



## FOR DEBATE AND GUIDANCE

## SEVENTH ITEM ON THE AGENDA

**Implementation of decent work country programmes: Checklist of policy areas on social protection***Contents*

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## A. Introduction

1. The purpose of this paper is to explain the main tools that the Office is able to offer in support of the integration of social protection goals and policies into decent work country programmes. It also:
  - sets out the strategic vision for the work of the Social Protection Sector;
  - summarizes the main policy fields covered under the objectives of social protection;
  - highlights the interconnected nature of the package of social protection policies in a life-cycle perspective; and
  - demonstrates the important contribution of social protection to decent work strategies and national and international development in a globalizing world.
2. At its March 2006 session, the Officers of the Committee on Employment and Social Policy (ESP) agreed that a paper implementing decent work country programmes (DWCPs): checklist on policy areas on social protection would be presented. To understand the context of the checklist, however, it is necessary to describe the principles, policies and practices relating to social protection. It is also recalled that during the discussion of the ESP paper, “Employment strategies for decent work country programmes: Concepts, approaches and tools for implementing the Global Employment Agenda”,<sup>1</sup> members of the Committee suggested that it would be useful to know more about the approach of the Social Protection Sector. The inclusion of the paper in the ESP agenda presents a unique opportunity to present an overview of the social protection programme as a whole, rather than just some of its components. A related aim is to share with the Committee developmental work towards the Sector’s contribution to the Office’s effort in assembling “a new development tool: an integrated policy advice framework for the implementation of decent work country programmes” which the Director-General indicated in his Report to the 2006 International Labour Conference.<sup>2</sup>
3. Social protection was a driving force behind the establishment of the ILO in 1919. The Preamble of the ILO Constitution specifically calls for the urgent improvement of labour conditions involving “injustice, hardship and privation” such as by “the regulation of the hours of work, including establishment of a maximum working day and week”, “payment of an adequate living wage”, “the protection of the worker against sickness, disease and injury arising out of his employment”, “provision for old age and injury”, and “protection of the interest of workers when employed in countries other than their own”. The Declaration of Philadelphia in 1944 broadened this focus. The extension of social security measures to provide a basic income to all in need of protection and comprehensive medical care and the provision of child welfare and maternity protection were among the objectives to be attained. The Declaration also widened the mandate of the ILO to social and economic policies and made the eradication of poverty an overarching objective.<sup>3</sup>
4. At the beginning of the twenty-first century, the world still faces a continuing global social malaise that makes the ILO’s mandate on social protection more relevant and urgent than ever:
  - About 10 million children die every year under the age of five due to violent conflicts, but also lack of access to minimum means of subsistence and health care.

<sup>1</sup> GB.295/ESP/1/1.

<sup>2</sup> Report of the Director-General to the International Labour Conference, 95th Session (2006): *Changing patterns in the world of work*, Report I, Preface, p. ix.

<sup>3</sup> E. Lee: “The Declaration of Philadelphia: Retrospect and Prospect”, in *International Labour Review* (ILO, Geneva), 1994, Vol. 133, No. 4, p. 468.

- About 1.4 billion workers, i.e. nearly half of the world’s workers, are unable to earn enough to lift themselves and their family members above the US\$2 a day poverty line.
  - Eighty per cent of the global population does not have access to adequate social security benefits; of these 20 per cent live in abject poverty, even though 2 per cent of the global GDP would be sufficient to provide basic social security to all; an increasing number of households do not have income security to cope with job losses, disability, sickness, maternity, death of a breadwinner and old age; many families, especially in the informal economy, in agriculture and in rural areas do not have access to affordable quality health care or any other form of social protection.
  - Of the nearly 40 million people living with the HIV/AIDS virus, over 80 per cent are in their productive prime (15-49 years). Between 100 and 200 million people are directly or indirectly affected by the pandemic that threatens the family cohesion and the social fabric of societies as a whole.
  - While the number of workers in hazardous and unsafe working conditions cannot yet be estimated, 2.2 million of them die every year from work-related accidents and diseases and a further 270 million are injured and 160 million suffer from work-related diseases annually, causing an estimated economic loss of 4 per cent of global GDP.
  - A majority of the global migrant worker population estimated at around 90-95 million do not enjoy fair wages and social and occupational security, and many of them are subject to hazardous working conditions, discrimination and violence, even though they are contributing substantially to the economic performance of sending and receiving countries. Fifteen per cent of all migrant workers have no access to social protection at all.
5. Social protection is a holistic set of life-cycle based strategies that help to address the social malaise in many countries. Within the overall decent work strategy of the ILO, social protection is one critical component. Without social protection, neither work nor lives can be decent. Social protection seeks to protect workers at their workplaces in the formal and informal economy against unfair, hazardous and unhealthy working conditions. It seeks to provide access to health services, a minimum income for people with incomes under the poverty line and support for families with children. It replaces income from work lost through sickness, unemployment, maternity, invalidity, loss of breadwinner or old age. In addition, the social protection sector focuses on the special social protection needs of vulnerable and disadvantaged groups as a cross-cutting issue. These groups are migrant workers and their families, as well as people living with or affected by HIV/AIDS and people in the informal economy at large.

## **B. Social protection policies and the ILO: Major objectives, principles and tools**

6. The objectives and principles, policies and tools of the ILO in social protection are listed and summarized in the following checklist. A more detailed list is appended. The list is disaggregated into the two main dimensions of social protection in the ILO, i.e. social security and working conditions, as well as the cross-cutting issue of protection of vulnerable groups. The list also sets out the relationship of three overarching ILO strategies to social protection policy areas, i.e. the promotion of international labour standards, the use of social dialogue to determine national policies and the promotion of gender equality. The list thus provides a quick guide for constituents and other users as to the possible contribution of the social protection sector when national decent work country programmes are established in a process of national dialogue. The following sections of the paper elaborate on the different elements of the table.

## Social protection and decent work for all: A summary checklist of objectives and principles, policies and tools

Objectives and principles	Policy areas	Tools
Enhanced social security	Income support in the event of unemployment, invalidity, work injury, maternity, old age or death of a main provider, ensure access to health care; child benefit systems	Policy advice and technical advisory services, training services, information and analysis
Promoting decent conditions of work	Workplace safety and health, prevention of and protection from hazardous work, fair and dignified working conditions, labour inspection	Policy advice and technical advisory services, information and analysis
Protecting vulnerable groups		
Migrant workers	Employment policies for migrant workers, non-discrimination, protection and integration of migrant workers' policies for migrant workers	Policy advice and technical advisory services, information and analysis
HIV/AIDS-affected workers	HIV/AIDS workplace policies; non-discrimination of HIV/AIDS-affected workers, access to prevention, protection, treatment, care and support workers and their families	Policy advice and training services, information and analysis
People in the informal economy	Integration of informal workers and enterprises into national and local governance systems, reduction of poverty	Policy advice and technical advisory services, training services, information and analysis
Overarching strategies	Policies	Methods
Ratification and application of international labour standards	Advocacy, technical advice and supervision to assist member States	Reference to relevant international labour standards is integrated into ILO work on all aspects of social protection; periodic General Surveys
Using social dialogue in the development and application of social protection	Support to the tripartite constituents of the ILO in gaining effective social protection	The ILO supports social partners and governments to develop appropriate mechanisms of governance
Promote gender equality	Integrating gender aspects into all dimensions of ILO social protection policies	Reference to relevant international labour standards and best practice

## **C. Major objectives and strategies**

### **Enhanced social security**

7. Work is a central part of most people's lives. It is the main source of income and thus of material standards of living. It is also an important determinant of an individual's sense of identity, role in the community and thus of self-respect. Although over the course of most people's lives, total income from work will cover needs during non-working periods, there are likely to be a number of periods when income or savings will not be sufficient to meet needs. Ensuring that there is income support during these periods requires a social security system that organizes the transfer of incomes between the working and earning population and the non-working and dependent population. In traditional societies, extended families play an important social security function, but such support mechanisms are breaking down and in any case were never fully effective in providing for all those in need. Well-constructed social security policies are essential to equitable development in an increasingly competitive world.

### **Promoting decent conditions of work**

8. Conditions of work are a further major determinant of the well-being of individuals, families and communities. Most people's main income-earning asset is their physical or mental labour. The nature of the employment relationship is inherently unequal and employers have a determining influence on employees' conditions of work. Since most employers must compete for business by selling the products or services they produce, there is a risk that conditions of work will be bid down below socially acceptable or decent levels. Most countries have therefore introduced laws to establish minimum conditions of work in fields such as occupational safety and health, protection of wages and minimum wages, hours of work, holidays, maternity protection and other matters which affect workers' well-being: between them, these issues largely define workers' experience regarding the quality of their working lives and represent the reality of decent work in the workplace. Such laws are usually defined as minimums that employers and workers and their representative organizations can build on through collective bargaining. In addition, most countries have established labour inspection services with powers to enter workplaces and ensure compliance with laws and regulations.

