



International
Labour
Office
Geneva

**Employment Sector
Employment Report N° 5**

2009

**Decent Work Issues in Poverty Reduction
Strategies and National Development
Frameworks**

A seminar report
15-17 December 2008
International Training Centre Turin

Employment
Policy
Department

Copyright © International Labour Organization 2009
First published 2009

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with reproduction rights organizations may make copies in accordance with the licences issued to them for this purpose. Visit <http://www.ifrro.org> to find the reproduction rights organization in your country.

Decent work issues in poverty reduction strategies and national development frameworks : a seminar report, 15-17 December 2008,
International Training Centre Turin / International Labour Office, Employment Policy Department. - Geneva: ILO, 2009
53 p. (Employment report ; no.5)

ISBN: 9789221226246;9789221226253 (web pdf)
ISSN 1999-2939 (print); ISSN 1999-2947 (web pdf)

International Labour Office; Employment Policy Dept

poverty alleviation / decent work / promotion of employment / employment policy / developing countries

03.03.6

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications and electronic products can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: <http://www.ilo.org/publns>

Printed in Switzerland

document1

Preface

The primary goal of the ILO is to contribute, with member States, to achieve full and productive employment and decent work for all, including women and young people, a goal embedded in the ILO Declaration 2008 on *Social Justice for a Fair Globalization, and*¹ which has now been widely adopted by the international community.

In order to support member States and the social partners to reach the goal, the ILO pursues a Decent Work Agenda which comprises four interrelated areas: Respect for fundamental worker's rights and international labour standards, employment promotion, social protection and social dialogue. Explanations of this integrated approach and related challenges are contained in a number of key documents: in those explaining and elaborating the concept of decent work², in the Employment Policy Convention, 1964 (No. 122), and in the Global Employment Agenda.

The Global Employment Agenda was developed by the ILO through tripartite consensus of its Governing Body's Employment and Social Policy Committee. Since its adoption in 2003 it has been further articulated and made more operational and today it constitutes the basic framework through which the ILO pursues the objective of placing employment at the centre of economic and social policies.³

The Employment Sector is fully engaged in the implementation of the Global Employment Agenda, and is doing so through a large range of technical support and capacity building activities, advisory services and policy research. As part of its research and publications programme, the Employment Sector promotes knowledge-generation around key policy issues and topics conforming to the core elements of the Global Employment Agenda and the Decent Work Agenda. The Sector's publications consist of books, monographs, working papers, employment reports and policy briefs.⁴

The *Employment Working Papers* series is designed to disseminate the main findings of research initiatives undertaken by the various departments and programmes of the Sector. The working papers are intended to encourage exchange of ideas and to stimulate debate. The views expressed are the responsibility of the author(s) and do not necessarily represent those of the ILO.

José Manuel Salazar-Xirinachs
Executive Director
Employment Sector

¹ See http://www.ilo.org/public/english/bureau/dgo/download/dg_announce_en.pdf

² See the successive Reports of the Director-General to the International Labour Conference: *Decent work* (1999); *Reducing the decent work deficit: A global challenge* (2001); *Working out of poverty* (2003).

³ See <http://www.ilo.org/gea>. And in particular: *Implementing the Global Employment Agenda: Employment strategies in support of decent work*, "Vision" document, ILO, 2006.

⁴ See <http://www.ilo.org/employment>.

Foreword

The Governing Body of ILO has reviewed regularly progress in the promotion of the Decent Work Agenda in the Poverty Reduction Strategies (PRSs). In March 2008, it recommended and encouraged further work and capacity building to help integrate the Decent Work Agenda into national development frameworks and to ensure coherence between Decent Work Country Programmes (DWCP) and PRSs. To address the recommendation, a new series of capacity strengthening initiatives are now being implemented. This includes a series of seminars and learning events during the current ILO biennium (2008-2009).

The seminar on “Decent Work Issues in Poverty Reduction Strategies and National Development Frameworks” (Turin, 15-17 December) followed from this recommendation. It was the fourth in a series of Turin seminars held since 2002.

The objective of this seminar was to reflect on, and scan the horizon in terms of, recent trends in national development frameworks and their implications for employment. The seminar focused on three main questions:

1. to what extent and in which direction is the PRS process evolving?
2. what has worked and what needs to be adjusted in terms of promoting employment and decent work and the engagement of social partners?, and
3. where should ILO’s efforts focus in terms of capacity building, research and support.

The seminar involved 58 participants⁵ representing 15 countries⁶ where ILO staff and constituents have been actively engaged in new and evolving national development frameworks, such as PRSs.

The event enabled participants from the field and headquarters to (a) share good practices amongst country practitioners and learn from latest development and tools, (b) exchange views and new perspectives, and (c) discuss the way forward.

The discussions were organised around the following five main areas (i) how to make employment and decent work central to PRS and national development frameworks, including through employment oriented macro policies (ii) employment intensive investment and the promotion of sustainable small enterprise in the context of PRSs; (iii) country experiences in managing and financing PRS; (iv) trends in labour law reforms, and (v) monitoring employment issues at national level.

The seminar provided an opportunity to identify vital areas where support is needed and inform further learning events planned for the ILO’s biennium. Constituents highlighted the following areas:

- analysis of the employment implications, impact and responses to the **crisis**
- how to respond to the pressure to de-**regularize** the labour market
- adjusting the **macro** economic framework to increase employment
- how to maximise employment in the priority growth **sectors** at country level

⁵ 21 constituents (8 workers representatives, 4 employers representatives and 9 members of the Government), 35 field and HQ staff, plus some invited guests). See Annex 1 for details

⁶ Benin, Burkina Faso, Cambodia, Cameroon, Congo, Ethiopia, Ghana, Madagascar, Mali, Mongolia, Nepal, Senegal, Sri Lanka, Tanzania, Zambia.

- how to improve the **monitoring** of employment (and decent work) trends at national level (key indicators and their analysis/reporting)
- public and development **budgets** (to increase employment outcomes).

This seminar report presents the highlights from the main presentations and discussions. It mirrors the structure of the agenda⁷. Following the detailed table of contents we offer brief outlines of the “presentations at a glance”. This leads to a set of sections dealing with (a) the presentations in more detail and (b) highlights from the discussions. The main conclusions are presented in the final section of this report.

For those who want to dig deeper, more detailed information on the content of the presentations and the background papers is available from the Country Employment Policy Unit (CEPOL) in the Employment Policy Department at ILO Headquarters in Geneva⁸.

Azita Berar Awad
Director
Employment Policy Department

Alana Albee
Chief
Country Employment Policy Unit

⁷ see Annex 2 for an outline of the agenda

⁸ <http://www.ilo.org/public/english/employment/strat/policies/index.htm>

Contents

	<i>Page</i>
Preface.....	iii
Foreword.....	v
1. Introduction.....	1
Presentations at a glance.....	1
<i>Introduction</i>	1
<i>Session 1: Making Employment Central to PRS/ National Frameworks</i>	1
<i>Session 2: Employment/Sectoral Focus</i>	2
<i>Session 3: Country Experiences</i>	3
<i>Session 4: Labour laws & regulatory reforms in PRS countries</i>	3
<i>Session 5: Indicators for monitoring</i>	3
2. Opening Remarks.....	4
2.1 Decent Work Agenda in PRSs: ILO’s stand and experience in perspective.....	4
3. Session 1 – Making Employment Central to PRS/National Frameworks.....	6
3.1 Overview of Employment and Decent Work Trends in PRS.....	6
3.2 Employment orientated macro policies.....	8
3.3 Country examination of employment orientated policies and impact.....	10
<i>Discussion</i>	12
3.4 Mali Case Study.....	13
3.4.1 The process of adopting the Accelerated Growth Strategy.....	13
<i>Discussion</i>	15
4. Session 2: Employment/Sector Focus.....	16
4.1 Employment intensive investment and infrastructure development in the context of PRS (A).....	16
<i>Comment</i>	17
4.2 Employment intensive investment and infrastructure development in the context of PRS (B).....	17
<i>Discussion</i>	18
4.3 Promoting sustainable small business and poverty reduction.....	18
<i>Discussion</i>	20
5. Synthesis of the discussions of Day 1.....	21
6. Session 3: Country experience in managing and financing PRS – integrating the Decent Work Agenda	23
6.1 Experience of Burkina Faso.....	23
6.2 Trade Union participation in the PRS process in Burkina Faso.....	25
6.3 Experience of Tanzania.....	25
<i>Discussion</i>	26

7. Session 4 – Labour law and regulatory reforms	27
7.1 Trends in labour law reforms	27
7.2 The experience of labour law reform in Nepal.....	28
7.3 Tripartite efforts at labour law and social security reform in Nepal	29
<i>Discussion</i>	30
8. Session 5 – Indicators for Monitoring	31
8.1 The 4 new MDG Employment Indicators for national-level use	31
<i>Discussion</i>	32
8.2 Decent Work Indicators for Labour Market Information Systems	32
<i>Discussion</i>	34
9. Conclusions	35
9.1 Review of discussions	35
9.2 Assessment of capacity-building needs.....	36
Annex 1: Participants	38
Annex 2: The Seminar Agenda	39
<i>Day One</i>	39
<i>Day Two</i>	40
<i>Day Three</i>	41

1. Introduction

Presentations at a glance

The seminar included an introduction and five sessions. In this chapter we present short outlines of the lead presentations. The full set of presentations is listed on the contents page.

Introduction

Decent Work Agenda in PRSs: ILO's stand and experience in perspective

Azita Berar Awad - Director, Employment Policy Department, ILO Geneva

Constituents express a growing concern about the need to promote job-rich and pro-poor growth in developing countries. In response, the ILO has developed a pragmatic and systematic approach to engage in the formulation of PRS since 2001 supported by the promotion of National Employment Policies (NEP) in national frameworks). This presentation provides an overview of ILO's perspective and experience of integrating employment dimensions into national strategies for poverty reduction. The presentation is based on a comprehensive review of ILO's technical assistance to PRSs/NEP, and is complemented by selected country case studies. The presentation highlights lessons learnt from past practice and seeks constituent views on how to improve the process.

Session 1: Making Employment Central to PRS/ National Frameworks

Brief Review of Employment Issues in PRSs

Alana Albee - Chief, Country Employment Policy, ILO Geneva

Poverty Reduction Strategies (PRSs) have increasingly become central to national development planning in many countries, especially (but not exclusively) in Sub Saharan Africa. This presentation provides the key results from a systematic review of employment content in all African first and second generation PRSs. It looks specifically at issues of constituent engagement, employment indicators, and trends since 2000 in the development of National Employment Policies. The presentation concludes by highlighting remaining challenges that include the integration of employment issues as central to macro policies, and the push towards growth agendas based on priority productive sectors.

