unless national and international policies were established.
- 80.** The Worker Vice-Chairperson reminded the Office that the majority of the developing nations had not reached the stage of even worrying about the digital divide. He underlined the need for the Office to take these countries into due consideration in its analysis of the information and communications revolution.
- 81.** Mr. Mansfield (Worker member), speaking on behalf of the Workers’ group, praised the Office for a comprehensive assessment of the information and communications revolution and its impact on the world of work, but had some reservations on the analysis of global employment trends, which was, in his view, far from the comprehensive reports of previous years. First, the analysis did not give a satisfactory picture: in the last decade only the United States had experienced low levels of unemployment. The 500 million jobs that needed to be created were mainly in the developing world. It was therefore crucial to remove the impediments to employment creation in developing countries, such as corruption, armed conflicts, lack of respect for fundamental rights and the failure of governments to give high priority to employment growth. Second, the ILO’s standard for measuring unemployment, based on at least one hour of paid work per week, was seriously questioned by some leading statisticians, who were suggesting new ways of measuring it. The ILO should study these proposals with a view to reforming its standard. Third, more precision was needed on the issue of foreign workers, and the data provided on the situation of women workers was inadequate. The areas where the Workers’ group would seek to have the ILO increase its efforts included: develop the comprehensive employment framework (CEF); provide advice on policies to achieve higher rates of employment growth; assess mechanisms for ensuring that the outcomes of economic growth could be more equitably shared; continue to assess the position of women in the workforce and promote policies to overcome discrimination and inequities; provide continuing advice to

⁵ GB.280/ESP/4.

the Governing Body on the trends in securing the implementation of the Global Compact; promote the adoption of the core labour standards in the context of achieving employment growth and also, where appropriate, the adoption of enterprise or other codes of labour practice, endorsing collective bargaining and other core standards; pay particular attention to the growth of marginalized workers and take action on the implications of that growth for the quality of working life and standards.

82. On the analysis of the information and communications revolution, he wondered whether there was indeed a new economy: recent economic developments, in particular in the United States, showed the limits of this revolution and the need to integrate the new economy with the real economy. The ILO needed to investigate ways in which the inequities resulting from the widening digital divide could be tackled, and should take action in the following areas: promote the advantages of active labour market policies to achieve greater employability for displaced workers, especially those in the older category; undertake work to promote vocational training opportunities to meet emerging skill needs; undertake initiatives to promote the implementation of core labour standards, especially Conventions Nos. 87 and 98, in the ICT industry, including call centres; examine and report on occupational safety and health and privacy issues associated with the use of ICT; examine and report on the initiatives which could be taken to bridge the gap in accessibility to ICT services.
83. The Employer Vice-Chairperson noted that the *World Employment Report 2001* was an improvement upon the previous reports. However, he cautioned the Office against using too negative a tone when reporting on telework, which the Employers considered a liberating development. He also cautioned against the view that it was possible to steer the information and communications revolution, as a revolution was, by definition, impossible to control. Pointing out the United States experience, he emphasized that, if widely implemented, the information and communications revolution would hold big potential on economic growth.
84. The representative of the Government of Malaysia welcomed the *World Employment Report 2001*. He stressed that the facts and figures presented in the report were a matter of concern for his Government as they showed rising unemployment and a widening digital divide. He underlined that developing countries were ill-equipped to face these challenges and therefore called upon the ILO both to assist member States and cooperate with other international agencies to help its constituents.
85. The representative of the Government of Sudan, speaking on behalf of African governments, requested the ILO's help in the field of training for the telecommunications sector. He stressed that training was the best way to deal with the job losses that would inevitably occur following the information and communications revolution. Developing countries needed infrastructure, and the ILO should increase investment in that field to eliminate the digital divide, a strategic point for the ILO's future work. He finally requested the ILO to assist the African countries in designing national policies together with other UN agencies.
86. The representative of the Government of the Islamic Republic of Iran informed the Committee that in his national televised new year message, the Iranian leader had expressed serious concerns on youth unemployment and had emphasized that the legislative and judiciary branches had to support the executive one in combating unemployment. He reiterated the essential role of tripartite cooperation and the ILO in this regard.
87. The representative of the Government of Denmark said her Government was looking forward to discussing in greater depth the *World Employment Report 2001* at the Global Employment Forum. She asked for a more intensive focus on human resources development as adaptability and new ways of thinking were becoming increasingly