### **Protecting vulnerable groups**

9. In all societies, certain groups are most in need of social protection. At the international level, priority has been given to migrant workers, in view of the importance of international cooperation to ensuring their well-being, and workers affected by HIV/AIDS in view of the rapid international spread of the infection and its heavy impact on women and men of working age. More generally, most workers and their families in the informal economy lack adequate social protection, rendering them particularly vulnerable to health and safety risks, unfair working conditions, lack of access to necessary health care and poverty.
10. Labour migration compensates in many destination countries for declining birth rates and ageing populations but may also aggravate such problems in sending countries (such as, for example, some parts of Eastern Europe). Migrants are in demand for high-skilled jobs, but also for many low-paid jobs which nationals shun. Migrant communities abroad and

returning migrants contribute to investments and transfer of skills. Yet, many migrants face daunting challenges today, including abuse, lack of social protection, racism and discrimination. Women migrants are especially vulnerable to trafficking and forced labour. Many migrants also lack unions, organizations and institutions that give them an effective voice in the labour market and in policy development. Moreover, there is increasing concern about the loss of skilled workers from developing countries (brain drain). Many countries can no longer maintain adequate public health services because of the exodus of health workers attracted by much better prospects abroad. In other countries the loss of qualified professionals, such as engineers, poses a threat to national productivity levels in the public and private sectors. There is also concern about high transfer fees of remittances and their utilization in home countries. Cumbersome bureaucratic procedures, corruption and malpractices in recruitment play a part in driving migrant workers to more risky channels and debt burdens.

11. The fear of stigma and discrimination is one of the main barriers to an effective protection for workers and families affected by HIV/AIDS. As a result, many companies find that the uptake of treatment opportunities is low, and for this reason the ILO focuses on the creation of a non-discriminatory working environment through the following strategic elements: a national legal and policy framework that prohibits discrimination; joint action by employers and workers; a workplace policy based on the ILO code of practice; and workplace education programmes, training for government officials and building leadership among social partners. The code of practice stipulates that HIV/AIDS should be treated like “any other serious illness or condition” that may affect the worker. The workplace significantly broadens access to treatment – by encouraging voluntary testing, by delivering anti-retrovirals or systematically guiding and referring workers and their families to community services, and providing a support structure to favour adherence to treatment. Care and support are within reach even of small enterprises.<sup>4</sup> The strategic approach of the ILO in relation to HIV/AIDS is to work through and with employers’ and workers’ organizations to reach the workplace and, where necessary, to stimulate action at ministry level.
  
12. The lack of social protection is a “key defining characteristic” of the informal economy.<sup>5</sup> Even workers with relatively stable employment in small and medium-sized enterprises often do not have access to formal social protection provisions. These access problems can most likely be addressed by improved labour market governance that ensures the de facto extension of existing protective provisions to these groups of workers. However, while not everyone in the informal economy is poor, a significant proportion of the poor are in the informal economy, and because they are poor, they are often powerless, excluded and vulnerable. In many ways, measures to extend social protection in the informal economy in developing countries parallel those in poverty reduction. Extending basic social protection in the informal economy is urgent but a range of measures to enable transition to formality should complement it. The informal economy covers an increasingly diverse group of workers and enterprises. What is important is targeting specific groups where interventions can make a difference. Policies seeking to help the poorest should include free access to health care or health care at very low cost. Because the very poor have few, if any, assets, a broader approach to social protection, with short-term and long-term goals and which

<sup>4</sup> ILO/AIDS and SEED: *Helping micro and small enterprises cope with HIV/AIDS: A handbook for service providers*, forthcoming.

<sup>5</sup> ILO: *Decent work and the informal economy*, ILC, 90th Session, 2002, ILO, Geneva, Report VI, pp. 55-70.

include livelihood promotion, asset transfer and social mobilization, is needed.<sup>6</sup> To help those who become poor because of crisis or are hovering around the poverty line, access to protective measures such as insurance and assistance in forming cooperatives, training (including on occupational safety and health) should be provided. Review of laws, regulations and procedures for compliance in order to reduce the burden on micro- and small enterprises can facilitate the transition to formality.<sup>7</sup>

## Overarching strategies

13. As in other policy areas, the ILO uses three basic strategies when designing effective social protection policies and interventions.

### ***The use of a rights-based approach through the promotion of international labour standards***

14. International labour standards establish the “rules” – the regulatory framework – of social protection. They act as a compass providing guidance on what “ought to be” and what “ought to be done” and as a yardstick for measuring progress. They constitute the basis for an ethical framework in national policies and workplace conditions. Standards on social protection interact with each other and with other categories of standards. When jobs are threatened, for example, occupational safety and health standards may be compromised. When income replacement is not provided, maternity protection is threatened. Standards are complementary. The presence of certain standards makes others more effective and, conversely, the absence of certain standards diminishes the potential benefits of others.<sup>8</sup> The “package” character of standards should be taken into account in designing effective social protection in DWCPs.
15. The demand for improvements for social and working conditions does not stop once conditions set out in labour standards have attained the level specified in the standards. Social protection issues should not be turned simply into questions of rules of minimum standards. As with a ladder, progress can be achieved regardless of the starting point. Moreover, changes in the forms and nature of work and jobs, working relationships and working environments are leading to increasing and diverse demands beyond “basic” social protection. National social security systems have to grow with the fiscal space and address evolving priority needs in a rational progressive way so that the level of security can be augmented as economic development progresses.<sup>9</sup> Practically all countries have ample scope for improvements in their social protection systems.

<sup>6</sup> A. Barrientos, D. Hulme and K. Moore (Chronic Poverty Research Centre): “Social protection for the poorest: Taking a broader view” in *Social protection – The role of cash transfers* (Brasilia, International Poverty Centre, UNDP, June 2006, pp. 6-8.

<sup>7</sup> GB.289/ESP/1.

<sup>8</sup> W. Sengenberger: “Protection – participation – promotion: The systemic nature and effects of standards” in W. Sengenberger and D. Campbell (eds.): *Creating economic opportunities: The role of labour standards in industrial restructuring* (Geneva, International Institute for Labour Studies, 1994), pp. 45-60.

<sup>9</sup> ILO Social Security Department, 2006: *Social security for all: Investing in global social and economic development: A consultation*, Issues in Social Protection, Discussion Paper No. 16 (Geneva, ILO).

## ***The use of social dialogue as a means to achieve progress in social protection***

16. Social protection policies are more likely to be effective if tripartite constituents jointly define problems, develop appropriate solutions and set realistic timetables. Moreover, in cases when the poor economic climate reduces resources available for social protection, a national policy developed through dialogue and tripartism becomes even more useful. National action plans on occupational safety and health, on HIV/AIDS and the world of work, and on extending social security are results of social dialogue and tripartism in action. In several countries, these national action plans are some of the building blocks for developing DWCPs. Government interventions and dialogue and negotiations between the social partners play an important role in determining the minimum wage and wage policies, which protect poor workers and influence basic social security benefits.<sup>10</sup> Working-time arrangements are also often issues for collective bargaining. The viability of social security systems and pension schemes depends on national consensus on social transfers. Such consensus can best be achieved through extensive social dialogue regarding cost, financing modes and levels and types of benefits. Where national social protection legislation and regulation is not feasible, social dialogue can lead to collective agreements that historically have often played a pioneering role paving the way for later legislation.
17. Whether social protection issues are regulated mainly by legislation, mainly by collective bargaining or by a combination of the two, it is essential to strengthen the capacity of governments, and employers' and workers' organizations to play their roles fully.<sup>11</sup> Clearly, strong tripartite partnership at national level contributes to more effective policy-making and to improved governance in ensuring that protection reaches those for whom it is intended.

## ***Mainstreaming gender equality***

18. Protection from discrimination in access to and at work, as well as meeting specific needs of women, should be combined with proactive ways to promote gender equality. Maternity protection, wages (which includes equal remuneration) and protection from excessive overtime, certain forms of "non-standard" work and working-time arrangements, policies to prevent violence and sexual harassment are important in promoting gender equality. A higher percentage of women than men work as home-based workers or casual or temporary workers in the informal economy where they are often not provided even modest social protection. Protecting women workers from trafficking and in specific jobs, such as domestic work, are important considerations in developing migration policies.<sup>12</sup> The low status of women, exacerbated by poverty, is a driving force of their greater risk to HIV/AIDS highlighting the need for protective measures. At the same time, because of their key role in the family, women are at the vanguard in the fight against HIV/AIDS and in providing care and support. Similarly, helping men and women balance their work and family life is a crucial step to meet the combined challenges of gender equality, low employment rates and demographic ageing. Gender equality in social security can be

<sup>10</sup> GB.291/ESP/5(& Corr.)

<sup>11</sup> For example, the second phase (2004-07) of the project Strategies and Tools against Social Exclusion and Poverty (STEP), covering over 30 countries, specifies as its second objective "Strengthening the role of workers' and employers' organizations in the implementation of policies and strategies for the extension of social protection".

