

Core labour standards

Key issues and a proposal for a strategy

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**A report submitted to the UK Department for
International Development**

January 2000

The views expressed in this paper are the views of the authors and
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|---|----|
| Core labour standards - key issues and a proposal for a strategy | |
| Foreword | 1 |
| Objectives of the proposed strategy | 2 |
| Part One - the context and the issues | |
| 1. Background issues | 3 |
| What Labour Standards are ‘Core Labour Standards’? | 3 |
| Poor people as workers | 4 |
| Why poor people need labour standards | 4 |
| 2. Why a strategy now? The political, economic and institutional context | 5 |
| The global context: a window of opportunity | 5 |
| Building on the global response | 5 |
| International obligations | 5 |
| Debate within other international organisations | 6 |
| DFID’s specific contribution | 6 |
| The UK’s commitment to international development targets | 7 |
| 3. Instruments for achieving higher labour standards | 8 |
| International conventions on labour standards | 8 |
| National legislation | 8 |
| Voluntary regulation | 9 |
| Collective agreements | 10 |
| Procurement and Government contracts | 11 |
| Consumer/civil society action | 11 |
| 4. Actors and partners in promoting labour standards | 13 |
| Trade Unions | 13 |
| Business | 14 |
| National governments | 15 |
| Non-Governmental organisations | 16 |
| The International Labour Organisation | 17 |
| The World Bank | 18 |
| CDC and other development finance institutions | 20 |
| The UN system | 21 |

| | |
|--|----------------------|
| 5. The Unrepresented: Needs of the Informal Sector Poor | 22 |
| Part Two - Proposed Strategy for DFID | |
| Objective 1 | 2424 |
| To raise the importance attached to the promotion and implementation of core labour standards amongst DFID's international partners. | 24 |
| Objective 2 | 2828 |
| To develop a more effective working relationship with trade unions to promote the understanding and implementation of core labour standards. | 28 |
| Objective 3 | 3030 |
| To support initiatives which aim to improve labour standards for informal sector and home-based workers, including women and migrant workers | 30 |
| Objective 4 | 3131 |
| To increase public awareness and understanding of core labour standards in the UK, and in developing and transition countries | 31 |
| Objective 5 | 3232 |
| To support national governments in their efforts to implement labour standards | 32 |
| Objective 6 | 3333 |
| To influence private sector business to adopt labour standards in a way which helps eliminate poverty | 33 |
| Annex 1 | 35 |
| What are Core Labour Standards? | 35 |
| Annex 2 | 41 |
| DFID support for core labour standards: examples of current work | 41 |
| Annex 3 | 44 |
| The Consultation Process | 44 |
| Annex 4 | 49 |
| Other UK Government Departments and core labour standards | 49 |
| Annex 5 | 51 |
| Approaches to core labour standards in the development work of other DAC Member States | 51 |
| Annex 6 | 57 |
| Recommended steps for developing a regional or country level work programme on labour standards | 57 |
| Glossary | 59 |

Foreword

Core labour standards are a framework of internationally agreed conventions which determine minimum expectations of rights at work. Although core labour standards represent fundamental human rights they are not applied in many circumstances and for many reasons. Successful implementation of core labour standards can directly contribute to poverty elimination.

DFID commissioned this study in order to examine how it could contribute to a fuller realisation of core labour standards as a means of poverty elimination. In particular, DFID wished to consider the policy implications for future collaboration with international bodies and for DFID's own programming. The options for working with other partners to progress the implementation of core labour standards is also an important part of this study.

This report is not a DFID strategy on core labour standards. It is a report by consultants which was commissioned and written with the aim of informing such a strategy. The recommendations presented have been developed in the light of comments by all those consulted and by a cross-Whitehall Steering Committee. That said, they remain the recommendations and ideas of the authors.

Acknowledgements

A great deal of time and energy were invested by many people in contributing ideas for this document. The authors would like to thank all those who participated in the consultation process and in particular to those institutions who hosted the trade union, NGO and business consultation meetings. These allowed us to meet a much wider group of people than would have otherwise been possible. Nonetheless, apologies go to any individual or organisation that time or resources did not permit us to fully consult.

Details of the consultation process, including a list of those consulted, are given at annex 3.

Objectives of the proposed strategy

1. To raise the importance attached to the promotion and implementation of core labour standards amongst DFID's *international partners*.
2. To develop a more effective working relationship with *trade unions* to promote the understanding and implementation of core labour standards.
3. To support initiatives that aim to improve labour standards *for informal sector and home-based workers*, including women and migrant workers
4. To increase *public awareness* and understanding of core labour standards in the UK, and in developing and transition countries
5. To support *national governments* in their efforts to implement labour standards
6. To influence *private sector business* to adopt core labour standards in a way that helps eliminate poverty

This paper is divided into two parts. Part I sets the scene by outlining the issues around core labour standards: what they are, what mechanisms exist to promote them, DFID's existing role and the role of actual and potential partners. The aim of this section is to clarify the issues, note the debates, and provide the background thinking for the proposals made in Part II.

Part II is a set of strategy proposals. It is organised in terms of the six principal objectives outlined above, in each case giving examples of how the objective might be achieved. Part II is not a blueprint, it aims to identify possibilities and options. It is based on the premise that opportunities must be grasped when they arise; that there are willing partners and champions - institutions and individuals - who will work collaboratively to promote labour standards work at a policy and operational level.

Priorities need to be identified in context. The strategy proposals do not attempt to distinguish international and country specific issues or to differentiate between proposals which will best fit developing country contexts and those more appropriate for economies in transition. This is for DFID policy departments and regional and country programmes themselves to decide in consultation with partners. Effective mechanisms for reflecting country priorities already exist in the form of Country Strategy Papers and it is anticipated that these will, in time, come to reflect agreed priorities for labour standards work. Future commitments for action on core labour standards will also need to be incorporated into future Institutional and Target Strategy Papers.