important. Investment in education to avoid marginalization was crucial, and the ILO had to look out especially for women who, without equal access to education, risked being marginalized. She pointed out that telework could be a source of isolation, and had other disadvantages such as a lack of training and a poorer work environment and reduced employment benefits. The main challenge being to overcome the digital divide, it was crucial for the ILO to develop targeted strategies, for example, with regard to the quality of working life or on new forms of employment.

- 88.** The representative of the Government of Japan suggested that, to help overcoming the digital divide, the ILO should provide a platform for an exchange of information and best practices among member States on the information and communications revolution.
- 89.** The representative of the Government of the United States welcomed the report and stressed that the topic was very timely. She asked what new strategy would or could be developed by the Office to answer all the very important questions raised in the report.
- 90.** The representative of the Government of France regretted that the report was published in only one language and requested the Office to publish it in all three official languages.
- 91.** The representative of the Government of India stressed the importance of education to supply ICT skills.
- 92.** Mr. Campbell expressed thanks for the comments received from the Committee. In response to specific queries regarding follow-up initiatives, he referred to the ILO's planned cooperation with the DOTForce established at the G8 Summit, and with the ICT task force and the Trust Fund of the Economic and Social Council of the United Nations. He welcomed the suggestion that had been made regarding the role of the ILO as a forum for exchanging information and experience. In response to a comment made by the Employer Vice-Chairperson, he regretted that the paper before the Committee had given a negative impression of the quality of telework. In fact, the report itself gave a more balanced analysis of such work in that it viewed it as a positive opportunity for many, but also recognized its potentially negative consequences. Finally, he associated himself with the remarks made by Mr. Mansfield on the question of whether the so-called new economy did exist. The recent collapse of many "dot.com" companies was in fact possibly beneficial, as the euphoria that had surrounded the growth of online companies had detracted attention from the more profound changes that ICT was bringing about in the economy as a whole.
- 93.** Mr. Amjad, commenting on the employment review section of the report, emphasized that the report focused on the critical issues affecting employment growth. The points made by Mr. Mansfield about the role that the ILO ought to play were well taken. He assured the Committee that more attention would be paid in future reports to reflecting global trends.
- 94.** In his summary, the Chairperson noted the Committee's appreciation for the detailed information that had been provided by the Office, both in the documents and during the presentation. There had also been requests for a more concise report, which should focus on essential issues and be produced in a timely manner and in all official languages. More emphasis should be given to national planning policy, taking into account the relation between economic growth and employment. Concerns had also been expressed about the marginalization of migrant workers, and several speakers had put emphasis on the creation of job opportunities for women. The impact of ICT on employment trends and the digital divide would have to be studied carefully, and developing countries in particular needed advice on how to deal with technological progress and how to benefit from the new technology. Location-independent employment had been considered by some speakers as facilitating job creation. Finally, the Office had been requested to attach special importance to education and vocational training in the area of ICT.

