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Institutional Section

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FOURTEENTH ITEM ON THE AGENDA

Report of the Director-General

Second Supplementary Report: Establishing a central Research Department

Purpose of the document

In order to meet the expectations of constituents for the ILO to upgrade the quality of the analytical and empirical foundations of the technical work of the Office while achieving maximum efficiency, the Director-General has decided to create a central Research Department and proposes that the International Institute for Labour Studies (IILS) be dissolved and that its staff and resources be merged into the new Research Department to ensure the necessary critical mass.

The Governing Body is invited to decide to dissolve the IILS and merge its staff and resources into the central Research Department, taking the steps necessary to direct the use of its funds and assets, and accordingly to include an item on the agenda of its March 2014 session to decide on the disposition of funds and assets that remain in IILS accounts (see the draft decision in paragraph 17).

Relevant strategic objective: Cross-cutting.

Policy implications: None.

Legal implications: Decision in principle for dissolution of the IILS.

Financial implications: No foreseeable implications.

Follow-up action required: None.

Author unit: Office of the Deputy Director-General for Policy (DDG/P).

Related documents: GB.318/INS/6/1(Rev.); Regulations of the IILS as amended (March 1996).

Introduction

1. A central purpose of the reform of the ILO initiated by the Director-General is to achieve technical excellence in the policy advice provided to constituents and to be the recognized authority and centre of excellence on all matters relating to the world of work. The Director-General and the Governing Body have concurred in the course of many discussions that this requires an upgrading of the quality of the analytical and empirical foundations of the technical work of the Office. At the same time the Director-General has committed to organize the Office to achieve maximum efficiency and to provide the best services with the resources available to it. This objective has also received strong support in the Governing Body across all constituencies. The Director-General has determined that achieving these two related objectives requires a consolidation of research operations into a central Research Department. This will allow the Office to achieve critical mass within the available resource envelope and to end the fragmentation of research units and agendas that have been common in recent years. It will maximize the use of finite research resources to better address the complex and multifaceted questions that face our constituents and the wider global community in the areas of the ILO's mandate and strategic objectives. To achieve these outcomes the Director-General proposes to the Governing Body that the International Institute for Labour Studies (IILS) should be dissolved as a separate body and its staff and resources merged into the new Research Department, which will also include the upstream research functions and their resources formerly dispersed in a number of technical departments. This document is designed to inform that discussion.

Background

2. An in-depth review of existing research capacities of the Office was carried out during the first half of 2013. The review included a detailed mapping of research staff placement, capabilities and assignments. This revealed some major weaknesses in existing arrangements. While there are pockets of excellence, much research is currently carried out in a dispersed and uncoordinated manner. Priorities are often unclear, or respond to those of a particular technical department rather than those of the Office as a whole. Because of the dispersal of research staff into many small units, certain core ILO areas are inadequately covered. Research staff located in technical departments are typically limited in the amount of time they can devote to research. There are also deficits in a number of critical skills. The conclusion of the review was that significant changes are required to meet the analytical and research needs of the Organization.
3. In light of the problems identified and the mapping of research capabilities carried out during the review, the Director-General decided that a consolidation and strengthening of research resources was essential in order to achieve the goals of technical excellence and a strong empirical foundation to the work of the ILO. He has therefore established a central Research Department in the Policy Portfolio.
4. The new Research Department will be responsible for carrying out a coherent and expanded programme of research to address large and complex questions on which the Organization must have credible, authoritative and evidence-based positions. In order to avoid continued fragmentation of research agendas and to achieve the minimum scale of research capacity needed to accomplish the desired research programme without depriving the policy departments of necessary country-specific applied research skills, the Director-General has combined formerly separate research activities into the Research Department and proposes to dissolve the IILS as a separate body and merge its staff and resources into the new Research Department.

5. At its 318th Session in June 2013, the Governing Body engaged in a preliminary discussion of the establishment of a central Research Department and dissolution of the ILS. There was a strong consensus in favour of upgrading the ILO's research and analytical capacities and the need for coherence and critical mass in the Office's research programme. The Governing Body expressed the desire for a more detailed discussion on the future of the ILS at its 319th Session.

Creation of the central Research Department

6. The new central Research Department will comprise: (i) the resources and staff of the ILS; (ii) most of the resources and staff of the former Employment and Labour Market Analysis Department; (iii) some resources from other parts of the former Employment Sector, former Social Security Department, former Conditions of Work and Employment Branch and former Social Dialogue, Labour Law and Labour Administration Branch; (iv) part of the resources and staff of the former Policy Integration Department. Detailed decisions on placement of staff were taken by the Senior Management Team (SMT) following consultations with managers and staff concerned.
7. The new central Research Department will be part of a Knowledge Resource Centre, which will also include a strengthened Statistical Department led by a Chief Statistician. The two departments will work closely together and report directly to the Deputy Director-General for Policy (DDG/P). The Policy Senior Management Team (PSMT), comprised of the directors of the seven policy departments, the Director of Research and the Chief Statistician, and chaired by the DDG/P, will be responsible for developing a coordinated and integrated research agenda in close consultation with the technical staff and field offices.
8. The research agenda will be designed under the leadership of the Director-General to serve the needs of the Organization, constituents and the global community for upstream analytical work and evidence-based knowledge to inform policy advice. This will entail identifying knowledge gaps, monitoring and responding to the most pressing knowledge demands and translating these needs into a practical research agenda that is carried out using robust methods and state-of-the-art analytical tools.
9. The Research Department will operate with intellectual independence, as is the case in other major international organizations. Research projects and methodologies will be required to meet prevailing international standards of rigour and objectivity. The department will set up appropriate peer review processes and exercise independence in the selection of experts. The Office is considering methods to review and ensure the quality of research through approaches that could include periodic evaluation by independent teams appointed for their recognized expertise. Possible examples that can be considered are the International Monetary Fund (IMF) and the World Bank, which periodically appoint external review teams to evaluate their research.