Part One - the context and the issues

Background issues

1.1 *What Labour Standards are 'Core Labour Standards'?*

The key objective of this document is to determine ways in which DFID can contribute to the implementation and understanding of core labour standards. This necessitates a definition of core labour standards.

Most national legislation, as well as the standards set by the International Labour Organisation (ILO) through Conventions and Recommendations covers many different aspects of the employment relationship. These range from the right not to be dismissed arbitrarily to the methods governments should use to collect labour statistics. However, in order to develop a strategic approach to labour standards that is applicable to a wide range of circumstances and addresses the most urgent or instrumentally important issues, it is necessary to identify a core group of labour rights which will always be addressed. This is assuming that a wider category of rights will be implemented in addition to this minimum wherever possible.

In this document 'core labour standards' refers to the four categories of rights which, in international law, are considered to be fundamental or 'irreducible' human rights. These rights are most forcefully restated in the ILO's Fundamental Declaration of Principles and Rights at Work adopted in 1998. They are:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of the worst forms of child labour and implementation of minimum ages of employment; and
- the elimination of discrimination in respect of employment and occupation.

Due to the fundamental nature of these rights, any programme that deals with core labour standards must, as a minimum, seek to respect, promote and realise these rights. In this strategy 'core labour standards' always refers to these four categories of rights.

Although this strategy does not deal with labour rights outside these four core standards we recognise that in practice DFID's programmes may tackle a broader set of issues. This is because poor people in a particular country, sector or workplace may define other issues as crucial to improving their standard of living. For DFID to ignore these in its country programmes would be to ignore their priorities and to overlook some of the major problems and rights violations that occur at work. This broader set of issues might include some or all of the following:

- Occupational health and safety
- Maternity provision
- Sexual harassment and physical abuse
- Reproductive rights
- Minimum wages
- Maximum hours of work

These are also not exclusive categories: what workers define as important will vary according to context. The point is that although this strategy is confined to a discussion of 'core labour

standards' as these are defined internationally, DFID programme staff should be aware that practical work on employment and labour practices will often involve them addressing a broader range of issues.

A detailed examination of the legal provisions of each of the four core labour standards and details about the international provisions which support the broader categories of labour rights mentioned above is given in annex 1.

1.2 Poor people as workers

Poor people spend most of their lives working for a living. They may work at home on their own account or at home for an employer; they may work outside the home on their own account or for a local employer, for a national company, for government, for a multinational. Many millions survive by combining these strategies and from passing on a seasonal, and even a weekly basis, from work to no work, from own account work to work for an employer, from work near home to work which requires migration.

In the early 1990s the international community extolled the virtues of labour intensive growth as one of the three ways out of poverty. The idea was that poor people's labour was their only asset so work was essential. The emphasis was on increasing the assets and facilities which would enable poor people to work, but not on improving labour standards per se. The physical conditions in which people work, the rights they have under national law, the extent to which people feel protected by legislation or can get redress was not an area of emphasis.

The 1997 White Paper on International Development stressed the importance of core labour standards. It promoted a human rights based approach to labour issues. This shift to an emphasis on the rights of individuals to labour standards at work reflected a parallel shift in ideas about poverty and vulnerability - from a definition of poverty as lack of income to a definition which also took account of poor people's lack of access to services, their lack of personal security, their low social status and - it follows - a lack of control over their labour and working conditions.

The White Paper therefore made explicit the link between poverty elimination and core labour standards for the first time. In doing so it defined people in terms of what they spend the majority of their lives doing: working for a living. This strategy attempts to take forward the commitments made in the White Paper.

1.3 Why poor people need labour standards

Poor people are acutely aware of the conditions in which they work. Having a job is not enough. The quality of the working environment, including, but not only the pay they receive, is just as important. Migrants to brick factories or mines typically earn more money than their co-villagers who are farmers. But they drink dirty water, lack privacy and personal security, have no-one to look after their children and, if they are women, fear and experience sexual harassment. Pay does not compensate for appalling working conditions or physical abuse.

Poor people need labour standards. But they need labour standards which are applied in accordance with their own priorities. It makes no sense to impose an immediate ban on working children if the families involved cannot subsequently feed themselves, to insist on the equal payment of women workers if they are subsequently the first to be laid off, to insist on the right to associate if all those who do are then fired with no effective redress in law or to commend employment when in reality it involves a relationship of debt-bondage which the worker cannot escape from. The local situation must be understood and the application of labour standards seen as a process, often a long process, bringing together a wide range of local and national institutions and agencies, if it is to contribute to the elimination of poverty.

The sudden imposition of labour standards is therefore, in itself, not a solution to poverty. Labour standards can exacerbate poverty if imposed without regard for their longer term implications and without consultation with those they are designed to support. That is why, at an operational level, labour standards work must be undertaken with the active participation of the workers which the standards will affect.

2. Why a strategy now? The political, economic and institutional context

DFID is already engaged in promoting the understanding and implementation of core labour standards. This work takes place at international, regional and national level. Work to date which involves core labour standards is summarised at annex 2.

2.1 *The global context: a window of opportunity*

The White Paper outlined the UK commitment to work for the world-wide observance of core labour standards for all workers. This commitment comes out of an appreciation of the changing global context of work and the importance of labour standards for the poorest women and men.

A number of events have put labour issues and labour standards on the international agenda: the increasing globalisation of markets and implications this has for labour standards; the casualisation of labour; the large scale lay-offs and unemployment following the East Asia crisis. In post-Soviet countries the move to a market economy and away from an enterprise based system of welfare provision is leading to an increase in poverty as state-based welfare protection mechanisms, including housing, education and health care, are dismantled and new market-based alternatives are slow to start up or prove unaffordable for the poorest.