<sup>12</sup> ILO: *Towards a fair deal for migrant workers in a global economy*, International Labour Conference, 92nd Session, Report VI, 2004.



assured in several ways: income replacement during maternity; promoting equal access to employment and the splitting of social security entitlements in case of divorce so that women have benefits in their own right, not as dependants; and combating wage discrimination so women have better social security entitlements.<sup>13</sup>

## D. Major tools

19. The three main policy dimensions of social protection – social security, the promotion of decent working conditions and the protection of vulnerable groups – thus address the main means by which society ensures that individuals are able to live decently. The establishment, extension and modernization of social protection systems are high on the agenda of most countries. Sound policies help to ensure both economic growth and socially inclusive development. The ILO has years of engagement in the development of social protection policies going back to its foundation. Its services are much in demand. Calls for ILO support for the development of social protection are likely to increase with the move to decent work country programmes and the increasing awareness of their significance in national and international development agendas. The following paragraphs summarize the practical tools that the ILO has developed or seeks to develop to assist countries to develop sound strategies in the major policy fields.

### Social security

20. As stipulated in the ILO flagship Convention (No. 102) concerning social security (minimum standards), social security systems aim to provide people with income support particularly in cases of unemployment, invalidity, work injury, maternity, old age or death of the main provider of income. They also aim to ensure access to health care. For the poor, social security is a lifeline against falling into poverty. It is thus understandable that a major priority is to extend social security to those not covered in existing systems. The Global Campaign on Social Security and Coverage for All was launched in 2003 to encourage extension of social security as a means for combating poverty and social exclusion. The global programme STEP (Strategies and Tools against social Exclusion and Poverty) has proven to be a powerful vehicle for extending coverage in the informal economy, and has developed a series of tools that guide communities and other interested parties through the design and implementation of community-based health-care financing systems.
21. Active in 40 countries, STEP's work in the development of community-based schemes such as micro-insurance and mutual health organizations is recognized as promising means for poor populations in the informal economy.<sup>14</sup> For example, in Senegal, STEP is strengthening mutual health insurance schemes at community level, which are often the only channel for workers in the informal economy to have some protection and care. At the same time, the capacity of the National Committee on Social Dialogue is being strengthened so the social partners can participate in implementing the strategy for extension. A fiscal and feasibility analysis was done and a pre-feasibility study of social protection for rural and transport workers is being carried out.

<sup>13</sup> ILO: *Social security: A new consensus*. ILO, Geneva, 2001.

<sup>14</sup> See for example, "Neglected poor in Africa make their own safety nets", in *New York Times*, 28 Aug. 2005.

22. Experience in micro-insurance shows not only interest in this kind of mechanism, but also its limitations. The capacity of micro-insurance schemes to cover a high number of people on a sustainable basis must be assessed alongside their role within a national system to extend coverage.<sup>15</sup> Financial links have to be created with a central national or international agency to ensure the long-term viability of such schemes. The new health insurance law in Ghana is the first instance where this principle has been given legal force with the help of the ILO. This underlines the importance of national social security action plans taking into account national systems and extension of coverage within an overall integrated framework.
23. While experience in social transfers in developing countries is relatively limited, the ILO demonstrated in its research activities undertaken within the framework of the Global Campaign, using its simulation tools, that social transfers can help developing countries to tackle poverty. Estimations of the affordability of basic social protection packages consisting of access to essential health care, basic old-age pensions and child benefits conducted in Africa (Burkina Faso, Cameroon, Ethiopia, Guinea, Kenya, Senegal, and United Republic of Tanzania) and Asia (Bangladesh, India, Nepal, Pakistan and Viet Nam) show the affordability of basic social transfers and their positive impact on poverty.<sup>16</sup> The methodology used can be applied to other countries.
24. Extending the coverage of social security systems takes considerable time. An example is Thailand, where the ILO continues to be a partner in the process.

#### Accompanying Thailand as it develops its social security system

It started with small steps in the 1960s, 1970s and 1980s with a range of policy advice. Following the entry into force of the Social Security Act 1990, the ILO has been working with the Social Security Organization (SSO) on several fronts ranging from establishing a legal framework to the extension of statutory pension schemes to cover even the smallest enterprises. In 1997, because of the financial crisis in the region, Thailand requested a study on the financial feasibility of introducing unemployment insurance. In 2001, Thailand took the bold step of establishing a universal health scheme (commonly known as the "30 baht scheme"). Eligible persons pay a nominal fee of 30 baht (approximately US\$0.75) for each outpatient visit or hospital visit. Prescription drugs are also free of charge. In 2003, assistance was requested to review the present and likely future long-term financial situation of the scheme. In 2004, the Government examined the further extension of social security other than health care to all Thai citizens. At present, the ILO is implementing the EU-financed project "Financial management of the Thai health-care system".

25. While the Global Campaign focuses largely on the needs of developing countries, the ILO also uses its analytical and advisory machinery to support social security policy formulation in a national dialogue context in industrialized countries. Demographic change has made pension reform a topical policy area particularly in industrialized countries. Various reform measures have been debated, including converting defined benefit pension schemes, financed on a pay-as-you-go basis, into pre-funded defined contribution schemes; linking contributions with future benefits and relegating re-distributive components to social assistance; and privatization of the management of pension funds which aim to provide higher returns. Based on its quantitative studies, the ILO has signalled that such reforms would actually reduce income in old age, make pensions unpredictable, incur high

<sup>15</sup> E. Reynaud: *The extension of social security coverage: The approach of the International Labour Office*, Extension of Social Security (ESS) Working Paper No. 3, Geneva, ILO, 2002.

<sup>16</sup> F. Gassman and C. Behrendt: *Cash benefits in low-income countries: Stimulating the effects of poverty reduction for Senegal and Tanzania*. Issues in Social Protection Discussion Paper No. 15 (forthcoming); and K. Pal, et al., 2006: *Can low-income countries afford basic social protection? First results of a modelling exercise for five Asian countries*, Issues in Social Protection Discussion Paper, 2006 (Geneva, International Labour Office).

administrative costs and reduce effective coverage.<sup>17</sup> Using its modelling machinery, the International Financial and Actuarial Service (ILO FACTS), the ILO is presently contributing to good social governance by supporting countries to develop pragmatic multi-tier pension system solutions that combine the need to provide reliable benefits and to avoid old-age poverty with the objectives of efficiency and long-term financial sustainability.

26. The ageing of populations, however, should not be reduced simply to a pension problem. Increased labour participation rates for all ages are imperative for maintaining the standards of living in ageing societies. A key challenge is to support countries to avoid economic and welfare losses due to demographic transition by finding a right policy mix of social security measures, measures to activate currently inactive labour force reserves, increase productivity and develop rational migration policies. There is a need to strengthen research capacities and to develop the methodologies to pilot test policy models.
27. Another factor that rapidly changes the demographic environment, in which some national social protection systems operate, particularly in developing countries, is new public health threats. In addition to expected pandemics of other infectious diseases, the HIV/AIDS pandemic is the most prominent problem. A key challenge for the Social Security Department is to help countries to develop models to finance preventive and curative care within the social security schemes through wide national and international risk pooling.
28. The basic architecture of many national social security systems will have to change in response to the challenge of global economic integration. At the same time, the global community should explore options to support countries that are not in a position to finance basic social security benefits wholly out of their own resources. The Social Security Department is presently exploring new ways to finance support for building up national social security systems.

## Working conditions

29. An integrated approach to *occupational safety and health* (OSH) has been guided by the Occupational Safety and Health Convention, 1981 (No. 155), the Occupational Safety and Health Recommendation, 1981 (No. 164), the Occupational Health Services Convention, 1985 (No. 161), the Occupational Health Services Recommendation, 1985 (No. 171) and the Global Strategy on Occupational Safety and Health.<sup>18</sup> The recently adopted Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) reinforces this approach and proposes the development of national programmes and strategies based on an integrated approach as a key vehicle for a systematic approach and continuous improvement of occupational safety and health. The ILO provides support in developing national OSH profiles that summarize the national situation and provide a basis for assessing needs and identifying priorities for national OSH programmes. It also supports national efforts to address these needs on national, regional and community levels, but also within the framework of corporate social responsibility initiatives. In China, under the leadership of the State Administration on Work Safety, and in collaboration with the ministries responsible for labour, health, construction and agriculture, as well as employers' and workers' organizations, the first ever national OSH profile was developed, which was used as the basis for developing the national OSH programme and technical cooperation activities. In some countries, national action

<sup>17</sup> ILO: *Changing patterns in the world of work*, op. cit., para. 133.

<sup>18</sup> See for example, Ben Alli: *Fundamental principles of occupational safety and health* (Geneva, ILO, 2001).

programmes target hazardous work, as in Argentina, where a National Tripartite Construction Safety Committee has been established and a national action programme developed.