Institute for International Labour Studies

10. As noted above, after very careful consideration of all potential options, the Director-General concluded that, to obtain the best results, the new central Research Department will need to incorporate the current resources of the ILS, which was established in 1960 to promote a

... better understanding of labour problems in all countries, and of the methods for their solution, notably by:

- (a) providing educational facilities for the study of labour problems including the organization of seminars and conferences and of teaching in relevant subjects;
- (b) arranging for discussion of labour problems between persons having responsibility and practical experience in the field of labour policy as well as others having a special knowledge of such problems;
- (c) encouraging the study of labour problems at the Institute and in other institutions which can contribute to a better understanding in this field;
- (d) collecting, digesting and disseminating information concerning new developments in the study of labour problems and encouraging, coordinating, sponsoring and publishing new research in this field, in support of the educational programmes of the Institute;

and to provide "... training in the field of social problems and policy"¹.

11. Merging the ILS into a new Research Department would provide the following advantages:

- (a) It is the only way to achieve the required critical mass within the budget constraint without excessively "emptying out" the applied, country-specific research capacity needed for policy departments to operate effectively.
- (b) It allows the most efficient use of limited resources by putting the US\$7.1 million currently allocated to the ILS at the service of a consolidated research capacity.
- (c) It enables a comprehensive and integrated research agenda to be implemented as envisaged in the ILO Declaration on Social Justice for a Fair Globalization.
- (d) It provides a simpler Office structure with clearer lines of accountability.

12. Beyond the research agenda, a number of additional functions and activities of the ILS would be transferred to the Research Department:

- (a) The annual internship programme currently carried out by the ILS would be carried out by the Research Department.
- (b) The network of academic experts and partners maintained by the ILS would now be maintained by the Research Department and would be merged with other networks currently maintained by other research units in the Office, providing a wider, deeper and more diversified network of experts available to all staff.
- (c) The annual *World of Work Report*, the flagship publication of the ILS, would be combined with other annual publications currently produced by other units, such as *Global Employment Trends*. Combining these capacities would allow the Office to produce a single, outstanding flagship publication each year that would be capable of producing new, robust analysis, commanding the attention of stakeholders in the world of work and helping to set the agenda for global policy debates.
- (d) The *International Labour Review* would continue to be published under its existing terms and produced by the same small team.

¹ See ILO: *Regulations of the International Institute for Labour Studies, as amended by the Governing Body of the International Labour Office in March 1996*, Art. I, at http://www.ilo.org/inst/about-us/history/WCMS_192543/lang--en/index.htm and ILO: *International Institute for Labour Studies: Establishment by the Governing Body of the International Labour Office*, para. 8, at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/genericdocument/wcms_192541.pdf.

13. Because decisions concerning the future of the IILS fall under the authority of the Governing Body, the Director-General communicated this proposal to the Governing Body at its 318th Session, where it decided to include an item on the agenda of its 319th Session to discuss the future of the IILS.²
14. The Governing Body is being asked to decide in principle to dissolve the IILS at this session. If it does so, in March 2014 the Governing Body would then decide on the disposition of funds and assets that remain in the IILS's account, including a proposal on the settlement of the various contributions, gifts, legacies and grants that were accepted under specific terms linked to the IILS.
15. To the extent that the functions of the IILS covered by such terms would continue to be performed in the new Research Department, unencumbered funds and assets might be rolled over to that department, subject to the consent of any donor and under the necessary procedures. The proposal before the Governing Body in March 2014 would be based on a legal review of the IILS's various investments and other obligations or contractual liabilities to permit their orderly conclusion or assignment.
16. Once the Governing Body decides on the disposition of these matters, dissolution would be executed. Pending such decisions, the IILS will continue as a unit within the ILO's central Research Department. As previously communicated to the Governing Body, the present Director of the IILS will also be in charge of the new department pending a permanent appointment.

Draft decision

17. *The Governing Body decides:*

- (a) *to dissolve the International Institute for Labour Studies (IILS) and merge its staff and resources into the central Research Department, taking the steps necessary to direct the use of its funds and assets; and*
- (b) *accordingly, to include an item on the agenda of its March 2014 session to decide on the disposition of funds and assets that remain in IILS accounts, including the settlement of any contributions, gifts, legacies and grants that were accepted under specific terms linked to the IILS.*

² GB.318/INS/6/1(Rev.), para. 12.