Employment Orientated Macro Policies

Professor Gerald Epstein - Political Economy Research Institute (PERI) University of Massachusetts (Amherst)

Country Examination of Employment orientated policies and their impact

Professor James Heinz - Political Economy Research Institute, University of Massachusetts (Amherst)

The ability of countries to promote productive job-rich growth rests fundamentally on macro economic decisions. These two presentations focus on monetary and fiscal policy choices, and their impact on employment. They examine concepts and practical examples of alternatives, and this includes highlighting how Central Bank decisions impact on employment. Where are the effective examples of practical alternatives to keeping deficits small, inflation low, and exchange rates flexible while retaining macro stability? What impact have they had on growth, employment and poverty? Discussion focuses on

responses and opportunities in light of growing unemployment, the financial crisis, and rising prices.

Mali Case Study

Sékouba Diarra - PRS Cell Coordinator, Ministry of Economy, Industry and Trade, Mali

Many sub-Saharan African countries have faced slower than projected growth in recent years. This has been combined with ambitious national strategies and tight budgets. The response to this challenge has been to develop prioritised growth strategies. This is the case for Mali, which developed and adopted an Accelerated Growth Strategy 2008-2012. The presentation presents the process that led to the adoption of this strategy and compares it with previous PRSs in terms of content and process. It is acknowledged that the impact of growth depends on the extent to which it can generate jobs and good earning opportunities. The presentation examines how closely growth and job creation are linked in the context of the Accelerated Growth Strategy.

Session 2: Employment/Sectoral Focus

Focus on Employment-Intensive Investment and Infrastructure development in the context of PRS

Terje Tessem - Chief, Employment-Intensive Investment Branch, ILO Geneva
Emmanuel Rubayiza – Senior Adviser, EIIP, ILO Geneva

The employment-intensive approach has been widely acknowledged as an effective, economically and ecologically sustainable, and socially responsible investment method for employment generation - producing, at the same time, much needed productive and social infrastructure. This can be achieved either through mainstream regular investments or through dedicated employment generation programmes with social objectives. However, these approaches still need to be better reflected in PRSs. This presentation highlights avenues for mainstreaming employment and integrating employment-intensive approaches into national development frameworks. The experiences from the Employment-Intensive Investment Programme (EIIP) is outlined, the employment generation potential of infrastructure presented, and the need to promote employment-intensive approaches in public investments programmes emphasized. An example from Madagascar is introduced showing the mainstreaming of the employment-intensive approach in its recent PRS (Madagascar Action Plan – MAP).

Focus on Small-business Development and PRS

Graeme Buckley, Job Creation and Enterprise Development Department, ILO Geneva

The ILO places great importance on the generation of productive and decent jobs through the promotion of sustainable enterprises. The ILO's strategy places particular emphasis on micro and small enterprises which in most countries (a) account for up to 95% of all enterprises, and (b) are responsible for most existing and new jobs and a substantial portion of GDP. Most poor people work in micro and small enterprises. These can be made more supportive by providing business and financial services, making markets work for them, and ensuring that they have an enabling environment in which to work. This should be fundamental to poverty reduction strategies. This session explores two things: (1) the evidence for poverty reduction through enterprise development, and (2) how the ILO can promote sustainable enterprise development through (a) support to constituents that empowers them to advocate for an enabling environment and (b) engaging in national policy dialogues on pro-poor private sector development.

Session 3: Country Experiences

Country Experiences in Managing and Financing PRS - integrating the Decent Work Agenda

Burkina Faso: Eugénie Malgoubri - Director, Coordination of Poverty Reduction Strategy, Ministry of Economy and Finance, Burkina Faso

Tanzania: Mudith Cheyo Buzenja - Senior Economist, Ministry of Finance and Economic Affairs, United Republic of Tanzania

PRS cells and units in Ministries of Finance and Planning often function as the hub of coordination for PRS processes. Increasingly the processes are aligned with national budgeting cycles, public expenditure reviews and sector MTEFs. In this session the challenges of managing and financing PRS processes are presented by two countries in Sub-Saharan Africa which (a) were early starters in the first round of PRSs and (b) are recognised for their innovations. The presentations examine the challenges, opportunities and constraints faced by (a) Ministries in charge of employment issues, and (b) social partners, in making productive job creation opportunities an underpinning principle of PRSs.

Session 4: Labour laws & regulatory reforms in PRS countries

Trends in Labour Law Reforms

Corinne Vargha – Dialogue Department, ILO Geneva

Labour law reform is an increasing priority action in PRSs designed to boost productivity, growth, and the performance of the private sector in market-driven economies. The trend is towards more flexibility in labour laws. This presentation examines these reforms, including (a) aspects of the laws which are most commonly adjusted at country level, and (b) the extent to which reforms are a condition of the World Bank Poverty Reduction Support Credit. The implications for constituents and for ILO support are highlighted and discussed.

Session 5: Indicators for monitoring

The 4 new MDG Employment Indicators for national-level use

Theodoor Sparreboom, Employment Trends, ILO Geneva

Decent Work Indicators for Labour Market Information Systems

Malte Luebker, Policy Integration Department, ILO Geneva

PRS countries are increasingly establishing national monitoring systems for reporting on change, and for informing citizens, policy makers and development partners about the impact and implications of development efforts. These systems are generally based on a set of national indicators for which data and analysis is reported on regularly. However, employment indicators have featured minimally in most PRS countries, and this has often led to limited monitoring and profiling of the central role of productive employment in reducing poverty. This session provides information about the 4 new MDG indicators on employment (under MDG Goal 1) and their usefulness for national monitoring. These are linked to the fuller set of Decent Work Indicators that are also presented. This set of indicators is suggested for core use in labour market information and analysis systems at country level. Discussion focuses on steps and issues for embedding employment indicators at country level.

2. Opening Remarks

Francois Eyraud⁹ and José Manuel Salazar-Xirinachs¹⁰ opened the seminar and welcomed participants.

José Manuel Salazar-Xirinachs drew attention to the ILO Governing Body discussions of November 2008 in which concern was raised about the global financial crisis. The landscape of development is changing for all countries, and in this context policy discussions in developing countries are increasingly focusing on developing the best policy responses to the new challenges.

2.1 Decent Work Agenda in PRSs: ILO's stand and experience in perspective

Presenter: Azita Berar Awad¹¹

Azita Berar Awad presented ILO's experience in engaging in Poverty Reduction Strategies. The original entry points for engagement were (a) in response to limited participation of the ILO tripartite partners in the PRS formulation process in many countries, and (b) the invisibility of employment and other dimensions of decent work in the goals, strategies and budget allocations adopted in many national PRSs.

Since 2001, the ILO has developed a systematic approach to influencing the PRS process and to integrating a decent work perspective through consultation with constituents and practical in-country technical support.

Since 2001, the ILO has developed a systematic approach to influencing the PRS process and to integrating a decent work perspective through consultation with constituents and practical in-country technical support. This approach is being applied to a varying degree in 39 countries across the globe, i.e. in over half the total number of countries formulating and implementing Poverty Reduction Strategies as their main development frameworks.

ILO's approach has consisted of four elements:

1. engaging in policy discussion (debates, working groups, policy briefs, etc) to put employment at the centre of policy discussions,
2. empowering constituents (separately and together) to better influence the drafting, implementation and monitoring of national PRSs;
3. developing interfaces and partnerships between constituents and bodies leading the PRS process, and
4. maintaining critical dialogue at national and international levels.

⁹ Executive Director, ITC Turin

¹⁰ Executive Director, Employment Sector, ILO Geneva

¹¹ Director, Employment Policy Dpt., ILO Geneva

This approach is backed by tools connecting the Decent Work Agenda with the PRS framework.¹² These tools have been widely used for capacity-building programmes with tripartite partners, as well as to develop the competencies of ILO staff (field and HQ).

In terms of outcomes, many first generation PRSs had weaknesses in the extent to which they incorporated employment and decent work issues: however, significant ground has been gained in second generation PRSs. There are several factors that contribute to this. These factors include (a) the momentum created by the Ouagadougou Summit on Employment in Africa¹³ in late 2004 and (b) ILO's engagement at country level.

Improvement in tripartite participation is evident although there is still room for improvement because it remains uneven across the PRS cycle of activities and varies from country to country.

In terms of the next steps and remaining challenges, Azita Berar Awad highlighted ILO's need to move further into the mainstream of PRS activities including through more comprehensive analysis of employment and labour market issues in the development process.

Beyond PRSs, ILO also needs to look more carefully into other elements that influence decisions in development policy. These include the World Bank's Poverty Reduction Support Credits (PRSC) instrument and the IMF's Poverty Reduction and Growth Facility (PRGF). These should be encouraged to become more employment friendly.

¹² "Decent Work and PRS Manual, a reference manual for ILO staff and constituents"; "Decent Work and PRS, an ILO advocacy Guidebook", and the "Bilan Emploi-formation manual".

¹³ http://www.ilo.org/global/What_we_do/Events/Symposiaseminarsandworkshops/lang--en/WCMS_067261/index.htm

3. Session 1 – Making Employment Central to PRS/National Frameworks

The moderator and discussant for this session was José Manuel Salazar-Xirinachs.¹⁴
The session included three presentations and a discussion -

Overview of Employment and Decent Work Trends in PRS
Employment Orientated Macro Policies
Country examination of employment orientated policies and impact
Discussion

3.1 Overview of Employment and Decent Work Trends in PRS

Presenter: Alana Albee¹⁵

This presentation provided the key results from a systematic review of employment and decent work content in all African first and second generation PRSs. A total of 48 Sub-Saharan African countries were reviewed for their coverage of the following topics:

- participation of constituents,
- poverty analysis,
- macro analysis,
- growth,
- productivity,
- sector policies,
- social policies,
- employment intensive approaches,
- youth,
- social security and protection,
- employment policies,
- employment indicators,
- labour laws,
- ‘doing business’,
- vocational training,
- gender and employment actions.

Through the development and use of a new ILO database, the following trends and patterns were established.

The review reveals that employment features more prominently in recent PRSs (particularly second generation) than in those that were developed at the beginning of the decade. This coincides with an increasing presence of both PRSs and National Employment Policies (NEPs). Since 2005, the number of countries putting in place National Employment Policies has been impressive. With the exception of Cape Verde, Benin and Malawi, all countries that have adopted a second generation PRS have also established a National Employment Policy. The Ouagadougou Summit on Employment in Africa in late 2004 is likely to have been a contributing factor.

Since 2005, the number of countries putting in place National Employment Policies has been impressive.

¹⁴ Executive Director, Employment Sector, ILO Geneva

¹⁵ Chief, Country Employment Policy Unit, ILO Geneva

Most African countries with PRSs consider them as their main national development plans for delivering in the immediate term on longer-term “visions” of development. However, despite overall progress in harmonisation at the national level (in accordance with OECD/DAC commitments) development partners generally retained their own country analysis and plans. This has created a complex landscape of planning and events in many countries. An important illustration of this is the World Bank’s own system in which Country Assistance Strategies (CAS) are devised every 5 years. These are underpinned by substantial research in the form of a Country Economic Memorandum (CEM). Often the CEM analysis and the CAS plan precede PRS formulation and have considerable influence on the selection of priorities in PRSs. Further influence is gained by underpinning the PRS with finance through the Poverty Reduction Support Credit (PRSC) system.

