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TWELFTH ITEM ON THE AGENDA

### Report of the Director-General

#### **Seventh Supplementary Report: Mid-term review of the implementation of the Bali Declaration adopted by the 16th Asia and the Pacific Regional Meeting (Bali, 6–9 December 2016)**

##### Purpose of the document

This document contains a brief report on the progress made in the implementation of the Bali Declaration during 2017–18.

**Relevant strategic objective:** All.

**Main relevant outcome/cross-cutting policy driver:** All.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** None.

**Author unit:** ILO Regional Office for Asia and the Pacific.

**Related documents:** GB.329/INS/8.



## Introduction

1. The Bali Declaration was adopted at the 16th ILO Asia and the Pacific Regional Meeting (APRM) on 9 December 2016. The Declaration serves as a call to action for ILO member States in the Asia–Pacific region and Arab States to intensify efforts to promote inclusive growth, social justice and decent work in a more comprehensive way.
2. The Declaration outlined 13 priority areas for national policy and action, and ten priorities for ILO action. This document serves as a mid-term implementation report, covering the period between January 2017 and December 2018. It focuses on the ten areas of ILO action to support implementation of the Bali Declaration, with a few selected examples. A more detailed analysis that includes the progress and results of the Declaration’s 13 “priority areas for national policy and action” along with more details on ILO actions can be found on the website of the Bali Declaration.<sup>1</sup>

## Ten areas for ILO action under the Bali Declaration<sup>2</sup>

### (a) **The development of an implementation plan on supporting constituents to give effect to the Bali Declaration, to be reviewed every two years and to be submitted to the constituents and to the Governing Body**

3. Supporting constituents to give effect to the Bali Declaration was ensured through the mainstreaming of the priority areas into Decent Work Country Programmes (DWCPs) and through the programming exercises that determined resource allocation in accordance with the outcomes of the programme and budget for the 2016–17 and 2018–19 bienniums. Thus, all Country Programme Outcomes (CPOs) and associated activities that have taken place since 2017 in the region have been fully in line with the outcomes expected from the Bali Declaration. This document and the longer online document serve as the requested interim implementation progress report. Another resource that gives effect to the Bali Declaration is the “Bali Declaration policy briefs”. These technical briefs highlight the priority areas with details on ILO-supported activities taken in the action area. A set of 12 briefs were published in October 2017, and the “2018 updates” of the briefs were published in late 2018.<sup>3</sup>

<sup>1</sup> See: [https://www.ilo.org/global/meetings-and-events/regional-meetings/asia/aprm-16/reports/WCMS\\_537445/lang--en/index.htm](https://www.ilo.org/global/meetings-and-events/regional-meetings/asia/aprm-16/reports/WCMS_537445/lang--en/index.htm) .

<sup>2</sup> The presentation of action areas listed here adheres to the ordering and text of the Bali Declaration.

<sup>3</sup> See: [https://www.ilo.org/asia/publications/issue-briefs/WCMS\\_613618/lang--en/index.htm](https://www.ilo.org/asia/publications/issue-briefs/WCMS_613618/lang--en/index.htm).

**(b) Decent Work Country Programmes designed and implemented in consultation with the social partners. Country programmes should be actioned and regularly updated in line with the Bali Declaration, constituent needs and progress towards the 2030 Agenda for Sustainable Development (2030 Agenda)**