30. Strengthening capacity for collection and analysis of data on occupational accidents and diseases is an essential element of national and enterprise-level programmes on occupational safety. The ILO Protocol of 2002 to the occupational safety and health Convention and the code of practice on recording and notification of occupational accidents and diseases provide guidance in this regard. Improved coverage of the employee injury insurance scheme and the use of information from claims are useful sources of data. An important “tool” is the International Occupational Safety and Health Information Centre (CIS). It continuously monitors world literature through its network of 140 centres and provides summaries and citations of the most useful publications and products, and disseminates them electronically and in print. It facilitates the exchange of information among persons responsible for establishing and implementing national policies and programmes.
31. At enterprise level, the Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001) provide a step-by-step approach to hazard identification, risk assessment, prevention and control, management review and performance monitoring. These Guidelines are often integrated in national programmes, such as in Kazakhstan and in national profiles, as in China. From another perspective, the SOLVE (Addressing Psychosocial Problems at Work) educational programme raises awareness about psychosocial issues at the workplace and how to incorporate them in enterprise policies on occupational safety and health. Voluntary initiatives can also contribute towards advancing occupational safety and health in global supply chains.
32. *Wages and incomes* are a key issue for workers, employers and governments alike. An increasing number of countries are seeking ILO technical assistance on wage systems and policies. Many of these requests have come from countries in transition (Bulgaria, Mongolia, Russian Federation and Viet Nam), where public sector pay is a particular concern, while requests have also come from Argentina and Indonesia. Research is being conducted with the Programme for the Promotion of the Declaration on Fundamental Principles and Rights at Work (DECLARATION) to address the issue of equal pay. A major focus of work is minimum wages. The issues deserve special attention and the Social Protection Sector will submit a paper on the subject to the ESP in March 2007.
33. Similarly, *working time* is a central theme of governments’ employment and social policies and of workers and employers, and has been the subject of several international labour standards since the Hours of Work (Industry) Convention, 1919 (No. 1). An integrated approach towards realizing “decent working time” examines working-time arrangements that are productive, healthy and safe, family-friendly, promote gender equality, and permit choice and influence regarding working hours, has been developed.<sup>19</sup> Working time is closely linked to other policy priorities as, for example, in Mauritius, where a request by the Government for assistance with work and family policies led to a request by a national tripartite conference to review working time in the private sector, resulting in a range of policy recommendations in November 2005 for adopting flexible working-time arrangements.
34. *Dignity at work* is an essential element of decent work. It comprises many interrelated aspects that create the conditions whereby people can live a self-determined life and participate fully at work, free from discrimination or violence. These include improvement

<sup>19</sup> J.-Y. Boulin et al. (eds.): *Decent working time: New trends, new issues* (Geneva, ILO, 2006).

of the organization of work and measures to combat violence and harassment. The awareness of constituents is supported by comparative research and practical advice and tools on violence at work<sup>20</sup> and sexual harassment.<sup>21</sup>

35. *Maternity protection and reconciliation of work and family* are important elements of strategies for equality of opportunity and treatment at work. The lack of support systems for workers and their families has clear consequences for societies, families and children in terms of low fertility rates, greater gender inequality, high household poverty, low educational enrolment rates among children, high levels of child labour, high rates of violence and delinquency among young people, and higher family strain and dissolution. Moreover, despite advances around the world in legislating maternity protection in the workplace, vast numbers of women continue to face employment discrimination and lack basic workplace protections during their pregnancy and maternity. To encourage initiatives to enable reconciliation of work and family responsibilities, concrete examples of what is being done in countries, communities and enterprises are described.<sup>22</sup> Practical information on work-related risks for pregnant and breastfeeding mothers and their infants is a contribution towards the MDG on improving maternal health and reducing child mortality.<sup>23</sup>
36. Particular attention is given to inter-linkages, such as between wages, working time and work-family issues. Examples of such an approach include two cross-cutting projects which review changes in employment conditions in new European Union (EU) Member States and selected Asian countries.<sup>24</sup> The study in new EU Member States, the first comprehensive assessment of working and employment conditions after EU enlargement in 2004, shows a catching up process in some gaps between new and older EU Member States with regard to working conditions.<sup>25</sup> At the same time, however, the growing use of self-employment contracts and a significant increase in temporary contracts typically resulted in longer working hours and more stress at work. The presence or absence of social dialogue was found to influence the outcomes of employment contracts and types of working conditions. The promotion of the ratifications of the Maternity Protection Convention, 2000 (No. 183) also remains essential.
37. *Labour inspection* plays a pivotal role in improving occupational safety and health and conditions of work. In accordance with the Labour Inspection Convention, 1947 (No. 81), it ensures compliance with legal provisions; supplies technical information and advice to employers and workers concerning the most effective means of complying with legal provisions; and brings to the notice of the competent authority defects or abuses not specifically covered by existing legal provisions. It constitutes a direct link between the government and the workplace and is a valuable instrument for evaluating government

<sup>20</sup> D. Chappell and V. Di Martino: *Violence at work* (3rd edition, Geneva, ILO, 2006), K. Rogers and D. Chappell: *Preventing and responding to violence at work* (Geneva, ILO, 2003).

<sup>21</sup> D. McCann (2005): *Sexual harassment at work: National and international responses*, Conditions of Work and Employment Series No. 2.

<sup>22</sup> C. Hein: *Reconciling work and family responsibilities: Practical ideas from global experience* (Geneva, ILO, 2005).

<sup>23</sup> J. Paul: *Healthy beginnings: Guidance on safe maternity at work* (Geneva, ILO, 2004).

<sup>24</sup> S. Lee and F. Eyraud (eds.): *Globalization, flexibilization, and employment conditions in Asia and the Pacific* (Chandos Publisher/ILO), forthcoming.

<sup>25</sup> D. Vaughan-Whitehead (ed.): *Working and employment conditions in new EU Member States: Convergence or diversity?* (Geneva, ILO, 2005).

policies and for collecting information upon which new policies can be formulated. For these reasons, strengthening labour inspection is a priority. A separate paper on strategies and practices for labour inspection is on the agenda of this session of the ESP Committee.<sup>26</sup>

38. Several challenges will be addressed in future work. Promoting national OSH programmes and the ratification of and fostering the compliance with health and safety conventions would be accompanied by measures to monitor progress and for national policy-makers to exchange experience and lessons learned. Examples of good practice and substantive and comparative research, undertaken as part of integrated approaches in collaboration with other sectors of the ILO, would strengthen preventive and promotional activities in relation both to OSH and other working conditions issues, and underline the relevance and importance for both developing and industrialized countries to strengthen policy frameworks on conditions of work. Another major challenge is developing practical methodologies and tools, particularly for the informal economy.

## Protection of vulnerable groups

### *Migrant workers*

39. The ILO pioneered significant work on migration and development, return migration, and development and remittances well before the current resurgence of emphasis. It has pioneered international labour standards for regulation of international labour migration and protection of migrant workers.<sup>27</sup> The general discussion on migrant workers at the International Labour Conference in 2004 was a landmark in this respect, which resulted in the adoption of the resolution concerning a fair deal for migrant workers in the global economy.<sup>28</sup> The resolution called for an ILO plan of action on labour migration for maximizing benefits and minimizing negative impacts. A major component of this action plan is the non-binding and rights-based ILO Multilateral Framework on Labour Migration, which aims to assist member States to improve management and governance of labour migration, to protect and promote migrant rights, and to maximize development benefits.
40. A major policy area of concern is the discrimination encountered by migrants in host countries. To promote diversity and integration, the ILO reviews discriminatory practices and remedial measures to share with member States.<sup>29</sup> It mobilizes a number of measures

<sup>26</sup> GB.297/ESP/3.

<sup>27</sup> All labour standards apply to migrant workers in the workplace unless otherwise specified. Two migrant-specific Conventions are Migration for Employment Convention (Revised), 1949 (No. 97) and Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) and, together with the United Nations 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, form the fundamental charter of rights.

<sup>28</sup> The report of the Committee on Migrant Workers, which contains the resolution, is available (in English) at: <http://www.ilo.org/public/english/standards/relm/ilc/ilc92/pdf/pr-22.pdf>.

<sup>29</sup> P. Taran et al.: *Challenging discrimination in employment: A summary of research and a typology of measures*, International Migration Papers No. 68, (2004); P. Taran and E. Geromini: *Globalization, labour and migration: Protection is paramount*, Perspective in Labour Migration Series, No. 3E, 2002. Examples of good practice profiles on anti-discrimination and integration are in the ILO Multilateral Framework and the online database of the International Labour Migration Programme.

to combat trafficking in collaboration with other programmes, such as DECLARATION and IPEC. These include assisting member States in implementing support programmes for victims, monitoring private recruitment agencies, setting up national tripartite forums that also include avenues for migrant workers to represent their own interests and developing action plans on labour migration.