The presentation highlighted the importance of understanding the sequencing and content of development partners’ processes and instruments at country level. This is an essential prerequisite for (a) being able to influence them in relation to decent work and productive employment issues, and (b) to further encourage harmonisation in an effort to reduce transaction costs at national level.

The presentation also highlighted the importance of watching for emerging new trends in national planning. Scanning the horizon reveals the new trend of highly prioritized “Growth Agendas” often led by Ministries of Finance. The shape and direction of these will no doubt be influenced by the predicted impact of the food, fuel and financial crisis on development countries.

The review of PRSs also assessed the engagement of ILO constituents in PRS formulations. This shows some tentative and small shifts beyond consultation and towards more active engagement. However, this shift is difficult to assess from the PRS documents alone because of the over-generalised categories of stakeholders. Further study of this issue is required.

Analysis of the social and economic aspects of PRSs reveals an increased inclusion of employment-related issues. Employment has featured prominently in poverty analysis, and in social and productive sectors of both first and second generation PRSs. Employment is viewed as central to reducing poverty and increasing productivity, and to do this there is a clear policy level appreciation of the need to build human capital (especially through the education sector). The initial weaknesses of first generation PRSs in relation to mainstreaming gender, youth, Employment Policies and vocational training are being overcome in second generation PRSs. The outstandingly weak area showing minimal change over time is the recognition of employment within the macro economic framework underpinning PRSs.

The initial weaknesses of first generation PRSs in relation to mainstreaming gender, youth, Employment Policies and vocational training are being overcome in second generation PRSs. The outstandingly weak area showing minimal change over time is the recognition of employment within the macro economic framework underpinning PRSs.

Employment issues in PRSs are in some cases linked to overall growth yet effective ways of implementing job-rich patterns of growth are still weak. Policy commitments are increasingly evident but practical strategic actions remain the key challenge. Linked to this are weaknesses in monitoring changes in employment as part of national monitoring of progress on PRSs. There is some increase in the inclusion of employment indicators in PRSs, however the choice of indicators is weak. No African country yet uses the MDG Employment indicators in national monitoring. Many use “unemployment” as a top level indicator despite its limited usefulness in contexts with high labour participation where the majority of workers are in the informal economy or subsistence agriculture.

In terms of remaining challenges, much remains to be done for PRSs to be effective instruments for reducing poverty. Employment-centred macro-economic policies and job-intensive investment patterns are fundamental. In addition, effort to strengthen national employment indicators, and more generally, labour market information systems, is urgently needed in most of Sub Saharan Africa.

3.2 Employment orientated macro policies

Presenter: Prof. Gerald Epstein¹⁶

G. Epstein presented macroeconomic policies that are likely to protect developing economies from the instabilities of global finance and help them achieve their goals of promoting employment, poverty reduction and sustainable development. He addressed three specific policy areas: 1) Monetary Policy, 2) Financial Policy, and 3) Exchange Rate Policy and the management of capital flows.

Despite the massive challenges facing the unemployed, underemployed and the poor for the past decades, the approach of central banking has not focused on employment generation. Instead it has pursued "inflation-targeting". This involves keeping a low rate of inflation – in the low single digits – and it has been proposed as the dominant and often exclusive target of monetary policy.

There are alternatives to inflation targeting. More socially-useful and employment-friendly frameworks exist that can be tailored to the particular circumstances and needs of different countries. The economic crises may be an opportunity to re-think macro-economic frameworks and look back at past experiences of central banks where the key policy goal was joining employment creation, financial stability and more rapid economic growth with inflation and stabilization.

Central banks should implement a real targeting approach to monetary policy in order to (a) facilitate the achievement of expansions in decent employment, (b) enhance financial stability, and (c) promote credit allocation to decent employment generating investments. Central banks should develop additional tools to achieve these goals, and furthermore, should cooperate with other arms of government to bring about these results. Central banks cannot achieve these activities alone. They must coordinate with other key governmental and private actors.

Central banks cannot achieve these activities alone. They must coordinate with other key governmental and private actors.

There is a need to reengage central banks, but also finance ministries, and the financial system generally in playing a much more active role in generating employment, promoting development, and maintaining financial stability. However, there are five key problems with current financial structures in the developing world:

1. real interest rates remain very high in many developing countries, and especially in sub-Saharan Africa,
2. credit allocation is too low,
3. savings are badly mis-allocated globally (away from employment generation),
4. capital flows are often short-term and disruptive, and

¹⁶ Co-director and Professor of Economics, Political Economy Research Institute, University of Massachusetts (Amherst)

5. there is a lack of capital for small and medium enterprises and the poor in most regions of the world.

As a result, the financial system has failed to play an important role in promoting development, poverty reduction and decent employment.

There is a large variety of successful ways to use the financial system to mobilize and direct finance; these can make a judicious use of market incentives, government guarantees and monitoring to ensure that the finance goes to high-priority sectors, socially productive purposes and the poor.

Central banks historically have used many tools of monetary policy to reach multiple objectives, including (a) credit allocation to develop social sectors of the economy, (b) credit allocation techniques to develop dynamic industries, and (c) capital management techniques to manage inflows and outflows of international capital.

Market allocation of finance needs to be embedded in strong financial regulations and supplemented by an important role for government guidance of finance to important sectors. Central banks, acting as agents of development, have (a) kept and administered differential interest rate ceilings in support of favoured sectors; (b) provided efficient or even subsidized financial services for specialized institutions playing important social roles, and (c) allocated credits to priority industries (eg. high value added export industries), social goods (eg. housing, education) and priority government investments (eg. infrastructure). These are very general approaches and must be fine tuned and made much more specific to the country contexts.

With globalization and the increased integration of economies, employment oriented macroeconomic policy must also cope with the crucial international macroeconomic dimensions. Managing the real exchange rate and capital flows are both intimately related to the issues of financial stability and employment oriented macroeconomic policy. Capital management techniques, usually of a dynamic and flexible nature, can be a very important tool for reducing the negative aspects of global financial integration while enhancing the positive aspects. There is no single type of capital management technique that works best for all developing countries, but a wide range of effective techniques are available.

Managing the real exchange rate and capital flows are both intimately related to the issues of financial stability and employment oriented macroeconomic policy.

In conclusion, monetary, financial and exchange rate policies can do a lot to promote employment. But there is a need to have a coherent government policy where all major institutions are committed to contributing to the goal, subject to macroeconomic stability. One size does not necessary fit all, but approaches must be tailored to each country's context and priority. There exists a wide range of macroeconomic, financial policies and experiences that policymakers can draw upon and adapt in accordance with their employment-oriented growth objectives. Finally, the trade-off between developmental aspects and stabilization aspects always need to be carefully monitored.

3.3 Country examination of employment orientated policies and impact

Presenter: James Heintz¹⁷

James Heintz provided a review of a number of policy areas with potential for improving employment outcomes, particularly for workers in informal employment. The specific focus on informal employment was justified by the large share of informal workers in developing countries whose earnings are often very low and volatile, and the fact that informal employment is often not well integrated into national policies.

The presentation stressed the need for improvements at three levels:

1. increasing labour demand, primarily to reduce existing underemployment,
2. raising the returns to labour as a factor of production, and
3. enhancing the economic mobility of workers such that low income households can take advantage of new employment opportunities.

One approach for developing effective policies and prioritizing complementary interventions is through (a) identifying the major barriers to improving employment opportunities in these three dimensions and (b) tailoring policies to relax constraints. Broad policy tools, including macroeconomic and financial policies, can also help to reduce constraints.

The importance of rigorous employment diagnostics was highlighted. It was pointed out that growth and employment diagnostics both identify constraints, and set out to formulate strategies for reducing these. However, employment diagnostics are more complex because of the multiple objectives of increasing employment and improving its quality. Complexity arises from the possible trade-offs between quantity and quality of employment. Further, the distribution of employment matters, i.e. who has access to increased jobs. In this regard, constraints faced by the most vulnerable portion of the population may need to be targeted.

Growth and employment diagnostics both identify constraints, and set out to formulate strategies for reducing these. However, employment diagnostics are more complex because of the multiple objectives of increasing employment and improving its quality.

Formulating employment policies requires information and analysis about the structure of employment and the nature of informal activities. Survey data can identify some elements, although issues of productivity are also important given that they determine individual earnings and household living standards. Barriers to improving productivity and earnings of informal workers are one set of factors that keeps incomes low. Productivity improvements are necessary, but not sufficient, for sustainable increases in living standards. Productivity improvements will not raise earnings if, for example, such improvements lead to less favourable terms of trade for the informal self-employed due to adverse price adjustments. Nevertheless, productivity improvements make higher earnings possible.

In terms of earnings, a number of useful findings can be identified from household data in Madagascar and Kenya. These include:

¹⁷ Associate Director and Associate Research Professor, Political Economy Research Institute, University of Massachusetts (Amherst)

1. age/experience of the manager contributes positively to earnings, but at a decreasing rate,
2. enterprises with more highly educated managers earn more on average,
3. enterprises that are run by women face a large and significant earnings penalty,
4. operating informally is associated with a large earnings penalty,
5. net earnings increase with the size of the enterprise (number of paid employees),
6. manufacturing enterprises generate lower earnings on average relative to those engaged in trading activities,
7. enterprises whose primary market is local businesses earn more on average,
8. increases in productive capital have a significant and noticeable increase on earnings, suggesting that limited capital resources constrain productivity and earnings, and
9. firms that get their start-up capital from informal finance institutions may have higher earnings.

The analytical approach taken in Madagascar and Kenya could be repeated across countries and illustrates that survey data can be used diagnostically to identify factors that will improve earnings and productivity. Such data can also help identify negative influences on the earnings potential of the informal self-employed. By themselves, these results are not a sufficient guide to policy formation although they do provide important information about areas that deserve additional attention. They also provide support for specific interventions.

Monetary policy can also impact employment outcomes in:

1. the development of domestic markets, and
2. access to productive assets (via credit and financial institutions).

The **financial sector** is the primary channel through which monetary policy affects real economic outcomes. Therefore, financial sector reforms represent an important set of interventions that complement monetary policy in important ways. Monetary and financial policies can be used to address constraints faced by workers in informal employment because they are often associated with very high interest rates and credit rationing. Relaxing access and the cost of credit can positively affect employment outcomes. These two policy areas should be coordinated in order to reduce poverty and support human development. For financial institutions, the credit allocation policies could enhance the linkages between formal and informal finance, in order to channel credit to where it is most needed.

Public investment can also improve employment opportunities, through the development of transportation, storage infrastructure and public infrastructure to improve market access.

