



INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

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I would like to begin by recognizing and saluting the President and Bureau Members of ECOSOC for their leadership in spearheading the Resolution which has come to fruition in the organization of the 2006 High Level Segment of ECOSOC and this Preparatory Event on the theme of full and productive employment and decent work. This is of great importance for us in the international trade union movement – the International Confederation of Free Trade Unions (ICFTU), the World Confederation of Labour (WCL) and the Global Union Federations (GUFs), collectively representing over 150 million workers in 154 countries covering all 5 continents. Tackling poverty alleviation and achieving decent livelihoods through the decent work agenda and the promotion of workers' rights defines who we are and what we do as a union movement. And so it is heartwarming to us to see that through this process, the Decent Work Agenda is being advanced as a global goal of development policy.

The Decent Work Agenda with its four-tier definition (covering employment, rights at work, social protection and social dialogue), has so far not been integrated into the development frameworks driving national development policies (barring a few exceptions). Whether using the UN Development Assistance Framework (UNDAF), or the Poverty Reduction Strategy (PRS) or the more recent MDG-based PRS emanating from the Millennium Project recommendations (*“Investing in Development: A Practical Plan to Achieve the Millennium Development Goals ”*) development policies have largely neglected the Decent Work Agenda as a component of the underlying framework.

My presentation today focuses on a number of policy perspectives and interventions of the Decent Work Agenda which should be integrated into these frameworks, and links these to the topic of this Round Table: *“Increasing employment opportunities and productivity of labor for low income groups in rural and urban areas”* This is clearly of the utmost importance, given the fact that the vast majority of the working poor – the 550 million workers earning less than \$1 a day are to be found in low wage employment in the informal economy.

Firstly, within the various Development Frameworks, governments need to place special emphasis on employment-intensive approaches to job creation in areas such as infrastructure, including road construction and maintenance to bring rural produce to markets, affordable housing, and public works schemes. Employment-intensive approaches to job creation have the merit of adopting targeted interventions which deliver jobs and services to the poor. Such schemes will result in income transfers to the poor through job-creation, increased market opportunities for local produce, and improved shelter, thereby contributing to securing decent livelihoods, as well as demand-led growth in the local economy. Moreover, infrastructure projects should use appropriate procurement procedures to ensure the targeting of socially responsible local entrepreneurship for the supply of inputs, and the contracting of attendant services within the community. This will both maximize local job creation and create positive linkages between small and medium enterprises (SMEs) and larger firms. Such projects should be coupled with longer-term strategies to stimulate the productive base of local economies and overcome supply-side constraints: lack of skills development and credit for small-scale enterprises.

This brings me to a second range of critical policy interventions, i.e.: training, skills-development and capacity building. Low productivity is a feature of work in the informal economy, while unskilled workers find themselves unable to adapt to the changing demands of the world of work, and excluded from labour markets. Training and skills-development are important for overcoming these constraints. Policy developers should explore adopting best practice from the ILO's work in this area, notably the CBT methodology (Community Based Training). The starting point for these programmes is the identification of community interests, needs and potential market opportunities, and the designing of training programmes and credit support schemes around them. Training programmes include both vocational and managerial components, as well as gender dimensions. For example, training sites are in central locations close to where women live, and the duration of learning sessions takes into account women's need to combine training with the exercise of family responsibilities. Programmes have recorded good success rates in terms of producing sustainable income-generating activities in Cambodia, Jamaica, and the Philippines. These countries have also incorporated the CBT methodology into their national training policies.

Capacity-building for community organizing and the exercise of leadership with a view to having a voice in local governance and decision-making on development issues affecting the community, this should also be a key component of CBT programmes.

SMEs account for a large proportion of employment in developing countries, and must be supported within development assistance frameworks. Many people work in very small enterprise units, or even one-person businesses. 60-70% of workers in the non-agricultural informal economy are self-employed. The ILO's InFocus programme on "Boosting Employment through Small Enterprise Development" (IFP/SEED) illustrates best practice in this regard. By offering skills training and helping entrepreneurs or small-scale community developers to build up their own infrastructure, this programme has made some significant contributions to the creation of sustainable livelihoods.

Programmes have been successfully implemented in Tanzania, and other East-African countries such as Kenya and Uganda have since followed suite. Such programmes should be scaled up and extended to other countries.

Increasing the availability of credit to low-income producers must be a priority for the Decent Work Agenda. Micro-finance Institutions (MFIs) have an important role to play in this regard, and progress has been encouraging since the micro-credit Summit of 1997. In 1997, MFIs were reaching 7 million poor people, while by 2001 MFIs were providing services to 27 million people. However, much more needs to be done. Tools need to be developed to monitor and mitigate risk and to ensure favourable concessional terms on loans, so that loan repayments are not burdensome, and services could be expanded to a much larger number of poor people. A regulatory framework must be put in place to simplify procedures for the establishment and functioning of MFIs serving low-income producers and the poor. Measures must specifically target women entrepreneurs and ensure that they are not excluded from opportunities to obtain credit.

Another policy intervention we recommend is support for cooperatives. Central to the cooperatives concept is the pooling of community resources for sustainable development: skills, capital, know-how, organizational capacity. They provide an effective model for community-centered, participatory development, empowering local communities to take development into their own hands, and overcome the constraints to achieving sustainable livelihoods. Many successful examples can be found, of producer, consumer and marketing cooperatives, cereal banks (so critical to food security), credit unions, and mutual self-help schemes. Trade unions have set up cooperatives to provide a range of services to their members, as well as to local communities.

Trade unions are also engaged in campaigns and projects aimed at supporting workers in the informal economy to organize with a view to having their rights recognized, and improving their incomes and conditions of work. A particular challenge to address in this regard is the lack of legal recognition for workers in the informal economy who, often times are not covered by labour legislation and social protection provisions. The ILO has begun consulting with over 40 different countries on strategies to develop social and income security systems adapted to their individual situations, and with a view to providing social protection coverage to workers in the informal economy. Trade unions are strong supporters of such initiatives and of a progressively constructed welfare system that extends the rights and protections of the formal economy to the informal economy, thereby effectively formalizing the informal economy.

In so far as the Millennium Project Report is being used as the blue-print for MDG-based poverty-reduction strategies at national level, the Decent Work Agenda should be integrated into its methodology of policy interventions and monitoring around a set of goals, targets and indicators. Currently, we have the 8 MDGs, 18 targets, and 48 indicators for the measurement of progress in achieving the MDGs. We recommend the integration of decent work targets under MDG1, encompassing the four-tier definition of decent work, namely: employment, social protection, social dialogue and workers' rights.

Then ILO indicators should be used to measure progress on policy implementation of MDG-based poverty reduction strategies. Such indicators should include:

- Trends in levels of unemployment, underemployment, employment in informal unprotected jobs, employment in jobs below the poverty line with data disaggregated by sex and age
- The degree of coverage of social protection in the workforce and in the population at large
- The level of investment in education and skills training
- The level of resources devoted labour inspection to ensure observance of workers' rights and health and safety standards
- The level of resources devoted to employment and income-generating programs
- The level of ratification of ILO core labour standards
- The level of public and social security expenditure

In the interest of policy coherence, the global policy making of the IFIs and the WTO should align itself with this MDG-based development framework, including the objectives, targets and indicators of the Decent Work Agenda. The ECOSOC should use its convening authority to bring the IFIs, and the WTO along with the UN and specialized agencies including the ILO, into a regular policy dialogue to ensure such policy coherence. ...