4. The DWCPs are the main vehicle through which the results envisaged by the Bali Declaration are being delivered. All the DWCPs completed since the adoption of the Bali Declaration make reference to advancing its goals. The impetus created by the Bali Declaration is further reinforced through the influence that existing DWCPs have on the UN Country Teams. The ILO is increasingly recognized as the lead agency on United Nations Development Assistance Frameworks (UNDAFs) outcomes related to employment creation, social protection and labour protection.
5. From late 2016 until December 2018, in the Asia–Pacific region, 12 DWCPs were finalized and signed and an additional 15 countries are nearing the signature stage. In total, there were 14 active DWCPs in the region by the end of 2018. In the Arab States region, the emphasis on decent work within the 2030 Agenda and in crisis response created an unprecedented demand for ILO services, reflected in five active DWCPs, with one more at the formulation stage.
6. All current DWCPs link national outcomes to the 2030 Agenda. While Sustainable Development Goal (SDG) 8 (promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), remains the primary focus, several other goals are intricately linked to Goal 8, demonstrating the cross-cutting importance of decent work to the principles of sustainable development and the commitment to “leaving no one behind”. These goals include: SDGs 1 (No poverty), 3 (Good health and well-being), 4 (Quality education), 5 (Gender equality), 9 (Industry, innovation and infrastructure), 10 (Reduced inequalities), 11 (Sustainable cities and communities), 13 (Climate action), 16 (Peace, justice and strong institutions), and 17 (Partnerships for the goals).
7. DWCPs developed since 2016 are characterized by enhanced constituent ownership through intensive tripartite consultations and a strengthened governance mechanism in the form of a tripartite steering committee. In some Pacific Island States such as Samoa and Papua New Guinea, for example, the national tripartite forums have taken on the responsibility of DWCP steering committees.

**(c) A campaign to promote the ratification and implementation of fundamental labour standards**

8. The Asia–Pacific region continues to lag behind other regions in its record of ratifications, with an average of 23 ratifications by country (half the global average). The Arab States average ratifications per country is 26. Nevertheless, there has been important progress, largely resulting from ILO support in convening dialogues among the tripartite partners around the commitment required upon ratification and strengthening technical capacity for applying the respective standard. The number of ratifications of ILO Conventions in 2017 and 2018 in both Arab States and Asia–Pacific countries number 16. Although outside the current reporting period, the “One for All” Centenary Ratification Campaign launched in 2019 has been shown to bear significant results with an additional ten ratifications accruing to the regions.

9. The ratification of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) by Thailand, the Minimum Age Convention, 1973 (No. 138) by India, the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), by Iraq, the Worst Forms of Child Labour Convention, 1999 (No. 182) by India, Marshall Islands, Palau, Tonga and Tuvalu (the latter three in 2019), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) by Viet Nam (also in 2019) were the latest ratifications of fundamental Conventions by member States in the region. Notably, with its ratification of Convention No. 87, Iraq has now ratified all eight fundamental Conventions.

10. While ratification rates are improving, the application of standards does not always follow in a seamless fashion. The supervisory bodies have identified serious and persistent problems of application of fundamental standards in several countries in the two regions, in particular on freedom of association and mainly in the context of labour migration and forced labour.

**(d) Building capacity of constituents to effectively contribute to decent work for sustainable and inclusive development through enhanced social dialogue and collective bargaining**

11. The ILO continues to play a vital role in supporting enhanced social dialogue at national level as well as promoting an exchange of experiences and good practices at regional and subregional levels. For example, the ILO organized the Eighth Tripartite Regional Seminar on Industrial Relations in the ASEAN Region in November 2017 with the support of Japan's Ministry of Health, Labour and Welfare and the ASEAN Secretariat. Among the topics on the agenda were non-standard forms of work and industrial relations in small and medium-sized enterprises. A national spin-off of the regional meeting took place in Indonesia, where a tripartite forum on industrial relations amidst changing forms of employment and industrial transformations was held in July 2018. See also discussion under action area (i) below.

12. In both regions, the expansion of social dialogue and recognition of the rights to freedom of association and collective bargaining remain a major challenge. The ILO continues to play a strong technical role in strengthening good governance in these labour markets. For example, in the Occupied Palestinian Territory,<sup>4</sup> the Palestinian Authority established a Tripartite National Team for Labour Law Reform with ILO support, and it has identified labour law reform as a priority in its National Policy Agenda for 2017–22. In Lebanon, the ILO has supported the General Confederation of Lebanese Workers (CGTL) and the Association of Lebanese Industrialists (ALI) to effectively participate in policy dialogue around social protection, social security law reform and the development of the DWCP, as well as developing their capacities to deal with workers' issues in the informal economy.