Exchange rate policy, in current PRSs consists of complete non-intervention, while managing the exchange rate and capital volatility can be important. While the main market of self-employed workers is domestic, exchange rates can have significant effects.

Labour market policies are also too often narrowly focused on formal regulation of wage employment. An alternative approach is needed to broaden the focus to include all forms of employment (including informal wage employment) and by assessing the barriers to mobility.

Discussion

Moderator: José Manuel Salazar-Xirinachs¹⁸

These three presentations were felt to be of particular relevance and importance from ILO perspectives because:

1. inclusive job-rich growth and the promotion of decent work are core elements of the Global Employment Agenda (GEA),¹⁹
2. employers and workers tend to be divided on macroeconomic issues - evasion by the former and enthusiasm by the latter, and
3. historically, many countries have used macroeconomic and financial policies focused on growth and employment concerns.

Mr. Salazar noted that employment targeting and market-friendly tools should not be considered as mutually exclusive. Questions remained however about financial policy and structures, and the extent to which central banks, finance ministries and the financial system generally should play a more active role in generating employment and promoting development.

Mr. Salazar noted that there was no evidence that growth of capital markets had lowered the costs of finance for entrepreneurs. Some further clarity and details on how the informal financial institutions could be linked to formal institutions is still needed. It was also noted that development banking has been seriously damaged in Africa, and while modernization of developing banks took place in Latin America, such modernization had not yet taken place in Africa.

On capital management and competitive exchange rates, it was noted that none of the known fast growth countries were particularly quick to open up their capital accounts. The impact of capital account liberalization depends on whether an economy is diversified or not and whether its capital institutions are strong. Due to the current crisis, export promotion is not as easy as it used to be, but this should not mean that we should become export pessimists since it still has an important role to play.

Several participants noted that more details were needed to identify more employment constraints than were presented in the briefing by Professor Heinz. Greater focus on earnings is critical in the context of rising food and energy prices. Efforts must be put on developing earnings diagnostics for formal/informal sectors, by gender, sector, special groups, etc.

Greater focus on earnings is critical in the context of rising food and energy prices. Efforts must be put on developing earnings diagnostics for formal/informal sectors, by gender, sector, special groups, etc.

It was noted that more dialogue is needed between employers, workers, Ministries of Labour/Employment and central banks at country level.²⁰ Yet the issue of capacity remains a key issue. Ministries of Labour/Employment are not always in the drivers seat and in

¹⁸ Executive Director, Employment Sector, ILO Geneva

¹⁹ <http://www.ilo.org/public/english/employment/empframe/practice/>

²⁰ For example, the Bank of Ghana developed two indices (business competence index and composite index) to assess the impact on employment.

some cases lack the capacity and legitimacy to discuss substantive issues, such as macro-economic policies.

Finally, it was stressed that when it came to policies, implementation and practice was the main concern.

3.4 Mali Case Study

Moderator: Dramane Haïdara²¹

Many sub-Saharan African countries have faced slower than projected growth in recent years. This has been combined with ambitious national strategies and tight budgets. The response to this challenge has been to develop prioritised growth strategies. This is the case for Mali, which developed and adopted an Accelerated Growth Strategy 2008-2012. The case study presented here is in three parts:

- The Mali experience with its PRS
- The process of adopting the Accelerated Growth Strategy
- Discussion

3.4.1 *The process of adopting the Accelerated Growth Strategy*

Presenter : Sekouba Diarra²²

Dramane Haïdara, introduced the experience of Mali. In 2002 Mali adopted its first PRS 2002-2006 which became the single reference framework for its medium-term policies as well as for engagement with development partners. The ILO acted strategically in influencing the Poverty Reduction Strategy through the Decent Work Agenda.

One of the thematic working groups set up under the PRS focused on decent work. Following ILO's engagement and its long-standing presence, the inter-sectoral nature of employment and the important consultative role of employers' and workers' organizations was effectively promoted in the PRS. Moreover, through this process, and with ILO's support, the Malian authorities made youth employment one of the priorities of government policies.

Tangible results have been achieved on the strategic front but also with respect to resource mobilization. The ILO has been able to secure government funding for two national programmes (the National Employment Action Programme and the Programme on Labour-Intensive Investment in Urban and Rural Areas). Resources were released from the Government budget following HIPC debt relief in 2003.

Sékouba Diarra then presented the process of adopting an Accelerated Growth Strategy in Mali. PRS1 was reviewed in 2006 and the lessons learnt have informed the preparation of the second generation PRS, the "Growth and Poverty Reduction Strategy Paper" (GPRSP), that covers the 2007-2011 period.

²¹ Deputy Director and Senior Employment Specialist, SRO Dakar

²² Coordinator of the PRS Cell, Ministry of Economy, Industry and Trade, Mali

The evaluation of PRS1 suggested that the low levels of poverty reduction being achieved were due to four things:

1. inadequate growth in the Malian economy,
2. unequal distribution of the fruits of growth,
3. limited access to basic services, and
4. poor control of population growth.

The GPRSP addresses these through taking up three challenges, namely:

1. To reduce poverty, particularly through strong involvement of the poor in their own economic and social advancement,
2. To ensure strong and sustained growth by exploiting new poles of wealth and eliminating major constraints, and
3. To place the country on the path to sustainable development.

The GPRSP is based on three mutually strengthening strategies:

1. the development of infrastructures and the productive sector,
2. pursuit of structural reforms, and
3. strengthening of the social sector.

Employment features more prominently in this second generation PRS through a specific focus on sustainable employment creation and its promotion in rural areas - this is one of the 14 priority areas for intervention in the GPRSP.

During 2002-2006 Mali achieved an average annual growth rate of 5%: this was lower than the expected 6.7%. At the national level, the income poverty decreased, from 68 % to 56%, again falling short of the target of 47.5% (2006). The results were not as good as expected. The Government therefore developed an Accelerated Growth Strategy with the objective of achieving a growth target of 7%. It aims to better identify sources of growth and better prioritize actions.

The overall strategy of the GPRSP is to make the private sector the main engine for growth by

1. identifying growth-oriented sectors and sub-sectors,
2. eliminating obstacles to their development, and
3. developing action plans to accelerate their economic growth.

The main growth oriented sectors identified are the rural sector and the mining sector. Infrastructure, energy, transport and telecommunications are also identified as crucial. Finally, in terms of new possibilities, seven sectors have been identified as having a strong potential: these include industries, trade, tourism, fruits and vegetables, oil seed crops and basic products, handicraft, culture, youth and sport.

In terms of employment, the Accelerated Growth Strategy aims to

1. address job security,
2. reduce unemployment and under-employment,
3. adapt training to the needs of the market, and
4. improve employment conditions.

This is to be achieved through the National Employment Policy (NEP). However, more progress needs to be made in the creation of jobs and income-generating activities. This remains the key challenge.

Discussion

Moderator: Dramane Haïdara

Participants underlined the importance of political will and social partner involvement as key elements in the successful integration of employment and decent work issues in the Mali PRS process. The issue of strengthening partner's capacity to be more efficiently involved in the process was also raised as very important.

The presentation showed positive figures for job creation between 2002 and 2006. However, the figures do not show whether (a) there are results in terms of higher incomes for the population nor (b) how benefits have been distributed. This reflects the need to go beyond analysis of formal employment and to analyze the more crucial issue of household income and equity.

Finally, as the Accelerated Growth Strategy was developed before the emerging financial crisis, participants wondered whether the priorities and growth-oriented sectors would remain the same.

4. Session 2: Employment/Sector Focus

This session had six sub-sessions with moderators as indicated below. The six sub-sessions were:

- Employment intensive investment and infrastructure development in the context of PRS (A)
- Comment
- Employment intensive investment and infrastructure development in the context of PRS (B)
- Discussion
- Promoting sustainable small business and poverty reduction
- Discussion

4.1 Employment intensive investment and infrastructure development in the context of PRS (A)

Presenter: Terje Tessen²³

Moderator and Discussant: Duncan Campbell²⁴

This presentation focused on the links between poverty and investment and stressed the centrality of employment in decision making about investment policy. Public investments are a key instrument available to all governments and, within this, infrastructure investments in particular represent a large portion. Public investment in infrastructure often increases in times of post-crisis reconstruction and during financial and economic crises.

Public infrastructure investment is also crucial for local development because it generates economic activity and social inclusion. The many types of public works include (a) building productive infrastructure (roads and bridges); (b) developing social infrastructure (construction and water supply); and protecting the natural resource base (forestation and environment protection).

Investment in infrastructure can have an important impact in direct job creation and can have multiplier effects. Public infrastructural investments can impact on:

1. employment, poverty reduction and national development,
2. functional working environment (regulatory environment at the local level),
3. pro-poor procurement and local contracting (contracting systems), and
4. guidance, capacity building and support measures (training certificates as part of the collateral to obtain credit).

Decent work is an important element in public investments in infrastructure because good labour policies and practices safeguard basic labour standards, develop and apply relevant labour regulations and involve social partners. This is crucial to ensure adequate and efficient delivery.

²³ Chief, Employment Intensive Investment Branch, ILO Geneva

²⁴ Director, Economic and Labour Markets Analysis Department, ILO Geneva

Finally, the issue of sustainability is essential, through funding and local level participatory maintenance arrangements.

The presentation concluded with examples that included:

1. urban upgrading in Tanzania which has been replicated in many cities,
2. the national rural roads programme in Uganda which has had an important employment impact,
3. China's mechanization oriented development strategy and its impact on employment in the housing construction sector, and
4. South Africa's expanded public works programme.

Comment

By Duncan Campbell

Duncan Campbell noted the importance of the economic and social impact of infrastructure and highlighted the key role of ILO's programme (EMP/INVEST) in its promotion.

Investment is a pre-condition for economic growth and it is very important to promote the centrality of employment in investment policies. He also noted that decentralization, local level planning and procurement play a key role. With the current financial crisis, public investment in infrastructure is and will continue to be an important means of delivering development goals.

4.2 Employment intensive investment and infrastructure development in the context of PRS (B)

Presenter: Emmanuel Rubayiza²⁵

This presentation focussed on issues of employment intensive investment infrastructure (EII) and the development of infrastructure within PRS frameworks.

The potential of sector and multi-sector programmes have been underestimated. In terms of institutional issues this raises key question, such as:

1. how to define an investment policy that is coherent with PRS,
2. how to systematically integrate employment considerations and use local resources in investment decisions,
3. where to place an intra and inter-sectoral investment strategy,
4. within the current investment policies, what is the best institutional setting to promote the implementation of an employment intensive investment infrastructure approach at national level?

Madagascar provides a wealth of experience in terms of EII programmes in rural roads, public buildings, and environment. Macroeconomic impact studies undertaken in 1996 and 2006 provided important evidence for economic and political decision makers, public planners and administrators. EII programmes have had important direct employment effects with low unit costs. In the case of construction (building of primary schools) the

²⁵ Senior Adviser, Employment-Intensive Investment Branch, ILO Geneva

cost per square meter by EII is 42% lower than the cost of pre-fabricated materials; the direct employment creation with EII is 54% higher than using pre-fabricated. Some of the impact of EII on the wider economy include (a) twice the impact on value added, (b) increased consumption and income of households and (c) the number of jobs created.

