



## SIXTEENTH ITEM ON THE AGENDA

**International Institute for Labour Studies**  
**Report of the 45th Session of the Board**

1. The Board of the International Institute for Labour Studies held its 45th Session on 14 November 2003, chaired by the Director-General of the ILO as President of the Board. It had before it the Report of the Director,<sup>1</sup> the Programme and Budget for 2004-05<sup>2</sup> and a document concerning the acceptance of contributions and gifts to the Institute.<sup>3</sup>
2. The Director-General thanked the members of the Board for their dedication to the mission of the Institute and their commitment to the enlargement of knowledge about the world of work. Their support had enabled the ILO to improve its policies for decent work, enterprise development and social justice. He also thanked the Director ad interim of the Institute for having shouldered challenging responsibilities, and commended his enthusiasm and insight in preparing a promising Programme and Budget for 2004-05 which had his full support.
3. The Director-General began by drawing attention to the need to define the future directions of the Institute. He presented two ideas for consideration by the Board: one concerning the opportunity of undertaking a strategic assessment of the Institute, and another for establishing an ILO prize relevant to the theme of decent work.
4. Rethinking the future of the Institute had become necessary in the light of two substantive frameworks that had influenced ILO programmes. The first was the Decent Work Agenda that had increasingly gained political acceptance as truly reflecting the needs of people in all countries. The second framework was derived from the ILO's decision to play an institutional part, through the work of the World Commission on the Social Dimension of Globalization (WCSDG), in analysing the social impact of globalization and searching for policy responses. Absorbing the implications of the relationship between the Decent Work Agenda and the aspirations of people exposed to globalization was, in itself, an enormous challenge for the ILO and the Institute.

<sup>1</sup> INS.B.XLV/1.

<sup>2</sup> INS.B.XLV/2.

<sup>3</sup> INS.B.XLV/3.

5. In view of the above challenge, the Director-General suggested the launching of a strategic assessment on the Institute's future role and its contribution to the world of work. Since the ILO Governing Body had been discussing a strategic policy framework for the Organization during the period 2006-09, it was important that the Institute be included in that process. The terms of reference for the exercise should take into account the objectives, position and knowledge base of the Institute, as well as its activities, means of action, personnel, budget and extra-budgetary resources. The review process could be organized with the involvement of representatives of social partners and governments on the Board. A first approximation of the outcome could be ready by March 2004, revised through informal consultations during the International Labour Conference and submitted to the Board in November 2004.
6. The Director-General also suggested establishing an ILO prize that would recognize outstanding contributions to analysis, policy development and best practices in the application of decent work in enterprises and community projects. The Nobel laureate, Professor Joseph Stiglitz, had welcomed the idea and agreed to chair the prize selection committee. The Institute had the autonomy, technical foundation and institutional space required for organizing the prize, which in turn, would enhance the image and visibility of the ILO.
7. The Director-General concluded by expressing his commitment to the future of the Institute. He wished to ensure that the Institute had an active and influential role in the ILO, especially in relation to intellectual inquiry into the future of the world of work.
8. Mr. Suzuki (Employer Vice-Chairperson) thanked the Director-General for his innovative ideas and for his firm commitment to the future of the Institute. The idea of an ILO prize was a very good one and an important addition to the three conventional means of action of the ILO, namely: standard setting, outreach and technical cooperation. He suggested that the prize concept and its *modus operandi* should be clearly formulated with the involvement of the Institute Board in a tripartite manner.
9. Ms. Yacob (Worker Vice-Chairperson) strongly supported and welcomed the Director-General's proposal for a strategic review of the Institute. The Workers' group was concerned about the direction of the Institute against the background of the ILO's Decent Work Agenda. Repositioning the Institute to add value to the Agenda was the key question. The Institute had a prominent role as a think tank helping with cutting-edge research on problems, approaches and solutions, and it needed to have close working relations with ACTRAV and ACT/EMP. The strategic review exercise would help to assess staff requirements, to fill the Director's position, and to review the current Institute practice of deploying staff to other units of the ILO. The following points were raised for consideration in organizing the strategic review: firstly, terms of reference for the review needed to be defined so that the task force was aware of the objectives and outcomes expected; secondly, it had to be carried out within a specified time frame; and, thirdly, it required the involvement of the social partners. External academics could bring fresh ideas and perspectives to the whole review process.
10. Ms. Yacob made it clear that the Workers' group supported the idea of an ILO prize for two reasons. It would give visibility and a higher profile to the Decent Work Agenda, and would provide an opportunity to reposition the Institute after the strategic review exercise. Professor Stiglitz, as the chairperson of the prize committee, would only enhance the image and prestige of the Institute. However, the implications of the prize in terms of resources and staff remained to be addressed, as well as a decision on the position of the Director, which was currently being filled by someone in an acting capacity.