V. The labour market and employment implications of the HIV/AIDS epidemic

95. A representative of the Director-General (Mr. Lisk, Director of the ILO Global Programme on HIV/AIDS and the World of Work) introduced the Office paper.⁶ The Global Programme had been set up in response to the resolution on HIV/AIDS, adopted at the International Labour Conference in June 2000, which recognized HIV/AIDS as a global problem and a workplace issue. The pandemic was seen to pose a threat to the ILO's primary objectives and fundamental principles pertaining to rights at work. The ILO had also been identified by UNAIDS as the competent body to deal with workplace policy issues in the context of HIV/AIDS. The ILO had been working closely with UNAIDS and its co-sponsors, and would assume the Chair of the United Nations Inter-Agency Advisory Group on HIV/AIDS at the next session in 2002. A code of practice on HIV/AIDS was currently being developed, and it should be adopted by a tripartite meeting of experts in May 2001 and would be presented to the Special Session of the United Nations General Assembly on HIV/AIDS (New York, 25-27 June 2001). The ILO was also taking steps to become a co-sponsor of UNAIDS.
96. The Office paper focused on the key issues pertaining to the labour market and employment implications of the HIV/AIDS epidemic, with the guidance of the ILO's rights-based mandate and technical competence. It stressed the pandemic's global nature and the rapidity with which it was spreading, whilst highlighting key areas of the pandemic's negative impact on the labour market. This impact was described in terms of the loss of skilled and experienced members of the labour force, and the subsequent reduction in productivity and living standards, as well as the increase in child labour and effects on the already precarious livelihood of informal sector workers.
97. The paper highlighted the negative macroeconomic effects of the pandemic, such as the decline in revenues, social expenditures and investment, and the diminished international competitiveness of developing countries, and identified certain health personnel, migrants and transport sector workers as being at special risk. The gender dimensions of HIV/AIDS were defined as a key area for action, with women cited as being the more vulnerable sex in economic, biological and sociological terms. The ILO programme would complement national efforts in dealing with HIV/AIDS in the workplace, making full use of the ILO's unique tripartite structure, the emphasis placed on social dialogue, its experience in technical cooperation, and its standards framework. Country-level activities, particularly in developing and transition economies, were identified as a priority needing more resources. The ILO programme would include the organization of seminars and meetings, and analytical studies of best practices and success stories, involving cases where epidemic trends had been restrained or reversed and prevalence rates kept low. The programme would also focus on coping mechanisms at local community level, and on prevention, care and support at enterprise level.
98. The Employer Vice-Chairperson, noted that HIV/AIDS was a universal problem and that the attention given to HIV/AIDS by the ILO was much needed. He emphasized that the ILO had a unique contribution to make because of its ability to work at a country level and with the tripartite partners adding value to the fight against the disease. The issue of HIV/AIDS needed to be examined in its local context, for example through case studies

⁶ GB.280/ESP/5.

and the identification of best practices to help prevent the spread of the disease and mitigate its effects.