**(e) Data-driven and evidence-based research to inform improved labour and employment policy development including on issues related to the future of work**

13. The ILO has also produced up-to-date research to support decent work advocacy at the regional level. A small sample include:

<sup>4</sup> [GB.337/POL/4](#).

- *Asia-Pacific Employment and Social Outlook 2018: Advancing decent work for sustainable development* (Bangkok, ILO, 2018). The report published by the ILO Regional Office for Asia and the Pacific pulls together the most recent statistics to take stock of developments in labour markets across the most populous region of the world. Beyond regional labour market trends, the report focuses on the SDGs and decent work in its capacity to accelerate inclusive growth. The APESO report will be published as a regular series on a semi-annual basis.
- *Labour migration in Asia: Increasing the development impact of migration through finance and technology* (Manila, Asian Development Bank Institute (ADB), Organisation for Economic Co-operation and Development (OECD) and ILO, 2018).
- *Ageing and social protection in Asia and the Pacific* (Bangkok, ILO, 2017).
- *Employer–Migrant Worker Relationships in the Middle East: Exploring scope for internal labour market mobility and fair migration* (Beirut, ILO White Paper, 2017)
- *Common interests, shared goals: Promoting decent work from Asia and Africa to the Middle East* (Beirut, ILO background paper to the Interregional Consultation on Labour Migration and Mobility from Asia and Africa to the Middle East, 2017).

14. The future of work remained an important theme for discussion in the 2017–18 period, and numerous activities were held, and reports published, to promote a better understanding of the coming challenges and opportunities. Giving effect to the Future of Work Initiative and in support of the Bali Declaration, regional and interregional events linked to the Future of Work Initiative were organized in the review period (14 in Asia–Pacific countries and nine in Arab States). The national dialogues culminated in joint deliberations between ILO constituents and other stakeholders on the achievements made in advancing the Decent Work Agenda, including in light of technological innovation, and the ILO’s role in bringing about a future of inclusive growth with decent work.

15. Technological innovations are a major driver of labour market transformations in the region. The ILO has been supporting member States to address this vital issue through several studies on its impacts on jobs and enterprises. For example, country briefs were undertaken as part of the “ASEAN in transformation” series led by the ILO Bureau for Employers’ Activities (ACT/EMP) and based on consultations with national employers’ organizations. In 2017, studies were published for Cambodia, Indonesia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam, with a focus on the impact of automation on the apparel sector value chain.<sup>5</sup> In India, the ILO also undertook two research studies in collaboration with the social partners on the impact of emerging technologies. The two reports focusing on India were published in 2018, with one launched with a national tripartite dialogue.<sup>6</sup> A similar study using the “technology foresight” approach was subsequently conducted in Sri Lanka in 2018, although not launched until 2019.<sup>7</sup> An additional study was on the topic of technological changes, but this time specific to the potential use of technology to ease the

<sup>5</sup> Country briefs are available at: [https://www.ilo.org/actemp/publications/WCMS\\_579558/lang-en/index.htm](https://www.ilo.org/actemp/publications/WCMS_579558/lang-en/index.htm). The ASEAN in transformation series also contains impact assessments of automation on specific sectors and the general synthesis. While these reports were published in 2016, they served as the basis of numerous national dialogues also in 2017.

<sup>6</sup> Tandem Research: *Emerging technologies and the future of work in India*, ILO Asia–Pacific Working Paper Series (New Delhi, ILO, 2018); D. Nathan and N. Ahmed: *Technological change and employment: Creative destruction*, ILO Asia–Pacific Working Paper Series (New Delhi, ILO, 2018).

<sup>7</sup> ILO: *The Future of Work in Sri Lanka: Shaping technology transitions for a brighter future* (Colombo, 2019).

transition to formality.<sup>8</sup> This study is intended to inform future research on technology as a social good in the region and beyond.

16. Highlighting the pivotal role that gender equality will play in the future prosperity of the region, the ILO, with support of the Australian Government, hosted the 2018 regional conference on “Women and the Future of Work in Asia”. During the event, the Equal Pay International Coalition (EPIC) was launched for the Asia and the Pacific region and a regional report *Game changers: Women and the future of work in Asia and the Pacific* (Bangkok, ILO, 2018) was published.