11. The representative of the Government of Brazil, welcoming the Director-General's proposals, said that they embodied the right response to the current needs of the ILO and the Institute. He hoped that when setting the agenda for a strategic assessment, the Institute would give attention to the Millennium Development Goals. The committee that selected prize winners should act on clear guidelines, giving priority to innovative programmes for youth employment creation. He expected that the Director-General, in view of his rich experience as a practitioner of development, would be personally involved in implementing the two ideas concerning the future of the Institute.
12. Replying to the comments by Board members, the Director-General summarized the main points as follows: the Institute would move forward with the strategic assessment with clearly defined terms of reference; it would follow a strict time frame and submit the final report for a decision in November 2004; the task force would be small, comprising social partners, a government representative and external academics, chaired by the Director-General and supported by the Director of the Institute.
13. In the light of discussions, the Board adopted the following conclusions:
  - The Board held a discussion on the forthcoming work programme of the Institute. It considered that, following the overall restructuring of the ILO on the basis of four strategic sectors and the promotion of decent work, it will be timely to undertake a strategic assessment of the objectives, positioning, activities and means of action of the Institute. This review will also explore the feasibility of new initiatives to strengthen the position of the Institute within the framework of the ILO's Decent Work Agenda.
  - The Board decided to set up a task force, composed of the Director-General as President of the Board, the Employer and Worker Vice-Chairpersons, the representative of the Government of Brazil and the Director ad interim of the Institute, to undertake this strategic assessment. The terms of reference shall clearly define the scope, objectives and methods of assessment. For the task force to carry out an effective assessment and develop innovative approaches, support from external experts to assess the strengths and weaknesses of the Institute is required. The task force will hold consultations with managers and experts from relevant research centres, and examine policies and practices followed in other international organizations. It will also examine the role of the Institute in the follow-up to the WCSDG report and the possibility of establishing an award related to decent work. The task force will hold a first meeting in March 2004, and a second one during the International Labour Conference in June 2004, with a view to finalizing its work and formulating its recommendations in the autumn of 2004, for examination and adoption by the Board at its meeting in November 2004.

## **Report of the Director and the Programme and Budget for 2004-05**

14. The Board decided to examine agenda items 1 (Report of the Director) and 2 (Programme and Budget for 2004-05) together.
15. The Director ad interim emphasized five aspects of the activities carried out by the Institute since November 2002. First, the Institute had relied on a significant network of scholars, academic institutions and research centres in implementing its research and education programmes. He mentioned as an illustration the recent Memorandum of Understanding concluded between the Institute and Cornell University and the 15 scholars who had worked with the Institute in 2003. Second, the Institute had pursued closer

cooperation with the four strategic sectors of the ILO, and in particular with the InFocus Programme on Promoting the Declaration, the Programme on International Migration and the InFocus Programme on Social Dialogue, Labour Law and Labour Administration. Third, the Institute had made significant efforts to enhance its visibility. Its web site had been upgraded to include in full text all books published by the Institute since 1989, as well as the texts of public lectures and discussion papers. Fourth, the Institute had launched a new research project on migration, which would contribute to the preparation of the general discussion at the International Labour Conference in June 2004 and would continue throughout the next biennium. Finally, he noted that the Institute had continued to contribute to the work of the WCSDG secretariat through the secondment of key Professional and administrative staff.

- 16.** With regard to the proposed Programme and Budget for 2004-05, the Director ad interim underlined the elements of continuity in the Institute's activities as well as new developments. Many activities would be continued during the next biennium, such as the annual international internship courses. Among new developments in the research programme, he mentioned a new project on social dialogue, governance and socio-economic performance, and another one on sustainable migration solutions. In the education and outreach programme, a project concerning social partners would be further elaborated in close cooperation with ACT/EMP and ACTRAV. The Institute would organize regional internship courses on an annual basis, and strengthen the dissemination of its publications. A measure of flexibility should be maintained in the programme, to include new projects and activities which could result from the strategic assessment decided by the Board, and from follow-up initiatives to the WCSDG report. The Board would be kept fully informed of any new developments at its November 2004 meeting. Concerning resources, the Institute budgetary proposals showed a decrease of US\$457,000 in real terms, resulting both from a reduction of the contribution originating from the ILO regular budget and from exchange rate fluctuations. The total budget proposed for 2004-05 amounted to US\$8,262,156.
- 17.** Ms. Yacob appreciated the work done by the Institute in spite of difficult circumstances and hoped that the strategic review would provide stability to the Institute and improve the morale of the staff.
- 18.** She raised concerns about the reduction of the Institute's budget and hoped that it would still be able to carry out its activities efficiently, adding that the budget allocated should be fully utilized. She raised a question about whether the reduction and seconding of Institute staff would affect its research programme. She recognized the importance of taking a decision without undue delay on the position of the Director.
- 19.** Ms. Yacob welcomed the continuation of the empirical research in the area of workers' rights and development. Institute research findings, which showed that countries with stronger freedom of association and collective bargaining rights and with higher educational attainments have higher exports, were well taken. She urged the Institute to disseminate these findings widely, particularly to governments. She welcomed the research on social dialogue, governance and social economic performance, but emphasized the importance of including other aspects of social dialogue and collaborating with ACTRAV and ACT/EMP to address the critical question of preconditions required for effective social dialogue. Moreover, there was a need to look at the situation of social dialogue in small and medium-sized enterprises and the informal economy. She highlighted the importance of the research being done on migration and suggested that other issues also needed to be considered, such as illegal migration and lack of social protection among migrant workers.
- 20.** As for future work, Ms. Yacob recommended that the Institute examine how labour standards bring about social justice and sustainable development, and carry out follow-up