The process of integrating employment into public investment programmes in infrastructure depends often on employment investment units in Ministries of Finance. Partnerships between the different institutions from the inception of the project are important, including establishing institutional support throughout implementation for coordination of the network of partners (government, social partners etc).

Discussion

Discussion underlined the advantages of IIEP in terms of (a) job creation (including for youth), (b) income distribution, (c) gains of skills, (d) access to basic services, (e) quality of jobs and (f) empowerment of local communities.

The approach was seen to have buy-in from many stakeholders including the donor community and the World Bank.

IIEP should not be thought of as subsidizing jobs. Jobs are not being created for small scale contractors and, even if there is a market distortion, the skills that have been developed may in some cases justify such distortion.

Finally the importance of developing tools that capture the impact of the approach need to be further developed. This includes the costs and benefits of shifting investment between sectors.

4.3 Promoting sustainable small business and poverty reduction

Presenter: Graeme Buckley²⁶

This presentation was based on three issues: (a) the importance of entrepreneurship for poverty reduction; (b) the ILO sustainable enterprises agenda, and (c) the need to support better business environments.

Enterprises are diverse, and definitions are therefore challenging. Yet they are an essential source of economic growth, job creation, skills development, innovation and development of self-reliance.

Enterprises are diverse, and definitions are therefore challenging. Yet they are an essential source of economic growth, job creation, skills development, innovation and development of self-reliance.

In terms of size, there is no evidence as to whether larger or smaller enterprises differ in terms of productivity or decent work. Small enterprises, for example, may be more employment intensive, while large enterprises provide more employment and tend to have better working conditions - and are more able to compete globally. But size does matter in

²⁶ Senior Specialist, Enterprise and Private Sector Policy, Job Creation and Enterprise Development Department, ILO Geneva

that small businesses make up the bulk of existing enterprises. However, when considering small enterprises, there is need to (a) remove biases, (b) improve access to services and finance, (c) give a voice through association building, and (d) target support to particular groups (e.g. women entrepreneurs).

There is a shift in paradigms of support for enterprise development: it began with a focus on the needs of individuals irrespective of the surrounding environment. This was followed by a focus on the enabling environment to ensure barriers which individuals face are addressed. More recently thinking has shifted towards national competitiveness issues such as the provision of business development services and structural issues in the economy.

ILO's sustainable enterprises agenda looks through the decent work lens. The agenda focuses on (a) the importance of job creation for poverty reduction, (b) private sector growth as the job creator, and (c) the need to promote socially responsible enterprises.

In 2007, ILO constituents decided on a general discussion at the International Labour Conference (2007) on the "Promotion of Sustainable Enterprises"²⁷. The goal was to promote sustainable enterprises as a win-win option for all social partners in order to increase jobs, income and security for workers.

ILO's sustainable enterprises agenda looks through the decent work lens. The agenda focuses on (a) the importance of job creation for poverty reduction, (b) private sector growth as the job creator, and (c) the need to promote socially responsible enterprises.

The Committee of Donor Agencies for Small Enterprise Development (DCEB)²⁸ is a recent initiative. The DCEB works on (a) defining best practice in priority themes, (b) disseminating successful experiences, and (c) increasing the effectiveness of development practitioners. Some of the outcomes of this initiative are guidelines on donor approaches to improving the business environment. The objective is to support the reform of the business environment in order to increase competition pressures and reduce costs and risks.

The levels of reform can take place at the regional, national, sub national, and sectoral levels: for each of these levels it is important to identify (a) the development partners, (b) the policy and legal framework, (c) the regulatory and administrative framework, and (d) institutional arrangements.

Functional areas for reform include among others:

- simplifying business registration and licensing procedures,
- improving tax policies and administration,
- enabling better access to finance,
- improving labour laws and administration,
- improving the overall quality of regulatory governance, and
- improving land titles, registers and administration.

In conclusion, the presenter listed the following key messages regarding small business promotion and poverty reduction.

²⁷ http://www.ilo.org/global/What_we_do/Officialmeetings/ilc/ILCSessions/96thSession/lang--en/docName--WCMS_093970/index.htm

²⁸ <http://www.enterprise-development.org/>

First a healthy business environment is essential for growth and poverty reduction.

Second, business environment reform is complex, operating on many levels and involving a very wide range of stakeholders. Development agencies should ensure a thorough diagnostic analysis and maintain, as far as possible, a systemic approach and an understanding of the broader causal picture.

Third, reform interventions should be designed to enhance stakeholder capacity for ongoing and future reforms.

Fourth, development agencies should sequence reforms according to context. Quick wins and taking advantage of ad hoc opportunities such as changes of government, may build reform momentum. However, a long-term perspective is essential to ensure sustainability.

Finally, development agencies should ensure the reform process has a strong communication programme so that all stakeholders are engaged and are made aware of the benefits of reform.

Discussion

Moderator and discussant: Roy Chacko²⁹

Discussion raised the following concerns:

the issue of supporting business reform and an enabling environment for growth is high on many national agendas. However, the political will to implement this through social dialogue and in a participatory way is lacking.

more works needs to be done on how business reform and the macro enabling environment discussion can effectively contribute to poverty reduction and to a more inclusive growth.

²⁹ Bureau for Employers' Activities, ILO Geneva

5. Synthesis of the discussions of Day 1

Reporter³⁰: Frederic Lapeyre³¹

During the last 5 years Africa experienced relatively high growth rates but the pattern of **growth was not pro-poor and pro-job**. African patterns of growth are not yet generating better living and working conditions for the large number of unemployed and underemployed people, especially young people.

The recent **intensification of the financial crisis** and its rapid spread into the global economy has impacted negatively on growth projections. The crisis will make countries even less able to meet their poverty reduction and decent work targets. Low income countries in particular, including many in Africa, will be significantly affected by the crisis through slower export growth, reduced remittances, lower commodity prices (which will reduce the incomes of commodity exporters), and a reduction in private foreign and domestic investment flows.

Africa faces the enormous **challenge of creating more decent jobs**. But, the crisis opens a window of opportunity to (a) rethink alternative development strategies based on pro-poor growth and pro-job growth and (b) find domestic compromises to combine the objectives of growth, macroeconomic stability, employment creation, environmental protection and poverty reduction.

It is vitally important to develop **analytical and diagnostic tools** that can provide solid information to underpin the development of National Employment Policies (NEP) and to highlight the best policy combinations in particular country contexts.

A NEP is key to promoting sustainable economic growth, social development and poverty reduction. It **should not be limited to labour market issues**, but rather should provide an integrated development framework that tackles macroeconomic, microeconomic, skills, labour rights, and social protection issues.

A NEP must include **long-term** objectives for transforming the employment structure of the economy, developing relevant skills, and promoting priority sectors. But it should also deal with **short-term** challenges such as youth employment so as to strengthen social cohesion and create a peaceful environment.

If employment objectives are to be fully realized then the multidimensional policies contained in NEPs will call for the **integrated and well-coordinated actions and commitments** of many government ministries and agencies.

A NEP should be **consistent with the country's overall development strategy** as outlined, for example, in its Poverty Reduction Strategy Paper (PRSP). In many cases this will involve a better anchoring of national employment concerns in the overall development process (eg in the PRS Plan, the budget process, and the budget support framework).

³⁰ At the seminar this synthesis was delivered immediately before Graeme Buckley's presentation that concluded session 2 on day 2.

³¹ Senior Research Economist, Country Employment Policy Unit, ILO Geneva

Finally, to promote the employment dimension in the development strategy decision-making process at national level, it will be **very important to build the capacity** of the Ministries of Labour and Employment and of social partners.

6. Session 3: Country experience in managing and financing PRS – integrating the Decent Work Agenda

Moderator: Claude Akpokavie³²

This session had three presentations and a discussion

- Experience of Burkina Faso
- Trade Union participation in the PRS process in Burkina Faso
- Experience of Tanzania
- Discussion

6.1 Experience of Burkina Faso

Presenter: Eugenie Malgoubri³³

This session presented the challenges of managing and financing the PRS process in Burkina Faso - which was an early starter in the first round of PRSs. The Government of Burkina Faso is currently implementing its second generation PRS which was adopted in 2003.

The second generation PRS introduced four main innovations:

- the regionalization of the PRS through the formulation of 13 regional PRSs
- the increased number of priority sectors from 4 to 9³⁴
- capacity building and NICT³⁵ promotion, and
- the operationalization of the PRS through a Priority Action Plan (PAP) as from 2004.

PRS consultations are managed annually in Burkina Faso. The PRS cycle is benchmarked by the production of key documents and of key events (annual review and mid-term review of the PAP).

The PRS process involves a wide range of institutions (Council of Ministers, National Steering Committee, sectoral and thematic commissions, sectoral consultation groups) as well as consultation frameworks with development partners, the private sector, civil society organizations and social partners.

These institutional arrangements helped in (a) strengthening the ownership of the PRS process by the different stakeholders and (b) aligning the budget process with the budget calendar. However, some challenges remain. These include,

³² Bureau for Workers' Activities, ILO Geneva

³³ Director, Coordination of Poverty Reduction Strategy, Ministry of Economy and Finance, Burkina Faso

³⁴ Education, health, safe drinking water, rural development, HIV/AIDS control, environment and quality of life, efforts to combat insecurity, SMEs/SMIs and small-scale mining operation

³⁵ New Information and Communication Technology

- the lack of sectoral policies in some ministerial departments,
- the weakness of the link between the central PRS monitoring mechanism and the regional one, and
- the general lack of capacity of Directors of Study and Prospective and Finance who should play a key role in the PRS process.

The PRS is mainly financed by the national budget and this includes contributions from technical and financial partners, including under non-targeted budget support. Since the implementation of the General Budget Support Framework (GBSF) in 2005³⁶, disbursement has been improved within PRS budget support. However, it is still a challenge to convince the other technical and financial partners to adhere to the GBSF.

Under the PRS process, new budget systems have been developed. These include the Public Expenditure Review (PER) and the Medium Term Expenditure Framework (MTEF). The main objective of these is to improve (a) public resources allocation and management, and (b) budget procedures.

The MTEF is a three-year budget programming tool. It allows ministries and institutions to make use of the information related to their financial resources for the three coming years. They can then conceive realistic policies and programmes taking into account the priorities of the Government and the availability of financial resources. It allows better translation of the Government's priorities into the State's budget.

Employment is a national priority for the Government of Burkina Faso. The Government is concerned that the sustained economic growth of recent years did not result in sufficient poverty reduction; it has come to recognize the central role of employment as the key link between economic growth and poverty reduction. Thus the President made employment a key element of his programme for 2006-2010 and initiatives have since been taken to develop strategies to translate this commitment into reality. In 2003, one of the guiding principles underpinning PRS revision was employment, in particular youth employment. As a result, the second generation PRS put employment as one of the guiding principles among the eleven included in the strategy.