#### Main components of the plan of action on migrant workers

- Development of a non-binding multilateral framework for a rights-based approach to labour migration which takes account of labour market needs, proposing guidelines and principles for policies based on best practices and international standards;
- identification of relevant action to be taken for a wider application of international labour standards and other relevant instruments;
- support for implementation of the ILO Global Employment Agenda at national level;
- capacity building, awareness-raising and technical assistance;
- strengthening social dialogue;
- improving the information and knowledge base on global trends in labour migration, conditions of migrant workers, and effective measures to protect their rights;
- mechanisms to ensure ILO Governing Body follow-up of the plan of action and ILO participation in relevant international initiatives concerning migration.

Source: Resolution concerning a fair deal for migrant workers in a global economy, 92nd Session of the International Labour Conference, 2004.

41. The ILO supports member States in mitigating the circumstances that drive migration, including assistance in generating decent work opportunities. It has, for example, conducted labour market analyses that have brought out the linkages between youth employment, women's employment and sectoral employment and labour migration. The ILO is also examining the "portability" of skills and assisting member States in providing training and appropriate certificates to outgoing migrants that broadly reflect qualification structures and skill standards in countries of future employment.<sup>30</sup> It is also helping countries build their capacity in promoting migration and development linkages through technical cooperation. For example, the technical cooperation project "Labour migration for integration and development in Africa" covering countries of the Maghreb, West Africa and East Africa, has generated findings which helped in elaborating policy frameworks and tripartite implementing mechanisms in the context of regional economic and integration initiatives such as the Economic Community of West African States (ECOWAS), the Union Economique et Monetaire Ouest Africaine (UEMOA) and the East African Community (EAC).<sup>31</sup> The Asian Programme on the Governance of Labour Migration is promoting regional dialogue and cooperation to enhance gender and rights-based management of labour migration.
42. As regards social security, the principle of equal treatment of migrant workers in terms of coverage and portability of such entitlements is promoted in national policies and in bilateral or multilateral agreements. The Decent Work Pilot Programme in Bangladesh and the Philippines addressed better management of labour migration and social security rights. The interdepartmental taskforce on HIV/AIDS has elaborated a number of policy

<sup>30</sup> GB.295/ESP/2(Rev.).

<sup>31</sup> Papers on the African projects are in the International Migration Papers Series located at <http://www.ilo.org/public/english/protection/migrant/publ/index.htm>.

interventions to prevent and control HIV/AIDS vulnerability and transmission among migrant workers, especially those trafficked for sex work.<sup>32</sup>

43. The huge growth in remittances, estimated at US\$160 billion or US\$250 billion including informal remittances, has served to highlight the positive contribution of labour migration to source countries. The ILO participates in the inter-agency task force on remittances, steered by the World Bank and DfID. With a view to better linking remittances to domestic financial sectors, it is reviewing the regulatory and policy frameworks in a number of countries. The ILO has prioritized work on the interface between remittances and their productive use, including in the development of small and medium-sized enterprises, cooperatives and the informal economy as a source of employment to returnees and families left behind.
44. Future work will reinforce current efforts in assisting member States in follow-up to the 2004 resolution concerning a fair deal for migrant workers in a global economy. The principles, guidelines and examples of best practices contained in the Multilateral Framework on Labour Migration would be used as a tool kit in helping constituents in designing and improving migration policies and setting up appropriate institutions. Collaboration with the Employment Sector will be reinforced to implement the Global Employment Agenda (GEA) at national level. Given the limited current involvement of social partners and migrant associations in labour migration policy, promoting social dialogue on migration issues will be a priority. The ILO will continue to assist governments in their efforts to simplify bureaucratic procedures, launch awareness and information campaigns, regulate recruitment agencies, and promote greater cooperation among countries.

### ***People living with HIV/AIDS***

45. The ILO code of practice on HIV/AIDS and the world of work provides a framework for action based on three pillars: prevention, care and treatment, and the elimination of stigma and discrimination. The mission of ILO/AIDS is to demonstrate the impact of AIDS in the world of work,<sup>33</sup> to strengthen the capacity of the ILO and its constituents to take effective and sustained action, and to counter HIV/AIDS-related stigma and discrimination. The chairmanship of the Committee of Cosponsoring Organizations (CCO) by the Director-General during 2005-06 provided the ILO with the opportunity to further the understanding that HIV/AIDS is at the core of the Decent Work Agenda, and encourage collaborative efforts among UNAIDS co-sponsors to scaling up national responses to HIV/AIDS through the world of work. To ensure sustainability of efforts over the longer term, existing channels and structures and activities where HIV issues can be incorporated have been identified. These include occupational health services, occupational safety and health bodies at governmental/national and workplace levels; vocational training institutes, apprenticeship programmes and schools for public administration; industrial tribunals, trade union and employer programmes, workplace policies and agreements, income-generation and entrepreneurship programmes.

<sup>32</sup> HIV/AIDS and employment (GB.292/ESP/5).

<sup>33</sup> ILO/AIDS: *HIV/AIDS and work in a globalizing world: Global estimates, impact and response – 2005* (ILO, Geneva, 2006); *HIV/AIDS and work: Global estimates, impact and response – 2004* (ILO, Geneva, 2005).



46. At the same time, efforts are made to reach those who are outside the formal workplace who are at greater risk as a result of economic insecurity and lack of structures to protect their rights. An ILO enterprise partner in Ghana, for example, uses its agents who go to remote areas to buy cocoa to provide information and training on AIDS.
47. The workplace is recognized as a vital entry point for universal access to prevention, treatment and care and support, and projects in over 30 countries have the common objectives of strengthening prevention through workplace education and increasing the number of workers with access to treatment and care. ILO/AIDS ensures harmonization between the ILO, United Nations family and country response, as defined in the UNAIDS CCO resolution of 2005.<sup>34</sup> In order to address the particular issues related to managing HIV/AIDS in health services, the ILO collaborated with WHO to produce the *Joint ILO-WHO Guidelines in Health Services and HIV/AIDS*.
48. Prevention has two key components: education and practical measures to reduce risk. The ILO promotes behaviour change through its prevention programmes, tailored to specific populations and developing targeted messages and approaches with them. The ILO and Family Health International have jointly produced *HIV/AIDS behaviour change communication: A tool kit for the workplace*, which provides comprehensive guidance on designing, implementing, monitoring and evaluating behaviour change communication. Prevention efforts are being scaled up in tandem with efforts to expand access to care and treatment. At the workplace, prevention is being integrated in ongoing training programmes and existing structures – especially occupational safety and health committees and works councils.
49. In order to reduce vulnerability to the impact of HIV/AIDS, the ILO promotes skills development and income generation among affected populations, especially women and young people. Start Your Business training in Zambia helps workers living with HIV to meet their basic needs and empowers them to participate in economic and other development activities. In India, the ILO works with the New Delhi Network of Positive People on developing skills and providing materials for HIV-positive women whose husbands have died of AIDS. Work opportunities have to be complemented by social protection, including access to social security, medical benefits and income support. Innovative mechanisms piloted by the ILO in some African countries include social transfers to poor households.
50. What are some of the continuing and emerging challenges? During the last five years, important lessons have been learned. Using workplaces as a gateway to prevention and access to care and support helps in prolonging lives and enabling infected parents to remain productive and raise their children. A wide range of technical cooperation activities has been implemented in more than 40 countries, helping to jumpstart national workplace programmes in many of the hardest hit countries. It has proved effective to combine policy development and capacity building for national constituents with enterprise initiatives covering education and behavioural change interventions and referral to medical services. Social dialogue on HIV/AIDS has also helped to tackle stigma and discrimination. It has also given the ILO's approach a comparative advantage as other national initiatives remain largely focused on limited target groups and medical aspects. The limitations of national HIV/AIDS planning pose challenges to future ILO efforts to integrate workplace policies and programmes. Even well-planned national programmes, which are now progressively and more effectively integrating HIV/AIDS workplace components, face implementation constraints. These include lack of resources specifically dedicated to support tripartite action, skilled personnel with specific competencies on world of work issues,

<sup>34</sup> GB/295/16/4.

unpredictable and conditional funding, cumbersome disbursement and procurement procedures, and multiple management, monitoring and evaluation systems to meet different funding requirements.

### **People in the informal economy**

**51.** In general, social security in the informal economy can start with basic elements such as:

- access to basic health care through pluralistic national systems that consist of public taxed-financed components, social and private insurance and community-based components;
- a system of family benefits that permits children to attend school;
- a system of targeted basic cash transfer programmes, i.e. social assistance associated with public work programmes and similar labour market policies (e.g. cash for work programmes);
- a system of basic universal pensions for old age, invalidity and survivorship that in effect supports entire families.<sup>35</sup>

As mentioned earlier, the ILO's STEP programme has developed a whole series of manuals on how to build and operate community-based health schemes and how to link them to the national health financing networks.