In this process of global labour market change the relationship between workers and employers and between employers and the state fundamentally alters. This creates an opportunity for re-examining the role of the state, of trade unions and of employers in promoting and implementing labour standards and in providing social protection.

2.2 *Building on the global response*

There is a growing global response to injustice at work. Civil society criticism of multinationals - of the clothing company the GAP in Central America, sportswear giant Nike in Vietnam and the football stitching industry in Pakistan - have all served to put the spotlight on working practices which abuse the rights of the poorest. Business has responded, whether out of humanitarian or economic motives, and the export sector is moving towards self-regulation through the adoption of codes of conduct.

This is positive but the pressure needs to be kept up. So too does international support for businesses that make serious efforts to improve labour standards. International development agencies have a dual role in terms of the global response to labour standards: they need to support civil society organisations, including trade unions, in the identification and analysis of bad practice but they also need to support those businesses who are positively addressing labour standards in their own work places and supply chains.

Support for the Ethical Trading Initiative is one example of how DFID is already building on this global response.

2.3 *International obligations*

The ILO Declaration on Fundamental Principles and Rights at Work was adopted by the International Labour Conference in 1998. All member states now have an obligation to

respect, promote and realise the four 'core' labour standards whether or not they have ratified the Convention. The Declaration recognises the technical co-operation needs of member states - for legal drafting, legislative and policy analysis, strengthening labour inspectorates, education and training for government officials, and research to demonstrate the economic and social benefits of implementing core labour standards.

The 1998 Declaration obliges the UK, as a member government, to implement core labour standards. But by implication it also obliges the UK to help other member states comply with the declaration, e.g. through its technical co-operation programmes

2.4 *Debate within other international organisations*

There is current debate about labour standards within other international fora, including the multilaterals.

The UN General Assembly Special Session (UNGASS) in 2000, in reviewing progress towards the implementation of agreements made at the World Summit for Social Development (WSSD) 1995, is expected to stress the importance of governments implementing the ILO Declaration on Fundamental Principles and of ratifying other labour standards conventions, in particular the Convention on the Elimination of the Worst Forms of Child Labour and the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.

Labour standards are being debated within the World Bank, particularly in relation to the Social Policy Principles. The Asian Development Bank has recently asked the ILO to draw up guidelines which will outline how ADB can best promote labour standards within its own work.

As more and more agencies become involved with this debate it is important that DFID has a clear strategy of its own on labour standards, an appreciation of the roles of other important players and a clear view of the possible mechanisms through which core labour standards can be promoted and implemented in conjunction with international partners.

2.5 *DFID's specific contribution*

Several Whitehall departments have specific contributions to make with regard to the promotion and implementation of core labour standards. DFID's work on labour standards needs to be co-ordinated with that of the FCO, the DfEE, and the DTI. The Performance and Innovation Unit in the Cabinet Office is currently also working on a project that addresses the issue of labour standards in the context of trade. A summary of the role of these departments with regard to labour standards is contained in annex 4.

DFID's specific contribution is the result of its clear poverty elimination mandate, the skills and understanding of staff, its in-country presence and the links between international influencing role and the experience and learning gained from its bilateral programmes.

DFID already has experience of working to eliminate child labour, particularly in co-operation with NGOs. This work has demonstrated the importance of identifying what are the best interests of the child rather than imposing an immediate ban on all working children. It is this broader developmental approach to labour standards which now needs to feed across in the implementation of other standards. This is a significant challenge as it is far easier to implement labour standards through an immediate and blanket ban on the practice concerned. Experience with working children indicates this is not the best approach and will exacerbate poverty.

It is this experience - of what really needs to happen on the ground if labour standards are to have a positive impact on the lives of the poorest - that DFID can bring to the policy debate and to the practical implementation of labour standards in the workplace.

2.6 *The UK's commitment to international development targets*

The UK is committed to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015. All working people want decent productive work free from exploitation, discrimination and safety hazards; the poorest are least likely to achieve any of these. Work to improve labour standards is work to eliminate poverty, and a contribution to the achievement of this international target.

3. Instruments for achieving higher labour standards

There are a range of instruments and mechanisms that are either formally aimed at promoting labour rights, or will have an effect on the implementation of core labour standards. In this section we look to what these instruments and mechanisms are and also consider some of the *pros* and *cons* which apply to each instrument.

3.1 International conventions on labour standards

Reference to some or all of the core labour standards are found in a number of other international instruments ranging from the Universal Declaration on Human Rights through to the EU's Generalised System of Preferences – see annex 1. However, the most specific and important standards are the Conventions and Recommendations of the ILO. The Conventions of the ILO are agreed by the International Labour Conference and are binding upon each of the members states of the ILO which chooses to ratify them. The most recently adopted Convention of the ILO prohibits the worst forms of child labour.

The international labour standards as represented by the Conventions of the ILO have a number of major strengths. The first relates to the fact that they apply to all member states who ratify them. As ILO conventions are agreed by a global tripartite body they should be capable of being implemented by any country whatever its state of development.

The four core labour standards to which this paper applies are contained in the ILO Fundamental Declaration on Principles and Rights at Work agreed in 1998. This declaration is binding on all member states regardless of whether they have ratified the core Conventions referred to in the Declaration.

The fact that a Government has to choose whether to ratify an ILO Convention should mean that once it has done so there is every reason to expect progress on the issues the convention covers. However, this does not always happen. Moreover, if a government has a particular problem with a Convention, whether political or otherwise, it may decide to de-ratify the Convention.

As a mechanism for achieving higher labour standards international conventions also have weaknesses. For example: there are no hard sanctions on countries who fail to implement ILO Conventions; the standards only apply directly to member states - thus they are only a reference point in relation to work with business and the multilateral institutions; finally, the fact that their adoption is generally voluntary means that apart from the Conventions referred to in the Fundamental Declaration, different Governments commit themselves to different conventions.