Burkina Faso is on the way to revising its PRS and expects a third generation PRS in 2010. This is an opportunity for a better integration of employment issues in the Poverty Reduction Strategy.

The National Employment Policy (NEP) was adopted by the Council of Ministers in early 2008. The next steps for the Ministry of Youth and Employment are now to:

- set up the National Council for Employment and Vocational Training as one of the sectoral dialogue frameworks within the PRS process,
- regionalize the NEP and its operational Action Plan,
- develop programming tools (PER, sectoral MTEF, programme-budget), and
- develop monitoring-evaluation tools (monitoring system at the central and local level, definition of the monitoring indicators, minimal statistics programme).

If the Ministry of Employment and the social partners are to be effectively engaged then it is vital to make the link between (a) the PRS cycle and institutional arrangements, and (b) the planning and budgetary process.

³⁶ this is a contract between 9 technical and financial partners and the Government

6.2 Trade Union participation in the PRS process in Burkina Faso

Pascal Kéré³⁷

This presentation dealt with the extent to which trade unions participated in the PRS process in Burkina Faso.

While workers organizations were very weakly involved in the first PRS process, PRS 2 showed small shifts towards more active engagement of the social partners. However, social partners have been considered as part of civil society and were thus barely able to express their specific issues.

The third generation of PRS will be developed and social partners see it as an opportunity for better involvement. They have now developed a global and coherent 'vision' and hence hope to be better taken into account.

6.3 Experience of Tanzania

Mudith Cheyo Buzenja³⁸

The commitment to fight poverty is not new in Tanzania. It dates back to the sixties. Important improvements were recorded in the seventies but, in the eighties, these were undermined by an economic crisis. The structural reforms subsequently undertaken did not address the needs of large groups of the population.

Against this backdrop, the first PRS was developed in 1999 to focus on the social sectors of the society in conjunction with economic growth. A second generation PRS is currently in place called the MKUKUTA³⁹ 2005-2010.

Lately the GDP averages 6% and income poverty has decreased to around 33% of the population. The PRS process has brought about large amounts of consultation on both policy and budgetary issues. The dialogue structure is built around a main working group and four cluster groups with respective sub-sectors.

The MKUKUTA is translated into a Medium Term Expenditure Framework, and development assistance is largely channelled through General Budget Support to the national budget. In addition, the MKUKUTA Monitoring System⁴⁰ provides trend analysis of indicators and informs decisions on national planning, budgeting and public expenditure management.

However, there is still need for

- more effective participation in the dialogue structure (also from the government side),
- the deepening of analysis and the effective use of data and information, and
- enhancing the monitoring and reporting mechanisms.

³⁷ Representative of Burkina Faso workers

³⁸ Senior Economist, Ministry of Finance and Economic Affairs, Tanzania

³⁹ a plain language guide is available at http://www.hakikazi.org/plain_language.htm#mkukuta

⁴⁰ <http://www.povertymonitoring.go.tz/>

Employment issues are explicitly integrated under cluster 1 of the MKUKUTA (Growth and reduction of income poverty), where the targets and indicators concentrate on the level of unemployment. In the framework of the MKUKUTA the government has taken the initiative to develop and adopt the National Employment Policy (2007) as well as a youth employment action plan. A national occupational health and safety policy is under development.

Overall, the PRS process has managed to streamline the poverty reduction agenda into mainstream policy making. Progress has been noted on many fronts including the consolidation of macroeconomic stability and efforts to address poverty. However, in order to forge ahead with the agenda and accelerate the reduction of poverty, much still needs to be done to:

- scale up growth by unlocking the constraints related to transport infrastructure, power supply, ICT, and other utilities,
- put the skills and knowledge level of the population in line with the growth agenda, and
- increase the public investment portfolio and focus more on agriculture and rural sector development in order to bring about the much needed agricultural transformation.

Discussion

Discussion of this topic revolved around four main issues:

- there is need to undertake a full and global analysis of the effectiveness of Poverty Reduction Strategies so as to answer the following questions:
 - What are the returns?
 - What are the changes in outcomes?
 - What is the impact on poverty reduction and employment issues?
 - What are the results in terms of budget allocations/disbursement?
- to date, employment has not featured significantly enough in budgets, Public Expenditure Reviews (PER) and Medium-Term Expenditure Frameworks (MTEF). At the same time, the current economic crisis has raised unemployment and put a focus once again on questions about how public budgets should and could generate and support decent work. There is thus an urgent need to deepen ILO's and constituents' capacity to engage in pro-employment analysis of national budgets
- there is need to go beyond tackling employment issues at national level by addressing the issues of decentralization and local level planning, and
- there is need to do further work and capacity building activities to strengthen effective social dialogue around the above mentioned issues.

7. Session 4 – Labour law and regulatory reforms

Moderator & discussant: Duncan Campbell and Shengjie Li⁴¹

This session included three presentations and a discussion:

- Trends in labour law reforms
- The experience of labour law reform in Nepal
- Tripartite efforts at labour law and social security reform in Nepal
- Discussion

7.1 Trends in labour law reforms

Corinne Vargha⁴²

This presentation offered a global perspective on how PRSs are leading to labour law reforms. The main focus was on labour law and labour administration issues in African first and second generation Poverty Reduction Strategies. A total of 55 countries were reviewed; this included 48 Sub-Saharan African countries and 7 Asian and Latin American countries.

Reference to labour law revision in Poverty Reduction Strategies is found either in their “good governance” or in their “development of private sector” sections.

References to labour law reform to enable **good governance** decrease from 53% in PRS1 to 46% in PRS2.

The revisions of labour law so as to improve good governance are explained in terms of:

- rapid growth of the workforce and too slow creation of new jobs,
- improved labour protection,
- enabling women to participate in the labour market,
- improving youth employment,
- reducing child labour,
- addressing low educational profiles and high poverty levels.

References to labour law reform to enable **private sector development** increases from 47% in PRS1 to 54% in PRS2.

72% of PRS countries include a reference to the need to reform labour laws. There is a much more prominent role for labour law revision in second generation PRSs. Only 10 countries⁴³ make no reference to labour law revision at all.

⁴¹ Director, ILO Kathmandu

⁴² Senior Labour Law Specialist, DIALOGUE, ILO Geneva

⁴³ Benin, Burundi, Cameroon, Gambia, Guinea, Malawi, Nigeria, Sao Tome Principe, Sierra Leone, Tanzania

The revisions of labour law so as to develop the private sector are explained in terms of:

- improving the rate of private investments (improve the business climate, strengthen firms competency),
- promoting full employment,
- ensuring legal equity (gender issue in labour market),
- increasing labour force in employment in formal sector,
- improving youth employment,
- enhancing quality of labour, and
- improving workers professional conditions.

The review shows that there is a slight growth in references to promote **more flexible labour law**: from 40% in PRS1 to 54% in PRS2. Only one country (Congo DR) mentions the need for more flexibility with regard to good governance in PRS1 and two countries (Uganda and Zambia) in PRS2. In all other cases, when reference is made to the need of more flexible labour law, this is done in relation to **enabling the private sector**.

The hot issues include:

- hiring and firing measures,
- new forms of contracts of employment,
- freedom of association and collective bargaining,
- dispute settlements, and
- working time.

The review also included an examination of **Poverty Reduction Support Credits (PRSC)**. These often call for more flexible labour law as part of their triggers.⁴⁴ This is the case even when the PRS document does not mention the need for more flexibility. This shows the importance of looking carefully not only at PRS documents but also at other elements that influence decisions in development policy.

Many PRSs mention the need to reform labour law, but they very seldom recommend the need to **reinforce the institutions in charge** of enforcing labour law. Reference to the need to reform labour administration appears in many PRS, but in most cases with regard to employment services and/or labour market information systems.

The presenter ended with showing how often PRS labour law reforms were actually included in Decent Work Country Programmes. When this has been done it helps to better plan ILO's interventions in the long-run and to more effectively strategize the support that ILO provides.

7.2 The experience of labour law reform in Nepal

Presenters: Duncan Campbell⁴⁵ and Sengjie Li⁴⁶

This presentation used the experience of labour law revision in Nepal as an illustration of how the ILO could support the reform agenda of a PRS. The presentation focused on the

⁴⁴ conditions that if met cause the next release of funds

⁴⁵ Director, Economic and Labour Market Analysis Department, ILO Geneva

⁴⁶ Director, ILO Kathmandu

most important lessons, gains and challenges of the comprehensive approach to the labour market reform agenda tested in Nepal.

In Nepal, as in many other countries, some argue that labour law acts as a brake on investment, claiming that it (a) keeps firm size artificially small, (b) impedes growth of the formal economy, (c) creates disincentives to invest and hire, and (d) encourages absenteeism and low productivity. On the contrary some argue that as labour law is widely ignored it is rarely an effective constraint.

In the course of 2008, ILO entered into collaboration with the Asian Development Bank and the UK Department for International Development on a “growth constraints diagnostic” for Nepal.⁴⁷ The growth constraints methodology was developed by three Harvard economists and has been widely used by the World Bank.

The diagnostic is intended to be a comprehensive review of the various policies, regulations, and institutions affecting a country’s growth and investment climate. The output is a ranking of the four or five greatest constraints to growth facing a country.

ILO’s contribution was to devise a survey instrument that was administered to a broad cross-section of enterprises by ILO constituents, and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI). The results produced a ranking of employer perceptions of constraints to growth, which were then correlated with a set of variables, including firm size, location, sector, etc. Political instability came as the top perceived constraint, followed by deficiencies in physical infrastructure. The industrial relations climate was identified as a major constraint by employers, whereas “rigidities” in the labour law – particularly as regards employment protection – were regarded as a “constraint”, but not necessarily a major one.

7.3 Tripartite efforts at labour law and social security reform in Nepal

Presenter: Sengjie Li

Sengjie Li continued the presentation of Nepal’s experience and showed how the labour market assessment led to a tripartite effort at labour law and social security reforms in Nepal with the support of the ILO.

A 2007 study revealed that (a) employers claim that labour law is overly rigid and prescriptive and that there tends to be an excessive reliance on strike in Nepal, while (b) workers argue that there is a widespread evasion of labour law and a dramatic expansion of exploitive forms of contract works. This formed the 4 challenges to be addressed by labour market reform.

The solution was found in an integrated and flexi-security approach based on four pillars:

- labour law reform,
- social security reform,
- enhanced capacity for labour/social security administration, and
- social dialogue and industrial relations.