**52.** Strong positive evidence from developing countries such as Brazil, Mauritius, Namibia, Nepal and South Africa show that providing basic pensions and/or child benefit schemes is a powerful means of combating poverty. Even in the poorer countries of Africa, a package of benefits consisting of basic pensions for the elderly and disabled and child benefits (which could be made contingent on school attendance) would cost between 1 and 2 per cent of GDP, approximately between 5 and 10 per cent of the national budget.<sup>36</sup> The provision of social security and other forms of social protection can start even in the midst of poverty: the critical question is one of priorities.<sup>37</sup> The ILO's Financial and Actuarial Service can provide governments with the technical expertise to explore the financial and fiscal feasibility of basic universal benefit packages. It is developing a basic tool for governments to explore the financial feasibility of basic benefits packages.

**53.** Safety and health preventive measures in the informal economy are key in poverty reduction because injury or ill health means a disruption of income which, if repeated several times, can make a difference for a household between accumulating enough resources to put it on a growth track, compared with merely subsisting or worse. Approaches for improving working and employment conditions in the informal economy can succeed if they are simple, practical and respond to the felt needs of the workers and families concerned, rather than the needs as perceived by experts. The ILO's Work Improvement in Small Enterprises (WISE) and Work Improvement in Neighbourhood

<sup>35</sup> ILO Social Security Department, 2006: *Social security for all: Investing in global social and economic development: A consultation*, Issues in Social Protection, Discussion Paper No. 16 (Geneva, ILO).

<sup>36</sup> HelpAge International: *Age and security: How social pensions can deliver effective aid to poor older people and their families* (London, 2004); and K. Pal et al.: op. cit. (Geneva, ILO, 2006).

<sup>37</sup> R. Beattie: "Social protection for all: But how?", in *International Labour Review* (Vol. 139, No. 2), 2002, pp. 129-148; K. Pal et al., op. cit.

Development (WIND) for agricultural families, are being adapted, extended and improved, in collaboration with other programmes such as the Enterprise Development Programme, the Social Dialogue Programme, IPEC and the Sectoral Activities Programme. While based on the WISE methodology, the uniqueness of the WIND approach is improving working and living conditions as interrelated aspects of rural life, ensuring the involvement of village men and women in planning and implementing improvements, and its close links with community development. A good example is Kyrgyzstan.

#### Kyrgyzstan: Improving working and living conditions of small farmers

Kyrgyzstan is a country of 5 million with 244,000 small farmers, and where agriculture accounts for 80 per cent of GDP. There is a huge disparity between the minority of successful farmers on big cooperatives and the majority subsistence farmers in terms of incomes, safety, health and working conditions. Most farmers own or rent about three hectares of land, have no machines, and barely earn a living for their families.

The Work Improvement in Neighbourhood Development (WIND) programme has expanded rapidly through the country since 2004 with a strong focus on social dialogue, neighbourhood assistance and self-development. The programme has been adapted so that it is now a completely Kyrgyz product. Over 460 village seminars in all seven regions of the Republic have been held in only two years, with some very modest support from ILO regular budget funds and technical assistance: each seminar costs less than US\$50.

The agro-complex trade union has been a leader in the WIND adaptation and adoption process and has been the main organizer of seminars, in partnership with the labour inspection system and local authorities. It has actively used the programme to build its membership, and through this process trade unions have been formed in three regions.

A national agricultural employers' organization was created as a result of WIND initiatives. This employers' organization, together with the Agro-complex trade union, has been instrumental in the decision to organize tripartite commissions at the local level in several regions, which in turn is leading to the creation of tripartite bodies at higher levels.

Sustainable expansion of the programme has been built on institutional support from different government ministries: self-management and local administration, agriculture and labour. A national OSH programme in agriculture was adopted on a tripartite basis. WIND is included in the decent work country programme.

- 54.** Issues such as wages regulation, working time, maternity protection and work-family balance have historically been perceived as being largely irrelevant in the informal economy. A priority area of action is to demonstrate what can be done. For example, to shed light on the phenomenon of wage fixing in the informal economy, a study was conducted in Brazil, India, Indonesia and South Africa on the basis of labour force and household surveys.<sup>38</sup> The results show that in some instances the promotion of a minimum wage can be a tool to address simultaneously the problems of in-work poverty in the formal and informal economy. The statutory minimum wage in the studied cases seemed to have a pull-up impact on wages in the informal economy.
- 55.** Work is ongoing to develop a better understanding of how most effectively to make a difference in the lives of women and men in micro- and small enterprises and the informal economy through better working and employment conditions.<sup>39</sup> The literature has been analysed from the perspective of what approaches and strategies have been most successful in reaching vulnerable populations, changing working and employment conditions, institutionalizing change within practice and policy, and sustaining this change over time. This needs to include a better understanding of the ways in which programmes to improve conditions at work can contribute to reducing poverty, financial risk and the risk factors

<sup>38</sup> C. Saget (2006): *Wage-fixing in the informal economy: Evidence from Brazil, India, Indonesia and South Africa*, Conditions of Work and Employment Series No. 16.

<sup>39</sup> R. Rinehart: *Designing programmes to improve working and employment conditions in the informal economy: A literature review*, Conditions of Work and Employment Series No. 10, 2004.

associated with hazardous child labour. In order to reach a larger scale, efforts at the workplace clearly need to be complemented by changes to the policy or regulatory framework for SME or informal economy development or for working and employment conditions. These changes should be aimed not only at upgrading conditions in the informal economy but also, most importantly, at supporting a transition towards formality. But the nature of the changes needed and their impacts on labour protection are not yet well understood.

56. Countries most heavily affected by HIV/AIDS have large proportions of their population in the informal economy. The informal economy and transport sectors of 11 African countries target HIV/AIDS prevention, including through peer education, and integrate the response to HIV/AIDS to wider development-related interventions.<sup>40</sup> Efforts to ensure income security and medical benefits in the formal economy also need to be reinforced to prevent or minimize the “drift” of persons who are HIV/AIDS-positive into the informal economy swelling the ranks of desperately poor persons.

## E. Social protection: The importance of a comprehensive strategy

57. The strategic objective of the social protection programme is to “enhance the coverage and effectiveness of social protection for all”. Social protection is a goal in its own right. Any decent society should provide its citizens with some levels of social protection and thus relieve them of their worst material worries. Most societies have the means to do so. But social protection, especially within the framework of decent work, is also instrumental in, and contributes towards, achieving other goals such as employment, poverty reduction and decent work in relation to the informal economy. Addressing all these dimensions is essential because they interact and moderate the feasibility and sustainability of improvements. Such an approach ensures that the total reality faced by workers and their families in their day-to-day lives are explicitly taken into account when designing measures to improve their well-being in the framework of DWCPs.

### Social protection as a goal in itself

58. The different components of social protection relate to each other in a multitude of ways. Wages affect and are affected by working time and other conditions of work, occupational safety and health, and access to quality health care. Overtime work, for example, cannot be dissociated with wages. When workers in Viet Nam were asked whether they wanted shorter hours (40 hours), most did not because they were working on the piece-rate system and with shorter hours they would not earn enough to support themselves and their families.<sup>41</sup> Hours of work and the way those hours are organized influence health and safety, and possibilities to reconcile work and family responsibilities.<sup>42</sup> Social security provisions ensure that workers and their families do not automatically face poverty when sickness, invalidity or unemployment strikes or when workers reach old age. Employee injury insurance schemes and prevention of occupational accidents and diseases are closely

<sup>40</sup> ILO/AIDS: *A means to implement the ILO code of practice on HIV/AIDS and the world of work*, Geneva, 2004, pp. 18-19.

<sup>41</sup> ILO: *Equality, labour and social protection for men and women in the formal and informal economy in Viet Nam: Issues for advocacy and policy development* (ILO, Hanoi, 2003).

<sup>42</sup> A. Spurgeon: *Working time: Its impact on safety and health* (ILO, Geneva, 2003); C. Hein: *Reconciling work and family: Practical ideas from global experience* (ILO, Geneva, 2005).

linked as insurance data provides essential feedback for prevention which in turn leads to the reduction of insurance payments. Consequently, in developing social protection interventions in DWCPs, it is important to take a global approach as many problems are not caused by single factors operating through simple chains of causality but by multiple and cumulative effects involving sequences of events.

59. The ILO promotes a life-cycle approach that takes into account stages of life when people have special social protection needs. Pregnant workers need maternity protection to assure them of safe motherhood and income replacement during maternity leave. Parents with young children need measures to reconcile their work and caring responsibilities. Workers should have income security and health benefits in old age. A life-cycle perspective also recognizes the links between what happens in one stage in life and what happens next. In addition, with the increasing trend towards flexible working lives, workers will likely have different types of status and also alternate work and non-work periods. They can, at different times and for various reasons, be a full-time or regular employee, be on extended leave, be a part-time worker, be a temporary worker, be self-employed, or drift in and out of the informal economy. Social protection should enable them to deal with these transitions. Conditions of work including occupational safety and health measures should also be adapted to the needs and capacities of workers during specific phases of their life-work cycle.