3.2 National legislation

To most employees and employers national legislation is the most obvious manifestation of the regulation of labour standards. In practice it is national law that will deliver core labour standards on a day-to-day basis. Legally this is reflected in the fact that international conventions apply to the member states, obliging them to implement the principles contained in the convention through national law provisions.

National legislation may take the general form of a Labour Code applied to the whole country, or may be found in regional or sectoral laws. For example, laws relating to the formation of trade unions or the registration of unions would normally be found either in the national Labour Code or in specific regulations relating to trade unions. Similarly, while some countries may have a detailed set of legal regulations relating to sex discrimination, in others the law may be found in a simple constitutional or labour code provision.

The extent to which national labour legislation is an effective mechanism for safeguarding labour standards depends on the effectiveness of state enforcement mechanisms, in particular, labour inspectorates and courts and tribunals. Labour inspectors will normally have the power to enter work places, carry out inspections, speak with workers, and serve enforcement notices on employers. However, labour inspectorates and Ministries of Labour are often under-resourced and cannot deal with major labour standard abuses. Although the courts and tribunals theoretically enable employees to bring complaints about the activities of their employer regardless of whether a trade union is present, there are often serious operational difficulties with the court or tribunal system. For example, there may be not enough judges or courts, workers may not know their rights, trade unions and other representative bodies may lack the capacity or expertise to represent workers before the courts, and workers may be too frightened to complain for fear of reprisals. In addition, the sanctions that can be applied by the law may be insufficient to deter employers from breaching it. There may also be the additional danger of corruption, either within the government or judicial system.

There may also be conditions in national law which allow employers to circumvent the implementation of labour standards. For example, many countries have legislative provisions which treat outworkers and home-based workers as self-employed, thereby denying them the status of employees. Finally, national legislation may not apply to migrant workers in the same way as it applies to national citizens.

Thus, although national legislation may provide a clear set of standards, lack of knowledge about the law and the state's inability to enforce the law, means that in practice employees' legal rights can be severely curtailed.

Despite these drawbacks national legislation is crucial as it provides the legislative context for labour standards and addressing these drawbacks is an important challenge to any international effort to raise core labour standards. National laws are usually sensitive to national economic and cultural conditions; they are much more specific than international norms; they are more likely to be known by the local population, including businesses; and they can be amended or supplemented as appropriate by national or local government. Arguing for compliance with national legislation, as opposed to other 'external' standards, such as codes of conduct or general ILO conventions, also has the advantage of not having protectionist overtones.

3.3 Voluntary regulation

Voluntary regulation by business takes different forms, the most common being codes of conduct with specific labour standards components, and social labelling programmes. Codes of conduct are written statements of principles which specify the labour standards which must be complied with either by suppliers or by other components of the company in question. Social labelling is the use of a label or logo to indicate that the product has been produced on the basis of certain standards.

The major strength of voluntary forms of regulation is that employers adopt them voluntarily and for business reasons. This means that they are more likely to be sustainable than regulation imposed from outside. Voluntary forms of regulation can also force small employers to apply labour standards when otherwise they may have no other incentive to do this, especially if they are beyond the reach of national legislation and outside the sphere of influence of trade unions.

Normally, corporate codes of conduct and other social labelling initiatives involve a wide range of actors – including trade unions, NGOs, governments and businesses, including direct employers and intermediaries. If such initiatives are operated flexibly and in a graduated way with the support of all these parties they can lead to a definite improvement in labour standards. In general, many businesses have responded in a varied and wide-ranging way to the pressures placed upon them to promote the respect for labour rights and other 'ethical' issues.

Codes of conduct and other voluntary initiatives also have drawbacks. In particular, implementation is a problem. Currently, most codes are at the piloting stage and there is a dearth of agencies at the local level able to provide independent verification. Effective ways of dealing with the complex development issues which can arise in the application of codes and ways of verifying them are the two main issues currently being discussed by the businesses, trade unions and NGOs who have joined the ETI.

It may also be the case that because many of these initiatives stem from Northern countries and Northern corporations can lead to suspicion about the motives behind the adoption of codes. Even though the standards found in the codes may be grounded in basic ILO conventions, the fact that the regulation is through a code devised by a corporation from Europe or the USA may lead producers and workers in developing countries to feel that they are having standards foisted upon them. This is particularly so if they have had little or no input in to devising or monitoring the code. The early signs from the ETI are that it is important to ensure that stakeholders in the South feel that they have 'ownership' of the code and its implementation.

Finally, if a company's main objective in adopting codes is to protect its brand image or name - the 'risk management model' - little attention may be given to whether the code really does have a positive impact on labour standards. The code is then used as a stamp of approval or rejection of a supplier rather than a means of identifying where abuses of labour standards are occurring so that a programme of action can be developed to help suppliers comply. There is already evidence that some sourcing companies shorten their supply chains to reduce the risk of breaching their code and thereby jeopardise the economic position of workers at the bottom of the supply chain, usually informal sector workers. In short, voluntary regulation, like other mechanisms discussed in this section, has the potential to improve labour standards but this depends entirely on the approach to implementation.

OECD Guidelines

It should be noted that both the ILO and the OECD have long-standing Guidelines for multinational enterprises – the ILO's Tripartite Declaration on Multinationals and Social Policy and the OECD's Guidelines for Multinational Enterprises. The OECD Guidelines are recommendations covering a wide range of business operations that multinational enterprises should observe. In relation to core labour standards the Guidelines provide that enterprises should, amongst other things, respect the right of their employees to be represented by trade unions and other bona fide organisations of employees, and engage in constructive negotiations and provide facilities to employee representatives. The Guidelines also provide for non-discrimination in pay and hiring practices. The OECD Guidelines are currently under reconsideration, and it is anticipated that the revised Guidelines will make express reference to the core labour standards contained in the ILO's fundamental declaration. While DTI is the lead agency in relation to the negotiations on the revision of the Guidelines, it is important for DFID to be fully appraised of the implications of the revisions to the Guidelines and the efforts to make them more readily applicable in relation to business activity in non-OECD countries.

