

## DFID Labour Standards and Poverty Reduction Forum

14<sup>th</sup> November 2007

### The Decent Work Agenda

1. The subject of the November meeting of the Forum was the decent work agenda, its incorporation within the Millennium Development Goals (MDGs) and the potential implications of this for DFID and for the Labour Standards and Poverty Reduction Forum. A background paper with discussion points was circulated prior to the meeting.

2. **Gerard Howe, Equity and Rights Team Leader at DFID** welcomed the participants and presented the context for the discussion. He pointed out that DFID's work revolved around the MDGs and the subsequent necessity to take into account the concept of decent work.

3. **Rafael Diez de Medina from the office of the Director-General at the ILO** presented the ILO's Decent Work Agenda. As part of his presentation, he emphasised that decent work is the primary objective of the ILO and that it seeks to achieve this through four strategic objectives: promotion of standards and fundamental rights at work; promotion of employment and enterprises; social protection; and social dialogue. He explained how the concept of decent work has been accepted and endorsed by various international and United Nations bodies. He described the content and role of Decent Work country programmes set up by the ILO which provide an operational framework for ILO activities in a given country and are designed to integrate with national poverty reduction plans. He then talked about the toolkit developed in collaboration with UN Chief Executives' Board (CEB) to mainstream and enhance the employment and Decent Work impact of multilateral agencies as a contribution towards a coherent implementation of the 2007 ECOSOC Declaration. He suggested that the toolkit could be adapted for use by bodies such as DFID.

4. Drawing upon the example of South Africa, **Ebrahim Patel, General Secretary of the South African Clothing & Textile Workers Union (SACTWU)** spoke about the importance of social dialogue as one of the key components of decent work and its contribution to development. He pointed out that social dialogue was developed as part of the democratic transition in South Africa and was a necessity to address the post-apartheid development challenges. For him, social dialogue encompasses discussion and joint problem solving, and while it can be a time-consuming process, it leads to exploration of new solutions and compromises. For social dialogue to be effective, it needs to involve independent, credible voices who are representative of interests and to take place within a formal institutional framework.

In South Africa, social dialogue is not just part of the wage-bargaining framework, but has a say in wider labour policy, social and industrial policy, public finance and monetary policy, and health, housing and educational policies. Ebrahim Patel suggested that social dialogue should go beyond tripartite bodies (government, unions, employers) to include a wider range of actors, such as community organisations, and pointed to the necessity to incorporate it into a broader social agenda. He concluded by addressing what international agencies can do to support social dialogue. Ideas included supporting the importance of social dialogue when advising governments and in relation to multi-lateral agencies' agendas, publicising the successes of social dialogue, capacity-building for organisations involved in social dialogue, and promoting social dialogue with representative local voices in relation to repressive governments.

5. In discussion, the question was raised about whether there was a trade-off between creating new jobs and improving the quality of jobs. Rafael Diez de Medina made clear that the ILO mandate was to achieve decent work for all and that both elements were integral to the agenda. The Toolkit was a way of moving towards decent work. Ebrahim Patel emphasised that job creation often stimulates consumer demand that in turn leads to high quality jobs. Also, the introduction of collective bargaining can lead to improvements in skills as well as wages, which moves companies up the value-chain.

Another question concerned the difficulty of involving community groups within social dialogue. Ebrahim Patel described how the South African structure (NEDLAC) has formal membership roles for community bodies and that these had been crucial in delivering policies to improve local services. Gerard Howe commented that DFID and other bodies often focus on capacity-building but put less emphasis on building the political structures to support social dialogue.

6. **Steve Gibbons, Labour Rights Director at Ergon Associates**, introduced the background paper prepared for the Forum. He outlined some of the issues arising for DFID in the context of inclusion of decent work within the MDGs and the possibility of mainstreaming Decent Work in DFID's activities. He suggested various ways in which decent work may have an impact on DFID: higher profile of employment and labour issues; interest in how projects and policy contribute to decent work agenda; increased external scrutiny, particularly on decent work indicators; and the need for modification of internal monitoring criteria. He proposed several possible actions that DFID could take to engage further with the decent work agenda, including: mapping current activities to identify existing and potential contributions to decent work agenda; adopting new programmes to address underrepresented issues; applying new indicators to all programmes; developing supplementary indicators; or mainstreaming decent work by applying decent work criteria to projects and developing internal training on the issues raised.

## **Group discussion session**

7. In group discussions the Forum considered three main questions:
- Is Decent Work a useful concept for thinking about development?
  - How should DFID's work on the Decent Work agenda be strengthened?
  - Should Decent Work be adopted as an agenda-setting principle for the Forum?

### **Is Decent Work a useful concept for thinking about development?**

8. The first working group expressed divergent views on the usefulness of Decent Work as a concept for addressing development challenges. Within the context of DFID, it was suggested that the concept should increase the visibility of employment concerns at the heart of thinking and working on development issues within DFID. The incorporation of Decent Work within MDG1 should also serve to formalise the inclusion of employment concerns with departmental reporting. Furthermore it was observed that Decent Work can provide a coordinating framework for various development activities: in particular, it was noted that the emphasis within the Decent Work agenda on broader issues such as social protection may speak more pertinently to existing DFID activities on social transfers and access to (micro-)finance.

There was some concern voiced, however, that the Decent Work concept represented a potentially confusing amalgam of process and outcome, that there is a potential tension between creating jobs and creating good jobs, and that the broader Decent Work agenda may threaten to dilute the rights-based focus of the labour standards framework. Moreover, there was some concern that the Decent Work concept presumed that formalisation was the only development response to the informal economy; however this was countered by the contention that Decent Work may provide a channel to mainstream activities on the informal economy and to share learning. It was also noted that the Decent Work concept may highlight the relevance of trade unions as development actors.

### **How should DFID's work on the Decent Work agenda be strengthened?**

9. The second working group noted the strong support that the concept of Decent Work had received within the international community and stressed the opportunity this represented for DFID to have a broad debate at different levels within and outside DFID. It noted that decent work included the informal sector (albeit in terms of greater decent work deficits) so was a wide-ranging concept and that decent work clearly had relevance for many aspects of DFID's existing work. To take this forward it was suggested that DFID needed to better identify where the various components of the decent work agenda were located within DFID's existing structure. It also represented an opportunity to work more closely with partners in the private sector and among trade unions. The group noted that

the incorporation of decent work within the MDGs also created the opportunity to engage the private sector more effectively in development issues given the emphasis on productive employment. It was agreed that indicators were needed on all decent work elements (not just the productive employment elements as currently) including qualitative indicators.

**Should Decent Work be adopted as an agenda-setting principle for this forum?**

10. Contradictory views on whether Decent Work should be adopted as an agenda-setting principle for the Forum were reported by the third working group. If the Forum's agenda was widened, some participants thought this could serve as a way to engage more widely with DFID as the current labour standard approach might be perceived as too exclusive. Others argued that there was a danger of losing focus on the central importance of labour standards, and that the issues around labour standards were by no means exhausted. Still others suggested that the Forum should maintain an agenda that best reflected how DFID was organised, so the question depended how DFID itself responded organisationally and in policy terms to the decent work agenda.

11. **Maria Cushion from DFID** distributed a paper providing details on how previous Forum discussions had been followed-up within the Department. She suggested that participants think about what they expect from the Forum and the way the outcomes of the Forum were being handled within their own organisations. It was agreed that a brief questionnaire will be circulated ahead of the next meeting seeking views on the operation of the Forum.

12. Maria Cushion proposed that half of the next session will focus on the future of the Forum and the other half on social protection issues.

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