### **Social protection as an instrument to achieve other goals**

60. While social protection is a goal in its own right, it is also a means to, and contributes to, achieving employment, productivity and poverty goals as well as a number of other Millennium Development Goals. This is grounded in the ILO's objective to promote quality jobs. Various dimensions of social protection – wages and other conditions of work, safety, access to health care and social security entitlements – relate to the quality dimension of jobs. Lack of social protection can result in socio-economic vulnerability, conflicts and upheavals that discourage investments and job creation. Moreover, unprotected workers opt for less-risky and low-return strategies, which can be detrimental to productivity and employment creation.

### **Social protection and employment and productivity**

61. The Global Employment Agenda recognizes the synergy between social protection and employment. Occupational safety and health and social security are among the ten core elements.<sup>43</sup> Other core elements also point out this interrelationship. For example, as technological change can be disruptive on labour markets, mechanisms for social protection become of increasing importance (core element 2). Workplace safety and health and tackling HIV/AIDS would contribute to sustainable development (core element 3). The design of macroeconomic policies should incorporate measures of social protection and labour market activation to minimize the volatility of labour demand and to mitigate its adverse social effects (core element 4). In promoting entrepreneurship, quality of employment encompasses preventing discrimination in the workplace, including against those with HIV/AIDS and minorities, and promoting “enabling policies” such as a sound regulatory framework. Compliance even in small enterprises is possible. A particular challenge is to reduce the burden of compliance on the entrepreneur, while ensuring adequate worker protection. Exempting micro-enterprises from the requirements of labour law and safety regulations could create a “growth trap” (core element 5). Discrimination, including against migrant workers, creates barriers to education and training and

<sup>43</sup> GB.294/ESP/4 and GB.295/ESP/3.

competent policies on the demand side, including on migration, ensure a more employable workforce (core element 6). Active labour market policies are linked to minimum wage and wage policies, ageing and retirement, income security and social transfers (core element 7). Poverty in many countries stems from the inability of many jobs to ensure decent levels of income and living. Protection in case of illness, disability and old age should complement employment and poverty strategies and safety nets are crucial particularly in crisis situations. Tax policies and minimum wages reinforce measures to increase growth and productivity (core element 10).

- 62.** Neglecting social protection is costly. The paper “Occupational safety and health: Synergies between security and productivity”, addressing core element 9 of the GEA, showed the direct and indirect impacts of occupational accidents and diseases underscoring that preventive measures are often cheap in comparison with the hazards they prevent.<sup>44</sup> Good working conditions elicit greater cooperation in improving production efficiency and adapting to new technology and business strategies. Working hours that allow for rest, leisure and working-time arrangements, particularly those that allow workers to adjust schedules to individual circumstances, are more likely to result in reduced absenteeism, lower turnover, morale and productivity.<sup>45</sup> Even in small enterprises, improvements in safety and conditions of work can result in product quality and productivity.<sup>46</sup> As noted in the paper on “Social protection as a productive factor”, statistical analysis in OECD countries shows a strong positive correlation between social expenditure per capita and labour productivity in GDP per hours worked illustrating that a competitive economy and decent social transfers are not incompatible.<sup>47</sup> Constructive and proactive responses to HIV/AIDS in the workplace can lead to good industrial relations and “uninterrupted” productivity.<sup>48</sup> Non-discrimination and integration raise economic efficiency by ensuring skills are not wasted through the exclusion of migrants and HIV/AIDS-positive workers from the labour market.

### ***Social protection and poverty alleviation***

- 63.** Social protection contributes towards reducing the vulnerability of the poor and the excluded, extending opportunities to them, and empowering them by protecting them from discrimination. It helps people not only to escape from poverty but also provides safeguards from falling into poverty. While social protection aims at providing minimum standards of well-being and living with dignity for the poor, it should not simply be seen as a residual policy factor of ensuring the welfare of the poorest. Rather, it should be seen at societal level as an important component for promoting social justice, economic dynamism, social cohesion and creativity.
- 64.** In general, there is increasing recognition of the role of social security as an investment in poverty alleviation and hence growing support for a new social security developmental paradigm that is based on the introduction of a basic set of universal benefits. The sector is

<sup>44</sup> GB.295/ESP/3. See also P. Dorman: “The economics of safety, health and well-being at work: An overview” (Geneva, ILO, 2000).

<sup>45</sup> J.-Y. Boulin et al. (eds.): *Decent working time: New trends, new issues*, op. cit.

<sup>46</sup> As evident in the ILO’s Work Improvement in Small Enterprise (WISE) programme.

<sup>47</sup> GB.294/ESP/4.

<sup>48</sup> International Organisation of Employers and UNAIDS: *Employers’ handbook on HIV/AIDS: A guide for action* (Geneva, 2002); IOE/ICFTU: Joint statement in the fight against HIV/AIDS, Geneva, May 2003.

presently actively exploring the managerial and financial feasibility of universal benefit schemes and conditional cash transfers. At the same time, it pursues ways to optimize the functioning of community-based health systems that are integrated parts of national health systems and basic benefit packages.

65. Unemployment is a main cause of poverty, but workers (particularly lone parents) forced into low-paid, low-skilled, dead-end jobs by cuts in social spending or by measures to get people out of welfare quickly, are vulnerable and often have to work long hours or at weekends to qualify for welfare.<sup>49</sup> This highlights the need for social protection measures and social policies to address poor-quality jobs, the redesign of work systems, new opportunities for learning, and entitlements based on decent replacement rates, active family policies, gender equity and access to a broad supply of social services.
66. Evidence from Europe and OECD countries shows that social transfers successfully reduce poverty and social insecurity and that there is a strong correlation between the size and levels of these transfers and the strength of the poverty reduction effect.<sup>50</sup> Across the countries, relative poverty rates among the working-age population are lowest where (non-health) social spending on the working population is highest.
67. Minimum wages play an important role in fighting poverty.<sup>51</sup> Minimum wages often lead to increasing the wages of those at the bottom of the pay scale. Certain benefits, e.g. retirement and disability, are also linked to the level of and variations in the minimum wage. Studies in Argentina, Brazil, Mexico and Uruguay<sup>52</sup> indicate that minimum wages in the formal economy have led to a rise in wages in the informal economy.
68. Social protection programmes respond directly to several MDGs. Social security, by ensuring income to cope with illness, disability, old age and death, and access to health care, contributes to MDG 1 – Eradicate extreme poverty and hunger. Initiatives concerning maternity protection, access to social security benefits, and access for women workers to comprehensive HIV/AIDS services contribute directly to MDG 5 – Improve maternal health. The ILO’s programme on AIDS as a workplace issue responds to MDG 6 – Combat HIV/AIDS, malaria and other diseases. Occupational safety and health policies and instruments such as on chemical safety, major hazards control, working environment (air pollution, noise and vibration) contribute directly to MDG 7 – Ensure environmental sustainability.

## **F. Conclusions: Integration of social protection into decent work country programmes and national development strategies**

69. Social protection aims to protect people against social insecurity, poverty, social exclusions and discrimination, unsatisfactory working conditions and health risks. It is also an investment in social and economic development. Poverty reduction and the Millennium

<sup>49</sup> R. Schneider: “Quality counts”, in *OECD Observer*, No. 245, May 2005.

<sup>50</sup> M. Förster and M.M. d’Ercole: *Income distribution and poverty in OECD countries in the second half of the 1990s*, OECD social, employment and migration papers, No. 22, 2005.

<sup>51</sup> GB.291/ESP/5.

<sup>52</sup> *idem*.

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Development Goals will not be achieved without decisive progress in the area of social protection as integral to the process of sustainable development.

70. Social protection viewed within the framework of decent work underlines the need to look at policy interventions, not in an isolated manner, but within a broader development context. It provides “a stronger and multi-channel bridge” between social protection dimensions and the agenda of decent work as a framework for development interventions.<sup>53</sup> The ILO’s primary goal in decent work country programming is to support constituents in identifying priorities for action and offering policy advice and technical assistance where requested. The strategic approach outlined in the paper seeks to demonstrate that the ILO has a policy approach and specific tools that can contribute to achieving decent work objectives.
71. The principles, policies and practices underpinning the checklist show the complexity as well as the opportunity for enhancing the effectiveness and coverage of social protection. They could provide insights about synergies and “bundling” of policy areas in developing and mapping out social protection components of DWCPs.
72. The first and most important challenge for ensuring large-scale, sustainable improvement in social protection is to secure the necessary political will and commitment. There is no doubt that issues such as social security, conditions of work and employment such as occupational safety and health, working time and wages, conditions of migrant workers and ILO/AIDS, are widely seen as priority issues of workers as well as of employers almost everywhere. They are also an important element in governments’ strategies regarding employment, competitiveness and other key political issues such as gender equality. And yet governments – and the social partners – have found it difficult to secure adequate resource allocations to deal with these issues or to ensure their integration in national planning as reflected in PRSPs and DWCPs. A better understanding of the reasons for these difficulties would enable the ILO to better target work to meet the needs of constituents, whether these relate to the need for normative guidance, or to comparative international statistics, or to theoretical developments and comparative policy analysis, or to development of practical tools for workplace action, or to some other areas for ILO assistance. It would also help towards ensuring the availability of relevant ILO expertise where it is needed in the field.