3.4 Collective agreements

A common source of regulation of terms of conditions of employment are collective agreements. In relation to this strategy the term is used to cover not only agreements between trade unions and employers, but also any agreement made between a group of workers or their representatives and employers, groups of employers or government. Such agreements may relate to terms and conditions of employment and wider issues such as entitlement to social security benefits.

One of the major advantages of collective agreements is that the terms and conditions they contain are specific to the place of work in question. They are freely negotiated and are flexible in the sense that they may be renegotiated. Because collective agreements are normally

developed through a democratic process of consultation between worker representatives and the employer, and between workers themselves, they are likely to represent the real priorities of workers. Collective agreements will often be applied to a wider group of workers than those who are trade union members; they therefore have the potential for wide-ranging impact.

The major problem with collective agreements is that a trade union must be recognised in order to negotiate them. Consequently, collective bargaining will usually have little relevance to those workers in the informal sector, or to workers in those sectors of the economy where there is little or no trade union presence.

3.5 Procurement and Government contracts

There are various ways in which a government department can use both procurement and contracting procedures to encourage the implementation of labour standards by its national and international suppliers. Such initiatives are, in effect, public sector equivalents to the codes of conduct used by private sector business.

There are a number of different ways of encouraging the adoption of labour standards by the suppliers of goods and services. These range from a requirement to be transparent and 'willing to talk' to the need to satisfy a condition laid down by the funding organisation, with sanctions for non-compliance (e.g. the forfeiture of opportunities to be a supplier in future). There are therefore 'harder' and 'softer' options. For example, the contracting/procuring organisation can:

- Encourage recipient governments and private sector suppliers and contractors to disclose their policies on labour standards, and be prepared to discuss them
- Encourage suppliers and contractors to consult their work force on labour standards, through trade unions where appropriate
- Work with national governments to try and ensure that suppliers and contractors comply with national industry standards in their employment practices (the 'ILO 94' method)
- Work with national governments to ensure that suppliers and contractors comply with a basic minimum code on labour standards which are based on national minima but also reflect the site-specific priorities of workers (DFID's 'Social Aspects of Construction' (SAC) study method).

The ILO 94 method and the approach being developed by DFID through the SAC study are very similar. The ILO Convention 94 on Labour Clauses in Public Contracts has been ratified by some 58 member governments. This convention provides for Governments to ensure industry or national standards for wages, hours, terms and conditions and health and safety are applied when employing labour to service Government contracts. One of the major advantages of working around this Convention with countries who have ratified it is that it only asks them to work towards ensuring that work under public contracts reflect national standards.

The SAC study similarly works only with governments, businesses, employers federations and trade unions who have mutually agreed to use the contracting process to encourage the implementation of labour standards.

3.6 Consumer/civil society action

The actions of civil society, including consumers and trade unions, can have a major impact on the implementation of core labour standards. The adoption of codes of conduct by multinational corporations has inevitably been influenced by pressures placed upon those companies by their customers, NGOs, trade unions and other labour support groups. Many companies act out of a desire to minimise the risk of adverse publicity about their business practices, aware of the damaging effect this can have on their brands.

Civil society action can influence the promotion and implementation of labour standards in several different ways. For example:

- NGOs and consumer groups may mount campaigns to put pressure on both business and government to improve labour standards
- NGOs and trade unions may enhance workers' abilities to defend and promote their rights (e.g. through training courses)
- NGOs and trade unions may run information campaigns to build public awareness of core labour standards - this may involve using the media to explain the nature of rights and ways in which they can be enforced
- As a result of dialogue with civil society, government may run its own education or media campaigns. In the UK context two excellent examples are the campaigns that were run in relation to the introduction of the National Minimum Wage and the Working Time Regulations 1998. Such media campaigns could be replicated in a culturally appropriate way in the South.

Building civil society and business support for the implementation of core labour standards is important in order to achieve a consensus for change and a cultural environment where labour violations are seen as completely unacceptable. This environment needs to be built in both the North and the South. It is one thing to have a UK public which feels the worst forms of child labour are unacceptable, but change is more likely to be achieved if the public in the country in question also feels this way.

Civil society action on labour standards can contribute to poverty elimination when it is based on a real understanding of the wider political and development issues in the country concerned. This is the case when NGOs and trade union groups work alongside the poorest workers and are aware of their vulnerable status and work-based priorities. The general public - in North and South - is often less clear about the issues and may take a more extreme, and not necessarily helpful, line. This is one of the challenges for the future: how to inform a wider public - and all sections of the media - about labour standards so that debate and action is based on a sound understanding of the issues and of the situation experienced by workers themselves.

4. Actors and partners in promoting labour standards

The previous section outlined the different instruments that could be used to promote core labour standards. DFID will not work alone on this issue; there are a range of institutional players already involved, many of whom have been working on labour standards issues for years. Every part of the strategy in Part II involves DFID working with others - either to influence them or in terms of joint work. This section outlines some of the strengths which other players bring to the table and the issues that need to be taken into account in working with them to promote core labour standards.

4.1 Trade Unions

In her speech to the TUC 1999, the Secretary of State for International Development noted the role of trade unions in bringing about a real advance in human welfare to millions of working people and their families, in strengthening the voices of the poor and exploited, and in championing the reforms that will improve their conditions and life chances.