⁴⁷ <http://www.adb.org/Projects/Country-Diagnostic-Studies/growth-diagnostic.asp>

Discussion

The discussants supported ILO's intervention in Nepal and recognised the importance of an integrated approach to labour market reform. However, the discussion also pointed to the need for work along four lines:

- Labour law reform and employment are often not in the mainstream process. There is therefore a need to better link the labour law reform agenda with the dialogue process taking place at national level. Moreover, in order to have employment and labour law reform discussed more broadly, ILO needs to (a) link it to growth issues that are led by Ministries of Finance and (b) be present at the table of working groups that deal with growth issues.
- Labour law revision (and other employment related issues) may be part of the International Financial Institutions (IFI's) instruments and conditions. The ILO and the constituents need to be in a position to influence the IFIs in relation to decent work.
- Labour law reform is only a first step in a lengthy process. The ILO also needs to (a) support implementation and (b) strengthen the institutions in charge of law enforcement.
- The ILO needs to strategize about its support to labour law reform. Past experience shows that short-term strategy does not help to have well informed policy discussion. It is therefore important to include it in Decent Work Country Programmes so as to have longer-term and better-informed strategy.

8. Session 5 – Indicators for Monitoring

Moderator and Discussant: Alana Albee⁴⁸

This session included two presentations and two discussions:

- The 4 new MDG Employment Indicators for national-level use
- Discussion
- Decent Work Indicators for Labour Market Information Systems
- Discussion

8.1 The 4 new MDG Employment Indicators for national-level use

Presenter: Theodoor Sparreboom⁴⁹

The new MDG target (MDG1 Target 1b) is: *to make the goals of full and productive employment and decent work for all, including women and young people, a central objective of national policies and development strategies.*

The ILO and the MDGs Technical Working Group on Employment have recommended the following four indicators for this new target:

- Employment-to-population ratios for persons aged 15 years and over and youth (age 15 to 24 years) by sex,
- vulnerable employment rate by sex,
- working poverty rate (US \$1 a day), and
- labour productivity growth rate.

Employment-to-population ratios indicate the efficiency of an economy to provide jobs for those who want to work. Employment-to-population ratios express the number of people in employment as a percentage of the population for the corresponding age group (either 15 years and over or youth). There is no “correct” employment-to-population ratio, but it is typically between 50-75 per cent.

The vulnerable employment rate is a measure of the more vulnerable statuses of employment which distinguish between three categories of the employed:

- wage and salary workers;
- contributing family workers; and,
- self-employed workers, including
- self-employed workers with employees (employers),
- self-employed workers without employees (own-account workers), and
- members of producers’ cooperatives.

⁴⁸ Chief, Country Employment Policy, ILO Geneva

⁴⁹ Employment Trends Unit, ILO Geneva

The share of vulnerable employment is calculated as the sum of contributing family workers and own-account workers as a percentage of total employment.

Working poor are defined as individuals who work, but nevertheless live with their families in poverty on less than US\$1 a day per family member. This total number is then divided by the total number of employed in a country to calculate the share of working poor. The ILO calculates upper- and lower-bound estimates of the working poor.

Given that the target to be evaluated is “full and productive employment and decent work for all”, **labour productivity** – measured as output per person employed – is by definition important. This indicator can be used to assess the likelihood of the country’s economic environment being able to create and sustain decent employment opportunities with fair and equitable remuneration. It is measured as the annual change in GDP per person employed.

The key sources of information needed to monitor those four indicators are:

- regular labour force surveys,
- national accounts (productivity), and
- income and expenditure survey (poverty).

More information on the MDG employment indicators can be found in the MDG Report 2008, the MDG Report Progress Chart and KILM⁵⁰ sources such as the KILM 5th edition (2007) and KILM Software.

Discussion

Discussion underlined the crucial importance of indicators for tracking employment issues at national levels, especially in a context of PRS and the increased importance of result-based management.

Another issue was the need for thorough country-level analysis to ensure that adequate policy recommendations are made. However, there is still a strong need to improve country level data availability. This is one of the big challenges facing all stakeholders - international agencies, international donors, national governments, line ministries, statistical agencies and social partners.

8.2 Decent Work Indicators for Labour Market Information Systems

Presenter: Malte Luebker⁵¹

The ILO Declaration on Social Justice for a Fair Globalization (2008)⁵² recommends that ILO Members consider the establishment of appropriate indicators or statistics to monitor and evaluate the progress made. However, monitoring progress towards decent work is a long-standing concern for the ILO’s constituents.

⁵⁰ Key Indicators of the Labour Market - <http://www.ilo.org/public/english/employment/strat/kilm/>

⁵¹ Research Officer, Policy Integration and Statistics Department, ILO Geneva

⁵² http://www.ilo.org/global/What_we_do/Publications/Officialdocuments/lang--en/docName--WCMS_099766/index.htm

ILO has been working on the measurement of decent work since 2000, both in headquarters and at field levels. The multifaceted nature of the Decent Work Agenda means that measurement is a complex task: it has to combine access to full and productive employment with rights at work, social protection and the promotion of social dialogue.

Rights at work are relevant across the entire Decent Work Agenda. A suggestion, therefore, is to combine statistical indicators with information on rights and their implementation in a global template that can be used to help structure decent work country profiles.

The Office had made two complementary proposals to reflect this:

- to provide a textual description of the legal framework and the actual application of rights, as well as data on benefit levels, coverage and other relevant aspects,
- to develop indicators for countries' compliance with the fundamental principles and rights at work.

Decent work indicators should:

capture all four dimensions of the Decent Work Agenda,
be based as far as possible on data and information that covers all workers, including those in the informal economy,
have conceptual relevance for countries in all stages of development, and
be reported separately for men and women to reflect gender differences.

The complementary application of quantitative indicators and contextual information on rights at work and the legal framework is considered as essential for all aspects of decent work.

The main value of measuring the dimensions of decent work is to assist constituents in assessing progress at national level towards the goal of decent work. (Using a set of indicators that are also available for other countries.)

Increasing the transparency of information on decent work can contribute to improved policy accountability.

Note that the objective is not to develop a composite index that ranks countries. This would have little value for policy analysis as such indices fail to provide appropriate context and often require the use of restrictive assumptions in order to build a comparative database.

Given the nature of decent work as a multifaceted concept, progress towards its achievement cannot be assessed by standard numerical indicators alone. The use of such indicators to assess progress must allow for the contextual environment in which such progress occurs. Furthermore, numerical indicators by themselves cannot adequately capture the wide ranging and inherently qualitative nature of many aspects of decent work.

Based on a review of different sets of indicators that had been proposed by the ILO over the past years,⁵³ the Decent Work Indicators include a set of 18 main indicators that could be supplemented with 16 additional indicators where data are available. Furthermore, the review includes (a) eight indicators for the economic and social context of decent work; (b) future indicators which are currently not feasible, but can be included as data become more widely available, and (c) information included under the legal framework.

⁵³ <http://www.ilo.org/integration/mdw/lang--en/index.htm>

The list of indicators will be examined in a limited number of member States to test the framework by compiling decent work country profiles for selected pilot countries. The objective would be to establish a template of international relevance that, nevertheless, is capable of adaptation to reflect national circumstances.

Discussion

The discussion noted that many countries lack data.

Some participants suggested that the ILO should be open (a) to new data sources like multi-purpose household surveys and (b) to where in-depth analysis might provide a view of inequality.

Participants were also concerned about capturing informal work and the agricultural sector adequately. Therefore there was a consensus that constituents need support in improving their databases.

Constituents also mentioned that the development of indicators should be a participatory process that includes the social partners.

9. Conclusions

Presenter: Azita Berar Awad⁵⁴

This section of the seminar report is in two parts:

- Review of discussions
- Assessment of capacity-building needs

The seminar provided an opportunity for interdisciplinary discussion. The mix of ILO constituent representatives, including from Ministries of Finance, and ILO field and HQ staff was much appreciated.

9.1 Review of discussions

The seminar provided an opportunity to assess where the ILO and its constituents stood concerning the evolving development framework. Two major issues came up in discussions namely (a) the implications of the present financial crisis for the activities of the Office and the national partners and (b) the linked challenges for the future work of the Office.

In brief and in general participants felt that the ILO should:

- engage in the debate,
- search for new ideas,
- contribute to alternative policies,
- build on past experiences and lessons learned, and
- take a pragmatic, evidence-based approach.

Further and more detailed recommendations include that there is a need:

- to go beyond broad intentions and to efficiently address the “how to” issues. This can be done by developing new technical and operational tools for employment and labour market diagnostics.
- to identify agreed, relevant and realistic employment targets at national level that can be used to monitor implementation and achievements.
- to better connect the Decent Work Agenda with the overall policy making process in specific countries. Crucial for effective engagement is an understanding of (a) the Government planning process in general and (b) the PRS cycle of events and their institutional arrangements in particular.
- Some of the issues that were discussed fit in with the ILO Decent Work Country Programmes (DWCP), while others do not. There is need to bring the suggested priorities to the attention of (a) units in charge of developing DWCPs and (b) to the ILO research committee.

Similarly, some elements of the DWCP link to the national PRS or development framework and others do not. There is a need to:

⁵⁴ Director, Employment Policy Dept., ILO Geneva

- develop new ways of working that better support nationally led processes and national priorities,
- concentrate on a few key national priorities (ILO activities are often spread across a wide range of issues and the depth is in some cases shallow).
- scale-up interventions that work.

The outcomes of the seminar can be distilled down to four areas around which ILO needs to focus its efforts:

- engagement with the policy debate on growth, poverty and employment,
- engagement in national policy making processes. This will include strengthening the ability of constituents to participate in all stages of the planning cycle (ie diagnosis, analysis, budget preparation, policy-making, monitoring, etc)),
- strengthening the link between ILO programmes and approaches as outlined in national development frameworks and PRS processes,
- dealing with the impact of the crisis.

Employment is a key goal in development. Policy coherence in terms of employment is thus crucial. But, given the multi-dimensional nature of employment, this will involve looking at all policy frameworks and determining if and how they reinforce each other in support of employment and development. (Relevant policy areas will include trade, investment, finance, debt, labour, etc.) It is therefore vital to find ways of collaborating with other key stakeholders. (These will include IFIs, the wider donor community, Ministries of Economy, Planning and Finance and other productive Ministries.)

The seminar repeatedly addressed a need to move beyond basic policy design so as to (a) focus efforts on implementation, including at local levels, and (b) strengthen the implementation abilities of the various institutions.

9.2 Assessment of capacity-building needs

The seminar provided an opportunity to undertake a rapid assessment of capacity-building needs. Constituents stressed the need for further training and exchange on specific aspects of the evolving National Development Frameworks in terms of employment. The shift from the focus on poverty as the issue, to the means of achieving job-rich growth came out as a major issue.