on the report of the World Commission on the Social Dimension of Globalization. She found the idea of having international and regional internship courses useful, but raised a question as to their cost-effectiveness. She suggested that the Institute work closely with the social partners to promote the Decent Work Agenda through research work. She sought the Institute's cooperation in ACTRAV's Global Unions Research Network Programme, which involved developing an integrated system of knowledge management and information sharing. She concluded by thanking the Institute staff for their work under trying circumstances.

21. Mr. Suzuki observed that the Employers' group would like to see the Institute as an integral part of the ILO's strategic thinking, rather than a mere forum for dialogue on policy issues. He called for close cooperation with the four ILO sectors and even closer work with ACT/EMP and ACTRAV.
22. The Employers endorsed the Director's report and congratulated the Institute on its achievements. They would continue to examine the work done under the Institute's research programme and make comments where appropriate. Referring to educational activities, Mr. Suzuki was pleased about the forthcoming internship course for the Asia and Pacific region. For future reports, he suggested a different presentation of the Institute's publications in the appendix, according to topics rather than type of product.
23. Mr. Suzuki noted with concern the decrease in the ILO contribution to the Institute's budget. Commenting on the item "Workers' rights and economic development" in the 2004-05 work programme, he underlined that not only rights should be considered but also responsibilities; and he particularly welcomed the work on the relationship between child labour and technology. Under the heading "Social dialogue, governance and socio-economic performance", it would be important to include practical examples from areas where IOE/ICFTU joint agreements existed such as youth employment and HIV/AIDS. He also drew attention to the importance of addressing problems in the informal sector.
24. Mr. Suzuki advised that the Institute use the project "Social partners in the changing world of work" as a first step to intensifying collaboration with ACT/EMP and ACTRAV. He encouraged the Institute to include research institutions affiliated with employers' and workers' organizations when building research networks, and to benefit from the organization of conferences to effectively disseminate Institute research findings.
25. Mr. Lambert wondered whether the Institute's visiting student programme could be used as a channel for staff recruitment, because the time spent in the ILO would provide an excellent opportunity for observing the abilities and potential of the students.
26. The representative of the Government of South Africa said that most of the points that she had wished to raise were covered by the Director-General's speech. She noted that while the Programme and Budget for 2004-05 emphasized cooperation between the Institute and the four strategic sectors of the ILO, the presentation of the report and the research programmes did not include all objectives. She considered that the review process could examine this point. Noting that the Institute was well endowed with the knowledge base to enhance the work of the Policy Integration Department, she wished for a better coordination between the two, in order to avoid duplication of efforts.
27. On the subject of migration, she called for assurances that forthcoming activities would include experts from the developing world. She also expressed concern at the small number of scholarships available in the framework of the international internship courses, and suggested that the Institute should step up its efforts to cater for more participants. In this context, she supported the Institute's initiative to organize more regional internship courses.

28. She firmly supported the Institute's role in the follow-up process of the World Commission on the Social Dimension of Globalization. She had reservations with regard to certain suggested policies, such as using the visiting student programme for recruitment purposes, which might disadvantage students from the South. She called for efforts to forge strategic links between the Institute and educational institutions from the developing world, and called on the Institute to forward its documentation to all members of the Board rather than only to the titular members. Finally, she proposed that in future the Board meetings should be held before the PFAC meetings.
29. The Director ad interim thanked Board members for their comments, which would be fully taken into account, and for the support they had given for the work of the Institute. The proposal made by the representative of the Government of South Africa to hold Institute Board meetings before PFAC meetings coincided with a request made by the Workers' group in the Governing Body, and it would be duly noted in the report of the Board meeting. He agreed that cooperation with ACTRAV and ACT/EMP was essential and that it should be further strengthened. Concerning budgetary resources, he recalled that part of them originated from the ILO regular budget, but another part came from accumulated funds, which were not renewable. Internships could be a channel for recruitment in the ILO; but this issue should be referred to the Human Resources Department. A prudent management of the resources derived from the accumulated funds was required, to avoid in particular filling posts on a long-term basis using non-renewable, short-term funds.
30. The Board took note of the report of the Director.
31. *The Board adopted the Programme and Budget for 2004-05, and accordingly transmits the programme to the Governing Body of the ILO for endorsement and the budget for final approval, in accordance with article II, paragraph 6, of the Regulations of the Institute.*

## Acceptance of contributions and gifts

32. The Board took note of this document.

Geneva, 17 November 2003.

*Point for decision:* Paragraph 31.