- 99.** Mr. Sanzouango (Employer member) informed the Committee about a meeting in late 2000 in Douala, Cameroon, to discuss the role of employers in fighting HIV/AIDS. The meeting was in the spirit of the ILO African Platform on HIV/AIDS, adopted in Windhoek in October 1999 and endorsed by African labour ministers later that year in Abidjan. The meeting in Cameroon considered what could be done by employers to mitigate the impact of the disease on individuals and enterprises. The employers recognized that HIV/AIDS hurt enterprises in a number of respects, including absenteeism, additional training and recruitment costs and loss of productivity. The Douala meeting recognized that employers had an important role to play in the fight against HIV/AIDS and that the workplace was an important site for intervention in this respect. HIV/AIDS had a human cost and employers had a social responsibility over and above the economic costs. The meeting in Douala adopted a plan of action for enterprises, a precondition of which was the need to break the cultural silence on HIV/AIDS. Effective dissemination of information and education, for example through HIV/AIDS workshops for enterprises, including small and micro-enterprises, was important, as well as a database to monitor the pandemic. HIV/AIDS had gone beyond a health issue and an effective response required the mobilization of strategic alliances. The ILO had an important role in supporting such regional initiatives through the provision of expertise and resources.
- 100.** The Worker Vice-Chairperson stated that HIV/AIDS was a trade union concern, as many people in the productive age group were affected by the disease. He identified four areas for intervention. First, health: the intervention needed here was not strictly medical. However, ILO constituents could exert pressure on pharmaceutical companies to improve access to affordable HIV/AIDS medication for all. Second, prevention: despite previous efforts, the HIV/AIDS pandemic had continued, which prompted a need to re-examine past approaches to prevention. Particular emphasis should be placed on information and education. Third, elimination of discrimination: the proposed ILO Code of practice on HIV/AIDS and the world of work and its promotion of the principle of non-discrimination on the basis of HIV/AIDS was welcomed. Existing ILO Conventions on non-discrimination provided a source of reference which should be fully utilized. Fourth, prevention of labour force deterioration: HIV/AIDS primarily affected people in the active workforce. The result was that countries were facing economic crisis, fuelled by a vicious circle in which HIV/AIDS bred poverty, itself a risk factor for HIV/AIDS. He referred to the future role of the ILO in dealing with the consequences of HIV/AIDS in the workplace, and stressed the importance of taking concrete steps to halt this vicious circle. HIV/AIDS must be a budgetary priority for the ILO. There were many ways in which the ILO could approach this issue, and the IPEC programme could be a relevant comparison. The Global Social Solidarity Trust Fund could be utilized to address the problems of child labour and HIV/AIDS. He stressed the need for tripartism in combating the pandemic.
- 101.** Mr. Murangira (Worker member) made the point that conflict exacerbated the severity of HIV/AIDS. Women were especially at risk of HIV/AIDS through systematic rape as a consequence of armed conflict and as displaced persons in refugee camps.
- 102.** The representative of the Government of Sudan thanked the Office for its support and commended the role of the ILO in joining the fight against HIV/AIDS. He noted that Africa was most severely affected by the pandemic, and access to drugs was a major issue that should be a concern of the ILO. The ILO should coordinate efforts with the tripartite partners to put pressure on pharmaceutical companies to lower the price of life-prolonging medication. The ILO must use its tripartite structure to combat HIV/AIDS in Africa. He pinpointed the importance of paragraph 9 of the report regarding the impact of HIV/AIDS on the household. All parties must contribute to the fight against HIV/AIDS, especially

those countries most affected. The ILO should assess the labour market and employment costs of HIV/AIDS and focus on rural as well as urban workers and employers.

103. The representative of the Government of the United States said that the ILO was not the appropriate forum in which to debate the issue of pricing of pharmaceuticals.
104. The representative of the Government of Trinidad and Tobago observed that while the report focused mainly on Africa, HIV/AIDS affected all regions. After Africa, the Caribbean region had the second highest prevalence rate of HIV/AIDS, and the female to male ratio would soon be 1:1. The severity of the problem was reflected in the creation of a Caribbean task force and programme on HIV/AIDS. She expressed her appreciation to the ILO and the US Department of Labor for their support of initiatives envisaged for the region.
105. The representative of the Government of France, speaking on behalf of IMEC governments, emphasized the urgency of developing a long-term strategy to deal with the impact of HIV/AIDS. He referred to access to treatment as an issue of concern. He commended the role of the ILO and emphasized the importance of the principle of non-discrimination on the basis of HIV/AIDS. The role of the ILO in this area should be strengthened.
106. The representative of the Government of India welcomed the paper. He highlighted the importance of learning from the experience of sub-Saharan Africa in dealing with the epidemic, stressing the need for differentiated strategies in regional and sectoral terms, particularly in the informal sector, which he agreed was a prime area for action. He reiterated the need to make use of the ILO's tripartite structure and recommended that trade unions accord high priority to the issue.
107. The representative of the Government of Denmark thanked the Office for the comprehensive overview given in the paper. She welcomed the establishment of the HIV/AIDS programme and urged the development of an Office-wide strategy to ensure integrated activities. She also welcomed the ILO code of practice as a guideline for managers and employers in dealing with HIV/AIDS in the workplace. A large proportion of the labour force worked in the informal sector, and assistance should be provided to such workers. The conclusions of the tripartite meeting of experts should be reported at the forthcoming 2001 session of the Governing Body.
108. The representative of the Government of Namibia welcomed the efforts made by the Office and noted that HIV/AIDS was no longer merely a health problem. He called for more concrete and elaborate proposals on what the ILO would do to combat HIV/AIDS. The issue of affordable drugs was an appropriate concern for the ILO and should be addressed through the creation of strategic alliances on the basis of tripartism.
109. The representative of the Government of South Africa said that HIV/AIDS was a human tragedy with implications for all aspects of the workplace. The Government of South Africa had adopted a Code of Good Practice on HIV/AIDS. Failure to deal strategically with HIV/AIDS would result in unprecedented loss. HIV/AIDS did not respect geographical boundaries in the global village of today. While he concurred with the representative of the Government of the United States that the ILO had no jurisdiction to regulate drug pricing, he stressed that the issue of access to treatment carried with it moral and ethical obligations that pertained to the ILO in its role as a champion of social justice for workers. The moral and ethical dimension of the approach of the ILO to combating HIV/AIDS was reflected in section 9 of the draft ILO Code of practice concerning care and support of people affected by HIV/AIDS. He urged the ILO to consider the adoption of a declaration supporting access to affordable drugs.