In the past DFID contact with trade unions had been limited. Following on from the White Paper and the emphasis this gave to seeing poor people as workers, the role of trade unions - as the most recognisable representatives of workers - is central to any strategy on labour standards. However, it must be noted that in some cases trade unions have traditionally been preoccupied with the defence of the rights of their members, and those members have been predominantly employed in the formal sector - and are predominantly male. This type of employment is rarely the experience of poor people in poor countries and, for this reason, trade unions' relevance to the majority of poor people is an issue under consideration, not least by the unions themselves.

When trying to identify how DFID can work more effectively with trade unions on labour standards it is helpful to distinguish between the international trade union bodies, trade unions in developing countries and countries in transition, and trade unions in the UK.

The relevant *international trade union bodies* can be divided into two - the International Confederation of Free Trade Unions (ICFTU), which is the co-ordinating body for international trade unions and the International Trade Secretariats (ITSs). The ICFTU represents 124 million trade union members, organised in 213 national trade union centres from 143 countries and territories. While there are two other smaller global trade union co-ordinating bodies - the World Confederation of Labour and the World Wide Federation of Trade Unions - the ICFTU is by far the leading player, particularly since the end of the cold war when union federations such as the Central Única dos Trabalhadores (CUT) from Brazil and COSATU from South Africa have joined the ICFTU 'family'.

The ITSs co-ordinate global trade union activity on a sectoral basis. They have excellent knowledge of their sector and an appreciation of the differences by country and region. ITSs also have a negotiating role about labour standards in so far as they - either directly or through their affiliates - conclude agreements with multinational companies operating in developing countries. The ITSs have clear lines of influence and communication with the major multinational companies. Many ITSs have developed good relationships with NGOs in order carry out work on core labour standards.

Trade unions in the South are highly variable in terms of their structure, capabilities, independence and representative nature. However, there are a number of generalisations that can be made about trade unions in developing countries, some of these also apply to unions in countries in transition.

First, there is a need to make a distinction between trade union centres, which are the umbrella organisations, and direct membership unions. While in some countries there will be

one or two centres, in others there is a plethora – often reflecting different political views. Often only one or two trade union centres will be affiliated to the ICFTU.

In terms of their members, trade unions represent workers' real interests. In many countries they also voice concerns on wider issues of social justice e.g. in the context of structural adjustment programmes unions often lead campaigns on health, education, housing and other issues in addition to their workplace activities. However, in most developing countries trade unions have very low levels of membership and their coverage of the informal sector is very limited. Together with lack of capacity this means that they are often unable to directly influence the working conditions of the very poorest. However, their involvement with government in labour and social security law reform and sectoral negotiations with business on labour standards means that the scope of their influence is far greater than their number of members might suggest.

In some countries unions are closely associated with government or tied to political parties or employers. Before embarking on a relationship with a trade union, DFID staff need to understand the degree to which the union is independent.

In countries in transition there is a change in the nature of trade unions, from a mechanism for delivering social benefits on behalf of the state to a representative workers' organisation. This process is not complete. Due to the widespread membership of trade unions in these countries, their potential influence is huge.

Consultations with DFID staff in country programmes indicated a low level of contact with trade unions. This is partly because of the limited understanding on the part of DFID staff of the way unions operate, particularly in relation to their wider role in negotiating with and influencing government and business, and also as a major influence on public opinion.

Trade unions in the UK and their members appreciate the need for labour standards in their own workplace and world wide. Yet union members in the UK do not always have channels for learning about the situation of workers in other countries, of appreciating the complexity of the issues and of knowing how they can contribute to the implementation of labour standards globally. There are many examples of good trade union international work, but there is scope for greater co-ordination and effectiveness with other actors including NGOs and DFID.

In the past there have been no structures through which DFID and trade unions can discuss issues and plan joint work either in developing countries or in UK. One main problem is therefore a structural one. However, there is scope for developing such a structure and this is one of several recommendations reflected in the strategy.

4.2 Business

The White Paper sets out commitments to work more closely with the private sector. Any work with the private sector provides an opportunity for promoting the understanding and implementation of core labour standards.

The first point to note with regard to the role of business in promoting labour standards is that, in general, labour standards will only be applied sustainably if they can be shown to be 'good for business'. There are many ways in which a business can become more profitable as a result of implementing core labour practices; however, there is unfortunately a widespread perception that complying with basic labour standards will be an unprofitable activity.

That said, businesses will and do apply labour standards. The incentives to do this vary according to the scale of the business, its legal status, its market and its visibility. It is useful here to distinguish between: multinational corporations and UK-based companies either with supply chains in developing countries or directly operating in developing countries; companies

in developing countries producing for or supplying the export market; and companies in developing countries producing for or supplying the domestic market.

UK and multinational companies directly influence labour standards through their terms and conditions of service and the working conditions they provide for staff. As such they can be, and often are, standard setters for the industry. Rates of pay are often better than those offered by smaller domestic companies and health and safety regulations more strictly enforced.

Large companies with international supply chains are also more likely to require their suppliers to apply labour standards through voluntary measures, e.g. codes of conduct. As noted above (3.3) such codes can have a positive impact on labour standards. However, the extent of positive impact on the poorest depends entirely on how codes are implemented. There are difficulties for businesses who genuinely want to implement codes of conduct in ways which impact on poverty - rather than just to escape the image of employing 'sweated' labour in developing countries. Business champions in this field are well aware that the implementation of codes may exacerbate poverty in some circumstances. They often need help in addressing the wider development context – for example, the provision of alternative employment for parents of working children, education for child workers etc.

It is clear from the above that there already exist incentives for business, and particularly business which has a global or national profile, to apply labour standards. However, this incentive is much reduced for businesses which are not in the public eye, which are not part of a supply chain which demands labour standards, or which operate at the margins of profitability. Self-regulation cannot be relied on in these circumstances - yet the majority of very poor people are employed by these businesses. Typically these include, but are not restricted to, businesses that produce for the domestic market, from the family farm that employs labourers to the shoe mender to the small-scale brass maker or garment manufacturer.