Geneva, 11 October 2006.

*Submitted for debate and guidance.*

<sup>53</sup> A. Saith: “Social protection, decent work and development”, in D. Ghai (ed.): *Decent work: Objectives and strategies* (International Institute for Labour Studies, Geneva, 2006), pp. 127-172.



## Appendix

### Social protection and decent work for all: A detailed checklist of objectives, policies and tools

Objectives and principles	Policy areas	Tools
<p><b>Enhanced social security</b></p> <p>To establish social security systems that provide people with income support when they are not able to work, ensure access to health care and promote the welfare and education of children</p>	<p>Under the Global Campaign on Social Security and Coverage to All and improve the governance of social security schemes:</p> <ul style="list-style-type: none"> <li>– Income support in the event of unemployment, invalidity, work injury, maternity, old age, or death of a main provider</li> <li>– Insurance or other mechanisms to ensure access to health care</li> <li>– Child benefit systems to prevent family poverty and facilitate access to education</li> </ul>	<p><b>Policy advice and technical advisory services on:</b></p> <p>Integrated policies on social security (financing, governance to improve quality, affordability, delivery)</p> <p>Strategies and tools to eradicate poverty (STEP) (see below under combating social exclusion and poverty)</p> <p>Design of income security schemes other than pensions (benefit packages)</p> <p>Assessing and reforming of pensions systems</p> <p>Designing health systems (coverage, design of benefits, linkages with micro-finance and community-based institutions)</p> <p><b>Training services:</b></p> <p>Distance, university, Turin Centre and project-based learning for social security officers</p> <p><b>Information and analysis:</b></p> <p>Social security database for identification of needs for social transfers and performance and cost of existing systems</p> <p>Simulation and projection models (enabling medium- to long-term assessment of spending and financing options, including distributional impacts and demographic developments)</p>
<p><b>Promoting decent conditions of work</b></p> <p>To ensure that conditions of work and employment are safe and healthy, respect workers' dignity and promote workers' well-being and opportunities for personal achievement</p>	<p>Laws and programmes to ensure workplace safety and health, prevention of and protection from hazardous work and the development of a safety culture</p> <p>Wages (protection of wages, minimum wages, equal pay for equal work, promotion of efficient and equitable pay systems)</p> <p>Working time (prevention of excessive working hours, arrangement of working time, holidays with pay, etc.)</p>	<p><b>Policy advice and technical advisory services including codes of practice and guidelines on:</b></p> <p>Fundamental principles of occupational safety and health</p> <p>Occupational safety and health management systems</p> <p>Recording and notification of occupational accidents and diseases</p>

Objectives and principles	Policy areas	Tools
	<p>Dignity at work (preventing violence and harassment, promoting better work organization)</p> <p>Maternity protection and reconciliation of work and family (improving leave and benefits, reproductive health protection, family services, protection against discrimination on the basis of reproductive roles and family responsibilities)</p> <p>Strengthening of national systems of labour inspection within effective labour administration</p>	<p>Safety in the use of chemicals, asbestos and in ship-breaking</p> <p>Technical and ethical guidelines for workers' health surveillance</p> <p>Management of alcohol and drugs-related issues in the workplace</p> <p>Assessing working and employment conditions and planning improvement action</p> <p>Preventing and responding to violence and harassment at work</p> <p>Ensuring safe maternity at work, reconciling work and family responsibilities</p> <p>Working-time regulation and workplace practices</p> <p>Minimum wage fixing</p> <p>Wage bargaining, pay policies and labour inspection audits</p> <p>Training services and packages on:</p> <ul style="list-style-type: none"> <li>- Addressing Psychosocial Problems at Work (SOLVE)</li> <li>- Working and employment conditions, labour-management relations, quality and competitiveness (decent and productive workplaces)</li> <li>- Key equality issues for employers' organizations – modules on work-family, maternity protection and sexual harassment</li> <li>- Integrated Labour Inspection Training System (ILITS) package</li> </ul> <p><b>Information and analysis:</b></p> <p>International Occupational Health and Safety Information Centre (CIS) – large database of national and regional laws, regulations, codes and publications</p> <p>Online databases on maternity protection, minimum wages, and working time with detailed up to date information on legislation in over 100 countries</p> <p>Fact sheets on working time, work-family, maternity protection and minimum wages</p> <p>Studies on work-family issues in developing countries</p>

Objectives and principles	Policy areas	Tools
<p><b>Protecting vulnerable groups</b></p> <p>To develop appropriate measures of social protection and employment promotion for vulnerable and disadvantaged groups:</p>	<p>National action and international cooperation for the development of employment policies for migrant workers, measures that ensure non-discrimination, protection and integration of migrant workers, and the promotion of labour migration institutions and policies</p>	<p>Promotion under ILO Action Plan on Labour Migration of Multilateral Framework on Labour Migration – Non-binding principles and guidelines and for a rights-based approach to labour migration</p>
<ul style="list-style-type: none"> <li>- Migrant workers</li> </ul>		<p><b>Policy advice and technical advisory services using:</b></p> <p><i>Establishing effective labour migration policies in countries of origin and of destination</i> (handbook jointly produced by (OSCE), the ILO and the International Organization for Migration (IOM))</p> <p><i>Equality in diversity</i> – Practitioners handbook on discrimination and integration</p> <p>Module on labour migration to be included in household surveys</p> <p>Action guide on protection of women migrant workers, particularly domestic workers, database on profiles of good practices</p>
<ul style="list-style-type: none"> <li>- HIV/AIDS-affected workers</li> </ul>	<p>Development and promotion of HIV/AIDS workplace policies and programmes, developing and strengthening policies on non-discrimination of HIV/AIDS-affected workers, and improving access to prevention, protection, treatment, care and support for HIV/AIDS workers and their families</p>	<p><b>Information and analysis:</b></p> <p>Online global database on migration covering 86 countries – current trends on labour migration</p> <p>ILO code of practice on HIV/AIDS and the world of work – principles for policy development, guidelines for programmes at enterprise, community and national levels</p> <p><b>Policy advice and training services:</b></p> <p><i>Implementing the ILO code: An education and training manual</i></p> <p><i>Behaviour change at the workplace</i></p> <p>Workplace policy on code implementation, including manuals for employers, unions, labour judges and magistrates, labour inspectors; education and transport sector; small and micro-enterprises</p>

Objectives and principles	Policy areas	Tools
Tackling social exclusion and poverty by ensuring that social protection is available to all by progressively extending policies, programmes and regulations to workers and enterprises in the informal economy	Development of social protection policies and programmes that promote the integration of informal workers and enterprises into national and local governance systems with particular attention to the reduction of poverty	<p>Joint ILO-WHO guidelines on health services and HIV/AIDS: covers sound management methods, including prevention of occupational exposure and ensuring well-being of health-care workers</p> <p>Workplace action on HIV/AIDS: How to access funds at country level</p> <p>Saving lives, protecting jobs: International workplace education programme sharing lessons learned</p> <p>Information and analysis</p> <p>HIV/AIDS and work: Global estimates, impact and response</p> <p>Database of laws</p> <p><b>Policy advice and technical advisory services on:</b></p> <p>Strategies and Tools against social Exclusion and Poverty (STEP) for extending coverage of social security through community-based programmes in the rural and informal economy</p> <p>Minimum wages and the informal economy</p> <p>Work-family balance and maternity protection in the informal economy</p> <p><b>Training services and packages:</b></p> <p>WISE (Work Improvements in Small Enterprises) – improving working conditions and productivity, and related programmes for homeworkers and other groups in the informal economy</p> <p>WIND (Work Improvement in Neighbourhood Development) – for improving living and working conditions of small-scale farmers</p> <p><b>Information and analysis:</b></p> <p>Analysis of laws concerning domestic service</p>

Overarching strategies	Policies	Methods
To promote the ratification and application of international labour standards in general and on social protection in particular	Advocacy, technical advice and supervision to assist member States in ensuring that standards are fully reflected in national law and practice	Reference to relevant international labour standards is integrated into ILO work on all aspects of social protection. Periodic General Surveys
To make full use of mechanisms of social dialogue in the development and application of social protection regulations, policies and programmes as well as collective bargaining and agreements in areas not covered by legislation	Support to the tripartite constituents of the ILO in gaining full value from governance arrangements that contribute to effective social protection policies aligned with the resources and priorities of each country	ILO supports social partners and government to develop appropriate mechanisms of governance including tripartite boards and supports capacity building for constituents as well as determining enterprise, sector or nationwide social protection arrangements by means of collective bargaining and agreements
To promote gender equality	Integrating gender aspects into all dimensions of ILO social protection policies	Reference to relevant international labour standards and best practice guidelines is integrated into ILO work on all aspects of social protection