- 110.** The Employer Vice-Chairperson expressed the view that the present agenda was not the appropriate occasion to raise budgetary issues concerned with the Global Social Solidarity Trust Fund, referred to previously by the Worker Vice-Chairperson, but he added that the idea should be discussed and approved in the ESP Committee before appearing in budget documents. He stressed that the issue of drug pricing was not a relevant concern within the competency of the ILO and was being handled elsewhere.
- 111.** The Worker Vice-Chairperson felt that the issue of access to drugs was relevant to the mandate of the ILO. The ILO should use its tripartite structure to pressure pharmaceutical companies to make treatment affordable for those affected by HIV/AIDS.
- 112.** Mr. Lisk acknowledged with gratitude the words of support and welcomed the advice given regarding the ILO programme on HIV/AIDS. He identified three points for clarification. Firstly, the ILO code of practice had been drawn up on the basis of extensive consultation with tripartite members, and individual and regional as well as enterprise-level codes had been studied in the process. Once adopted, follow-up activities would begin, including a study of the use being made of the code at the country level. He confirmed that a report to the Governing Body would be made in November 2001 regarding the tripartite meeting of experts and the programme's progress. Secondly, referring to the value added role of the ILO, he emphasised that this was a global programme as HIV/AIDS was a global issue. Lastly, the ILO programme would complement existing national initiatives by integrating world of work components into them. The ILO would collaborate with national authorities to formulate national policy and social partners to establish education and information programmes in the local community, with emphasis on prevention. The battle against the epidemic would only be won in the household and community, the link between the workplace and the community must therefore be stressed.
- 113.** In response to the comment made about creating an Office-wide strategy, he stated that, as indicated by the Director-General, the ILO/AIDS programme was a cross-cutting programme that would involve all ILO activities and structures. In support of this strategy, an inter-departmental task force on HIV/AIDS had been established. On the issue of the pricing of drugs, the Office was not in a position to comment. The matter would continue to be observed by the Office in the context of the ILO's cooperation with UNAIDS and WHO.
- 114.** In his summary, the Chairperson noted that serious concerns had been expressed by all speakers about the negative impact of the HIV/AIDS pandemic on employment and the labour market. It had been felt that the collective efforts of governments, workers and employers were essential in dealing with this serious problem. Education had been regarded as an effective measure for prevention. Thorough studies were necessary on the cause, impacts, and preventive measures adopted by various countries, while updated statistical information would be useful for future decision-making. The Committee had also recommended close cooperation of the ILO with relevant international organizations, in particular WHO and UNAIDS, and that the issues of drug financing and non-discriminatory treatment of infected workers be dealt with by all parties concerned. Finally, while the Committee had appreciated the work of the programme, it suggested that further work be undertaken in order to prepare concrete proposals for action, for consideration by the Committee and the Governing Body.

Geneva, 26 March 2001.

(Signed) Mr. Soltanieh,
Chairperson.