The main 'drivers' to improve labour standards in these businesses are not international sourcing companies or international labour standards. They are at local level - public opinion on the one hand, and local government regulatory mechanisms on the other. Such employers are more likely to afford their employees core labour standards if they feel that if failure to do so would be culturally unacceptable, would lead to sanction from the government or would lead to exposure by a local trade union or other civil society organisation. This reinforces the crucial role of national governments in implementing core labour standards – it is government that business will look to first.

This is the hardest category of business for a bilateral agency like DFID to reach directly. However, it must be remembered that champions of good practice exist at all levels. These can be multinationals with global supply chains, but they can also be local businesses who apply labour standards for commercial, status or humanitarian reasons.

The strategy outlines several ways in which DFID, as a British government department, can add value to existing business efforts to improve labour standards, either through direct influence on employers or through the business environment. DFID already relates to business through a number of its own initiatives. These include the establishment and work of the Business Partnerships Unit, the Social Dimensions of Business Practice Resource Centre and the Ethical Trading Initiative (ETI).

4.3 National governments

The role of national governments in promoting and implementing core labour standards is crucial. The whole basis of international labour law, as set out in the conventions of the ILO, is that it is the responsibility of national governments to regulate the labour market and implement core labour standards in individual work places. In essence, all other forms of labour regulation and other mechanisms to promote core labour standards, including voluntary codes, are subsidiary to the basic framework provided by national legislation.

The basic ILO principles as set out in the Fundamental Declaration should be found in all national legislation. A failure to implement the standards contained in the fundamental declaration will normally demonstrate a failure on the part of government.

A country's labour legislation will vary from country to country and in terms of technical detail. It will be influenced by a number of factors: the historical, sometimes colonial, basis of the legal system; attempts to adhere to international legislation; pressure from other international institutions, including pressure for labour-market flexibility in the context of structural adjustment programmes. Some governments of countries in transition are currently reviewing and redrafting their labour law to make it more relevant to the market economy.

Governments are also responsible for implementing labour legislation. There are many developing countries which have, on paper, exemplary labour laws but weak enforcement mechanisms. Ministries of Labour are losing their traditional importance and labour inspectorates often have few resources to monitor labour conditions; some even lack transport to make inspections. Inspection tends to be better developed in sectors where there is a risk of serious accidents or where there is a possibility of adverse publicity as a result of being caught in the international spotlight.

Apart from their role in defining the content of legislation and monitoring compliance, governments also have the responsibility to deal with employers who breach labour law. This requires a well-trained judiciary with staff paid sufficiently to guard against bribery.

Finally, governments have a role in promoting understanding of labour standards within their country. This has three important aspects. The first is to ensure that employers know their obligations, the second is to ensure that workers know their rights and the third is to ensure that the public are informed so as to promote a culture that does not accept breaches of core labour standards.

The proposed strategy identifies how DFID, particularly through support to the ILO, can work towards strengthening the abilities of governments to carry out these functions more effectively.

4.4 Non-Governmental organisations

Over recent years a number of Non-Governmental Organisations (NGOs) have campaigned on core labour standards issues and provided support for workers and their representatives in relation to promoting labour standards. NGOs have also been increasingly engaging with business to work around ways to improve labour standards - the ETI is the most obvious example of an initiative where this is happening in the UK.

It is important at the outset to note that NGOs vary in respect of the range in size and capacity, from the large international NGOs who can focus on a range of policy issues, have a large UK membership and can fund projects themselves, through to small NGOs focused on gender-specific or sector-specific work.

While historically only those NGOs with particular links with the labour movement, social democratic or socialist political parties have carried out systematic work on labour issues, this has changed over recent years to include a wider range of NGOs. This means that, while there is some considerable experience in some areas, many NGOs are approaching this issue with only a few years experience. While this means that they may express new and fresh points of view, it also means that they may sometimes not fully have the trust of the trade union movement.

The NGOs that have worked on core labour standards issues have shown that they have the ability to do the following: to respond in a flexible and reasonable fast manner to particular instances of rights abuses; to see core labour standards questions in a wider developmental context; to draw on a network of partners and informants throughout the world; to influence

on public opinion both in the South and in the UK; and to influence the international policy agenda. There is also evidence that NGOs increasingly have the capacity to work in conjunction with trade unions and are also able to reach some of the areas, such as the informal sector, that trade unions find it difficult to reach.

However, while some of the smaller NGOs have greater opportunities to be flexible in the way they work, they may be questioned by other stakeholders with regard to how representative and democratic they are. Furthermore, some NGOs are treated with suspicion by business and trade unions in relation to their labour rights work - although this is changing.

While there is no independent focus within this paper on work with NGOs, they can certainly be an important complimentary partner in a range of activities on labour standards. In particular, DFID may benefit from encouraging NGOs and trade unions to work together on labour standards and using those with expertise to deliver on specific aspects of labour rights work, particularly in relation to women and the informal sector.

4.5 *The International Labour Organisation*

The primary goal of the International Labour Organisation (ILO) is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. Decent work means productive and sufficient work in which rights are protected, which generates an adequate income and has adequate social protection.

This emphasis on decent work, and insistence that decent work is seen in the ILO Constitution as a right for all those who work, including those in the informal economy, makes the ILO's approach and mandate of central relevance to this strategy. The ILO's concern to address women's particular vulnerability and the gender inequality built into most labour institutions is also important. For all these reasons the ILO is an obvious partner - and the key UN institution - in terms of strategy objectives to promote the understanding and implementation of labour standards world wide.

The ILO has a number of different roles with regard to labour standards. It is the main international standard setting body and has promulgated a large number of labour standards in the form of Conventions or Recommendations. These provide a detailed and comprehensive framework for any country's national labour legislation. The ILO also defines what each of these standards actually mean. The definitions used in this strategy (and outlined in annex 1), and the standards themselves, are all based on ILO Conventions or Recommendations.