The areas of capacity building considered most important over the coming two years (in relation to ILO support) have been ranked by the participants in the following order of priority:

- analysis of the employment implications, impact and responses to the **crisis**
- how to respond to the pressure to de-**regularize** the labour market
- adjusting the **macro** economic framework to increase employment
- how to maximise employment in the priority growth **sectors** at country level
- how to improve the **monitoring** of employment (and decent work) trends at national level (key indicators and their analysis/reporting)
- public and development **budgets** (to increase employment outcomes)

According to the participants, new tools and technical training activities developed by ILO and the ITC should include:

1. statistical tools and training to (a) measure and analyse labour market and working conditions and (b) use the diagnosis for evidence-based policy making and the promotion of decent work.
2. tools and training on how to conduct rigorous impact evaluation of employment programs. This would enable people to better understand which programs are most effective in reducing vulnerable employment and under what conditions.
3. tools and training on how to translate policy priorities identified through PRSP into budgetary policy and actions, looking in particular at the role of the Medium Term Expenditure Frameworks (MTEFs).

Constituents stressed the need to share their experiences through multi-country involvement in training/capacity building. In other words single country training was not the top priority.

Annex 1: Participants

Constituents

Mathieu	Aelabola	Benin
Ms.Tuya	Badarch	Mongolia
Mudith Cheyo	Buzenja	Tanzania, United Rep. of
Janak	Chaudhary	Nepal
Sékouba	Diarra	Mali
Bakary	Doumbia	Mali
Mamadou	Doumbouya	Senegal
Ms Antoinette	Ekouan	Cameroon
Palanaratnage Senaka	Fernando	Cambodia
Alexander	Frimpong	Ghana
Makongolo John	Gonza	Tanzania, United Rep. of
A. Solo	Kabeho	Tanzania, United Rep. of
Pascal	Kere	Burkina Faso
Grayson	Koyi	Zambia
Ms Azeb	Lemma Dulla	Ethiopia
Ahmedi Salum	Lussasi	Tanzania, United Rep. of
Ms Eugénie Marie	Malgoubri	Burkina Faso
M.S.A.H	Mohideen	Sri Lanka
Cham Okugn	Ogur	Ethiopia
Noëlson	Rabearivelo	Madagascar
Mamy	Ratolojanahary	Madagascar

ILO Field Staff

Toudjida	Andemel	ILO Kinshasa
Mohamed	Gassama	ILO Dakar
Dramane	Haidara	ILO Dakar
Mpenga	Kabundi	ILO RO Africa
Shengjie	Li	ILO Kathmandu
Dayina	Mayenga	ILO Yaoundé
Jean	Ndenzako	ILO Addis Ababa
Christian	Ntsay	ILO Antananarivo
Nii Moi	Thompson	ILO Accra

ILO HQ Staff

Claude	Akpokavie	ACTRAV
Alana	Albee	CEPOL
Jean Paul	Barbier	EMP/ELM
Azita	Berar Awad	EMP/POLICY
Graeme	Buckley	EMP/SEED arrival on 15 Dec
Duncan	Campbell	EMP/ELM
Roy	Chacko	ACT/EMP
Aga	Charytoniuk	CEPOL
Adrienne	Cruz	GENDER
Eléonore	D'Achon	CEPOL
Sabrina	De Gobbi	CEPOL
Mariangels	Fortuny	CEPOL
Yan	Islam	EMP/POLICY
Mary	Kawar	CEPOL
Miranda	Kwong	CEPOL
Frédéric	Lapeyre	CEPOL
Malte	Luebker	INTEGRATION
Makiko	Matsumoto	CEPOL
Per	Ronnas	ED/EMP
Emmanuel	Rubayiza	EMP/INVEST
J M	Salazar	ED/EMPLOYMENT
Leyla	Shamchiyeva	CEPOL
Theo	Spareboom	EMP/TRENDS arrival on 15 Dec
Terje	Tessem	EMP/INVEST
Corinne	Vargha	DIALOGUE
Dagmar	Walter	CEPOL

Annex 2: The Seminar Agenda

Day One

08:30	Registration
09:00 – 09:15	<p>Welcoming remarks</p> <p><i>José Manuel Salazar-Xirinachs, Executive Director, Employment Sector, ILO Geneva and François Eyraud, ITC Turin</i></p>
09:15 – 10:00	<p>Introduction</p> <ul style="list-style-type: none"> ➤ Decent Work Agenda in PRSs: ILO’s stand and experience in perspective <ul style="list-style-type: none"> • <i>Azita Berar Awad, Director, Employment Policy Dept., ILO Geneva</i> ➤ Discussion
10:00 – 12:30	<p>Session 1 - Making employment central to PRS/national frameworks</p> <p><i>Moderator and discussant: José Manuel Salazar-Xirinachs, Executive Director, Employment Sector, ILO Geneva</i></p> <ul style="list-style-type: none"> ➤ Brief review of employment issues in PRS <ul style="list-style-type: none"> • <i>Alana Albee, Employment Policy Dept., ILO Geneva</i> ➤ Employment orientated macro policies <ul style="list-style-type: none"> • <i>Pr. Gerald Epstein, Political Economy Research Institute (PERI), University of Massachussets (Amherst)</i> ➤ Country examination of employment orientated policies and impact <ul style="list-style-type: none"> • <i>Pr. James Heintz, Political Economy Research Institute (PERI), University of Massachussets (Amherst)</i> ➤ Discussion
12:30 – 14:00	Lunch
14:00 – 15:30	<p>Mali Case Study</p> <p><i>Moderator and discussant: Dramane Haidara, SRO Dakar</i></p> <ul style="list-style-type: none"> ➤ The Mali experience with its PRS <ul style="list-style-type: none"> • <i>Dramane Haidara, Deputy Director and Senior Employment Specialist, SRO Dakar</i> ➤ The process of adopting the Accelerated Growth Strategy <ul style="list-style-type: none"> • <i>Sekouba Diarra, Coordinator of the PRS Cell, Ministry of Economy, Industry and Trade, Mali</i> ➤ Discussion
16:00 – 17:30	<p>Session 2 – Employment / Sectoral Focus</p> <p><i>Moderator and discussant: Duncan Campbell, EMP/ELM</i></p> <ul style="list-style-type: none"> ➤ Employment intensive investment and infrastructure development in the context of PRS (A) <ul style="list-style-type: none"> • <i>Terje Tessem, Chief, Employment Intensive Investment Programme</i> ➤ Employment intensive investment and infrastructure development in the context of PRS (B) <ul style="list-style-type: none"> • <i>Emmanuel Rubayiza, Senior Adviser, EMP/INVEST, ILO</i>

Day Two

08:30 – 09:00	Re-cap from DAY 1 <i>Frédéric Lapeyre</i>
9:00 - 10:30	Session 2 (cont) – Employment / Sectoral Focus <i>Moderator and discussant: Roy Chacko, ACT/EMP</i> <ul style="list-style-type: none"> ➤ Promoting sustainable small business and poverty reduction <ul style="list-style-type: none"> • <i>Graeme Buckley, Job Creation and Enterprise Development Dept., ILO Geneva</i> ➤ Discussion
10:30 - 12:00	Session 3 – Country experience in managing and financing PRS – integrating the Decent Work Agenda <i>Moderator: Claude Akpokavie, ACTRAV</i> <i>Discussants: constituent representative</i> <ul style="list-style-type: none"> ➤ Experience of Burkina Faso <ul style="list-style-type: none"> • <i>Eugénie Malgoubri, Director, Coordination of Poverty Reduction Strategy, Ministry of Economy and Finance (Burkina Faso)</i> ➤ Trade Union participation in the PRS process in Burkina Faso <ul style="list-style-type: none"> • <i>P. Kéré, Representative of Burkina Faso workers</i> ➤ Experience of Tanzania <ul style="list-style-type: none"> • <i>Mudith Cheyo Buzenja, Senior Economist, Ministry of Finance and Economic Affairs (United Republic of Tanzania)</i> ➤ Discussion - Role of social partners in the process
12:00 – 12:30	Group work for Session 3
12:30 – 14:00	Lunch
14:00 – 15:00	Session 4 – Labour law and regulatory reforms <i>Moderator & discussant: Shengjie Li, ILO Kathmandu</i> <ul style="list-style-type: none"> ➤ Trends in labour law reforms <ul style="list-style-type: none"> • <i>Corinne Vargha, Senior Labour Law Specialist, DIALOGUE, ILO Geneva</i> ➤ The experience of labour law reform in Nepal <ul style="list-style-type: none"> • <i>Duncan Campbell, Director, Economic and Labour Market Analysis Department, ILO and Sengjie Li, ILO Kathmandu</i> ➤ Tripartite efforts at labour law and social security reform in Nepal <ul style="list-style-type: none"> • <i>Sengjie Li, ILO Kathmandu</i> ➤ Discussion
15:00 – 16:00	Session 5 – Indicators for monitoring <i>Moderator & discussant: Alana Albee, EMP/CEPOL</i> <ul style="list-style-type: none"> ➤ The 4 new MDG Employment Indicators for national-level use <ul style="list-style-type: none"> • <i>Theodoor Sparreboom, EMP/TRENDS, ILO Geneva</i>

	<ul style="list-style-type: none"> ➤ Decent Work Indicators for Labour Market Information Systems <ul style="list-style-type: none"> • <i>Malte Luebker, Policy Integration, ILO Geneva</i> ➤ Discussion
16:30 – 17:30	Group work - Capacity building priorities
17:30 – 18:00	Closing Part I

Day Three

09:00 - 12:00	Part II - ILO follow up
	<ul style="list-style-type: none"> ➤ Recap of discussions: gaps, priorities for future action ➤ A common Agenda: field + HQ ➤ ACTRAV/ACTEMP
	Closing Part II

Employment Report

2008

- 1 Apprenticeship in the informal economy in Africa – Workshop report
Geneva, 3-4 May 2007 ;
ISBN 978-92-2-120202-8 (print); 978-92-2-120203-5 (web pdf)
- 1-FR L'Apprentissage dans l'économie informelle en Afrique – Rapport d'Atelier
Genève, 3 et 4 mai 2007 ;
ISBN 978-92-2-220202-7 (version imprimée) ; 978-92-2-220203-4 (web pdf)

2009

- 2 Report on the training and up-skilling of vulnerable groups in TPSEP countries : Brunei Darussalam, Chile, New Zealand and Singapore:
A tripartite initiative adopted under the Memorandum of Understanding on Labour Cooperation of the Trans-Pacific Strategic Economic Partnership (TPSEP) Agreement ;
ISBN 978-92-2-122097-8 (print); 978-92-2-122098-5 (web pdf)
- 3 Learning from the 1997-1998 Asian financial crisis: The ILO experience in Thailand and Indonesia
ISBN 978-92-21223870 (print) 978 92 2211223887 (web pdf)
- 4 ILO role in economic and financial Crises: Lessons from the 2002 Argentine crisis and its aftermath
ISBN 9789221223894 (print) 978 92 21223900 (web pdf)

**A complete list of previous working papers can be found on:
<http://www.ilo.org/employment>**

Employment Sector

**For more information visit our site:
<http://www.ilo.org/employment>**

International Labour Office
Employment Sector
4, route des Morillons
CH-1211 Geneva 22

Email: edempdoc@ilo.org