**(f) Better data collection and reporting on the status of the world of work, with particular emphasis on labour relations and employers’ and workers’ organizations**

17. Reliable and accurate data collection and dissemination are essential for developing effective labour market strategies. In this area, the ILO has supported member States through the following three mechanisms: (1) capacity-building in labour statistics and decent work indicators, especially in support of the recently adopted standards of the 19th and 20th International Conference of Labour Statisticians; (2) technical cooperation with, and technical assistance to, national statistics offices for implementation of labour force surveys (LFSs) or other data collection exercises, including building statistical systems for annual or sub-annual LFSs; and (3) support to the measurement of the ILO custodial SDGs indicators, in line with the most recent international standards.
18. Some highlights in the area of improved labour market information and analysis since December 2016 include filling some significant data gaps in countries with dated statistics or with no data at all. This includes ILO support to the launching and completion of the LFS 2017 in Lao People’s Democratic Republic (previous survey 2010), the LFS 2017–18 in Nepal (previous survey 2008) and the Labour Force and Household Living Conditions Survey in Lebanon 2018–19 (still under way; previous survey 2009), and the rapid needs assessment on labour and child labour statistics and the launch of the LFS in Iraq (still under way; previous survey 2008).
19. A number of countries in the Asia–Pacific region have started to establish country-specific indicator frameworks, inspired by the global SDGs indicator framework, which will be used as the basis for national statistical programming. The ILO has provided support for this in a number of countries. For example, in Mongolia, the ILO supported the national statistics office’s effort to compile all available data on decent work and SDG-related statistical and legal indicators, with the aim of identifying gaps and amending the future LFS to better capture decent work indicators for reporting on the SDGs. At the regional level the ILO provided training on decent work-linked SDG indicators, including a training workshop on *SDG Indicators: Measuring decent work in the context of the SDGs*, held in Chiba 2018 (15 countries), organized in collaboration with the UN Statistical Institute for Asia and the Pacific (SIAP).

<sup>8</sup> T. Bhattarai: *Emerging trends in the use of technology as a driver of the transition to formality: Experiences from Asia and the Pacific*, ILO Asia–Pacific Working Paper Series (Bangkok, ILO, 2018).

20. The *India Wage Report*,<sup>9</sup> published in 2018, and the tripartite consultations behind the data and analysis that it contains serves as a good example of ILO efforts to strengthen the capacities of the social partners with regard to data collection and reporting on world of work issues, while disseminating relevant evidence-based research.

**(g) Technical advice to strengthen labour market institutions, in consultation with member States and social partners**

21. ILO action to support the strengthening of labour market institutions covers many areas, one of which is wage policy. The two main wage policy tools supported by the ILO are minimum wage setting and collective bargaining. Both were activated in multiple countries over the period during which the ILO supported the revisions of minimum wage policies in Cambodia, Myanmar, Nepal and Pakistan. On collective bargaining, an example of ILO action is in Jordan, where the ILO supported the drafting and promotion of a collective bargaining agreement and related unified contract for the private education sector, which were signed in March 2017.
22. ILO support to country efforts to protect vulnerable workers has also been reinforced through stronger labour institutions including wage laws and the development of integrated policy frameworks. The guidance provided by the ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) has been driving efforts in member States to shift workers and entrepreneurs out of informality, including through development of tools like the *Workers guide on transition from the informal to the formal economy* (2017). In Jordan, for example, within the context of its projects developed through development cooperation partnerships, the ILO has been supporting tripartite efforts for refugees and host communities to access the formal labour market through a multi-pronged approach.
23. Other categories of vulnerable workers include youth, child labourers and forced labourers. The ILO has supported the development of child labour national action plans in Nepal, Myanmar and Thailand. In the Asia-Pacific region, the ILO supported more than ten countries on the objective to support youth employment. One example was Sri Lanka where the ILO supported national stakeholders to develop comprehensive measures to facilitate more effective school-to-work transitions.
24. With the impetus provided by the Bali Declaration, the ILO continues to advocate for rights-based social protection floors for member States. While social protection deficits persist in all countries, some progress has been made. In China, for example, the ILO supported the State Council of China to adopt *Guidelines on further deepening reform of payment methods of basic medical insurance* in June 2017, and the Ministry of Human Resources and Social Security endorsed the report *Reform of Pension Adjustment Mechanism* in a national tripartite meeting in September 2017. This report targets gaps in protection for low-income groups as well as gender-specific gaps in pensions. In Oman, the ILO supported the Government and the social partners in designing and implementing an unemployment insurance scheme. In the Occupied Palestinian Territory, following the adoption of a social security law for private sector workers, an important milestone in public institution-building was reached in 2018 with the establishment of the Palestinian Social Security Corporation (PSSC). The PSSC, which was established with ILO support, aims to offer comprehensive coverage to private sector workers and thus to fill a significant protection gap.

<sup>9</sup> ILO: *India Wage Report: Wage policies for decent work and inclusive growth* (New Delhi, 2018).



25. A further area of labour market institutional strengthening is through the development of active labour market policies (ALMPs). This is particularly relevant in circumstances where aggregate demand is lacking and countries must promote job creation through public works schemes. ILO support for these activities are promoted through employment-intensive strategies, such as those targeting Syrian refugees and host communities in Jordan and Lebanon.

**(h) Programmatic assistance to promote an enabling environment for the development and creation of sustainable enterprises**

26. The ILO continues to provide intensive support for the creation of an enabling environment for sustainable enterprises. The Sustainable, Competitive and Responsible Enterprise (SCORE) programme was active in China, India, Indonesia and Viet Nam during the review period, while in Myanmar, the Start and Improve Your Business (SIYB) programme was rolled out in support of a large network of trainers from varied organizations. In October 2017, the ILO Know About Business (KAB) package was the tool used by the Cambodian Ministry of Education Youth and Sports to train 2,304 participants with entrepreneurship skills, an undertaking that was certified with the Guinness World Record as the world's largest practical business seminar. In Lebanon, the ILO has contributed to improving working conditions and productivity through the application of the Work Improvement in Small Enterprises (WISE) Training Programme. In the Occupied Palestinian Territory, the ILO has provided extensive technical support to the development of the National Cooperative Sector Strategy.

**(i) Strengthening capacity-building programmes for employers' and workers' organizations**

27. Social partner organizations have a vital role in giving effect to the Bali Declaration. ILO support for strengthening their capacity to engage in a range of world of work issues has been intensified at national level and is ongoing at subregional levels.

28. For example, the ILO Bureau for Workers' Activities (ACTRAV) organized a subregional workshop for countries in South-Eastern Asia on the future of work in Bangkok in July 2017 and also a regional training session in September 2018 which aimed to analyse and reshape the role of workers' organizations in the changing world of work. A similar event was hosted for South Asian countries in April 2018. The ILO has also facilitated dialogues on decent work between member States and other organizations, such as the consultation of Indian businesses and the European Union (Brussels, October 2018) with the aim of addressing the challenges faced by employers on issues of skills shortages and talent mobility. The consultation was supported by the International Organisation of Employers (IOE) and the International Training Centre of the ILO.

29. In the Arab region, an example of capacity-building includes a regional training course on labour and social policies for decent work benefiting both employers' and workers' organizations held in Amman in October 2017. In addition, an inter-regional workshop on the subject of child labour was held for trade unions in the Arab States and North Africa in Amman in July 2017, with the support of the Arab Trade Union Confederation (ATUC), and a regional workshop for trade unions on the right to organize and collective bargaining, with a focus on youth, was held at the same venue in January 2018.

**(j) The promotion of overall economic and social policy coherence and enhanced collaboration within the UN system and with regional organizations and the international finance institutions**

30. The ILO operates a wide range of programmes and projects in partnership with other UN organizations, regional organizations, international financial organizations and the private sector. These partnerships are key vehicles to support results under the Bali Declaration. The DWCPs as drivers of decent work strategies in UNDAFs and UN Country Team planning were highlighted in section (b) above. In addition, the ILO's engagement with other organizations includes the ILO–ASEAN Work Programme 2016–20 in areas such as green jobs promotion, labour inspection, business and human rights, social protection, skills development, gender mainstreaming, and OSH and migration. Numerous joint workshops have been held on various technical issues.
31. The ILO and constituents are members of the Alliance 8.7, a global partnership committed to achieve SDG target 8.7, which consists in eradicating forced labour, modern slavery, human trafficking and child labour. Pathfinder countries within the Alliance have made a commitment to go faster and further in their efforts to reach target 8.7. Four of the 15 pathfinder countries are in the Asia–Pacific region: Fiji, Nepal, Sri Lanka and Viet Nam.

## **Resourcing**

32. All resource allocation within the Asia–Pacific and the Arab States regions have taken into account the imperatives of the Bali Declaration, and linking with the outcomes under the programme and budget. External funding comes from a range of sources that include multi-bilateral development partners, the United Nations system, the European Union, Domestic Development funding, Public Private partnerships (PPPs), and international financial institutions (IFIs). The volume of development cooperation (DC) in the Asia and the Pacific Region has been steadily increasing since 2016.
33. Extra-budgetary resources are essential in financing the Decent Work Agenda, and efforts are made to diversify the funding base including leveraging sources and investments from domestic budgets, and other public or private, national or international sources in line with the Addis Ababa Action Agenda and UN efforts.
34. In the Asia and Pacific Region, by 2017, the dominance of DC funds linked to outcome 1 (more and better jobs) as a share of total DC funds was finished, with outcome 7 (labour inspection) taking the largest share for a short period. The 2016–18 period also saw the continuing decline of funds accruing to outcome 8 (protecting workers from unacceptable forms of work – notably forced and child labour), outcome 4 (sustainable enterprises) and outcome 10 (strong workers' and employers' representatives). On the increase were outcomes 9 (fair migration) and outcome 5 (rural economy), while the remaining outcomes held more or less steady over the 2016–18 period.

## **The way forward**

35. The recent national, regional and global dialogues centred on the future of work have lent greater clarity to the challenges facing the region. Among these are: labour markets in rapid transformation as technological innovations and demographic trends of ageing and migration drive trajectories of structural changes in labour markets; persistent gender inequalities in

all areas of the labour market; growing inequalities within and between countries; and high vulnerability to climate change shocks.

36. Intensification of efforts under the Bali Declaration offer a vital opportunity to accelerate progress towards overcoming these and other challenges in the immediate term, while at the same time galvanizing the production of results under the SDGs in the medium term. Given that current evidence suggests that insufficient progress has been made towards the SDGs, the Bali Declaration as a catalyser of results at national level becomes even more important.
37. The challenges facing the region highlight the increased relevance of the priorities under the Bali Declaration, including the need for strengthened social dialogue and tripartism as the bedrocks of good governance. Progressing towards robust labour market institutions, facilitating the expansion of social protection and, in particular, encouraging increased ratification and implementation of international labour standards to promote equality and social justice continue as the focus of the ILO's work to promote continued implementation of the Bali Declaration.
38. ILO action to support constituents' efforts to intensify progress on the Bali Declaration will benefit from the momentum created by the increased numbers of DWCPs and their enhanced governance mechanisms. Additionally, the recently adopted 2019 ILO Centenary Declaration for the Future of Work has considerable overlaps in the priority areas agreed under the Bali Declaration. Since the building blocks for giving effect to the Centenary Declaration have already been established by the Bali Declaration, this will strengthen the ILO's work in the region to enhance the capacity of constituents to meet critical challenges and generate a future of work that is inclusive and just.

## **Draft outcome**

39. *The Governing Body noted the mid-term review of the implementation of the Bali Declaration adopted by the 16th Asia and the Pacific Regional Meeting and requested the Office to continue to implement the Declaration taking into consideration the guidance provided during the discussion.*