In addition to this normative role the ILO also advises governments on how best to implement labour legislation and it also assists employers and workers in relation to legislation and collective bargaining. The ILO has built up considerable technical expertise, both at headquarters and regionally, on labour law and implementation issues. It also has substantial information resources in the form of technical manuals and research studies. These cover labour rights issues (e.g. on child labour, sexual harassment, discrimination at work), technical advice on industry standards, and advice on the implementation of labour standards for particular sectors, industries and countries.

At an international level the ILO has a key role as a global reference point for knowledge on employment and labour rights and as a platform for international debate and negotiation on social policy. As the only global institution with a tripartite structure - involving governments, employers and trade unions - it sees it has a unique contribution to make to the multilateral system. The ILO also recognises that it needs to strengthen its global partnerships, particularly with the UN system and the Bretton Woods institutions. It is also conscious of its need to establish more fruitful relations with civil society organisations not represented in its tripartite structure.

In devising a strategy for closer work with the ILO the following has been taken into account:

- DFID's new relationship with the ILO and Britain's domestic interest in ILO is negotiated through the DfEE, the lead Whitehall department in relation to the ILO;
- DFID's work with the ILO to date has comprised core support to IPEC and More and Better Jobs for Women. It has also involved a series of country-based programmes with IPEC in Pakistan, India, Tanzania and the Mekong Basin (through DFID - SEA) and to Indonesia's ILO programme on building capacity for workers;
- The ILO is presently undergoing important changes after the appointment of the new Director General in early 1999. The exact outcomes of the restructuring and refocusing of ILO work are difficult to identify at this moment. While the Director General is initiating change at Headquarters in Geneva, it may be sometime before the change programme at regional or field level is complete;
- The ILO is unique in UN institutions in having a tripartite structure where governments and employers' and workers' representatives all participate in its activities and decision making process. It is rightly argued that the social dialogue resulting from ILO's tripartism is a great strength;
- There has been substantial pressure within other international institutions to strengthen the role of the ILO and ensure that the ILO remains the primary body that deals with international labour standards. This is most clearly exemplified by the Singapore ministerial declaration following the first World Trade Organisation ministerial conference, 1996. There is also pressure to get other international institutions to accept the fundamental ILO principles as part of their operations;
- The knowledge and research capacity within the ILO on all aspects of labour issues is very considerable.

There are excellent opportunities for working in co-operation with the ILO at country level. The ILO is not a funding agency so has to rely on working with support from bilateral agencies for its country technical co-operation programmes. For this to work well, priorities need to be agreed with bilateral country programmes as well as governments before they are developed into projects. At present there is a tendency to develop a project and then look to donors for funding.

4.6 The World Bank

The World Bank is an important partner in the labour standards policy debate with influence over other international partners, including member governments and the private sector. The World Bank can also influence labour standards directly. DFID is the lead UK Government Department in relations with the Bank.

The impetus to address labour standards in the World Bank comes from several sources: a commitment by the ILO and the World Bank to develop a joint approach; ongoing dialogue with, and pressure from, NGOs and the trade union movement; and discussions with the private sector over voluntary codes of conduct. In addition, the US Treasury Department is keen for the Bank to address labour standards. This in part stems from national legislation, the so-called Sanders-Frank Amendment (1994) which effectively mandates the US representatives at the World Bank and the IMF to urge those institutions to adopt policies that respect core labour standards.

There are a number of aspects of the Bank's work in which labour standards are becoming increasingly relevant. The World Bank/IMF Development Committee requested the Bank to formulate Principles and Good Practice in Social Policy, including labour standards, in October 1998. The UK has been active in promoting the Social Policy Principles and

promoting understanding of their significance. This role is important as there were initial concerns by developing countries that the Principles were a form of conditionality imposed by Northern governments. The UK can continue to play an important role in this debate and, once they are agreed, in facilitating follow-up activities.

IDA 12 provides that diagnostic treatment of gender, environment, core labour standards, and the financial sector should be improved. It is also stated that where these are identified as priority issues, they should be addressed in the operational program.

The World Bank is also strengthening its dialogue with trade unions. Outside the general policy debate with trade unions, practical discussions with the international trade movement has focused on labour clauses and public procurement. A meeting in 1999 brought together the World Bank Executive Directors, representatives of the ICFTU, the IFBWW the ILO and representatives of Southern trade unions to discuss ways in which respect for labour rights could be incorporated in procurement guidelines and tender specifications for public works contracts. This is an area of ongoing debate: DFID is already contributing to the discussion using country experience in Ghana and Zambia gained through the 'Social Aspects of Construction' (SAC) project.

On an operational level the Bank currently supports projects on child labour and a number of research projects which include labour standard components. Work is also in progress with multinationals in the oil, gas and mining sectors on the benefits of voluntary codes of conduct and on the issues surrounding the implementation of such codes. In addition, and in liaison with the ILO, the World Bank is looking at ways of strengthening the ability of member governments to develop good labour law and effective enforcement mechanisms. Encouraging and assisting governments to adopt, implement and enforce labour laws is essential. Without this enabling environment it is difficult for other institutions - including business, trade unions, DFIs and NGOs - to play an effective part in promoting labour standards.

Despite its varied work and opportunities for influence the World Bank has not developed a coherent policy on labour standards. This is partly because of a lack of consensus about whether the promotion of all four 'core' labour standards can be justified in economic terms and whether, therefore, they can all be supported under the Bank's Articles of Agreement. These state that all Bank activities must be based on the promotion of economic development. The Bank's current position is that whereas child labour and forced labour can be shown to be 'uneconomic', the freedom to associate and to bargain collectively cannot necessarily be justified in economic terms. The Bank has commissioned research on the economic impacts of these two core labour standards in order to resolve the issue.

It is important that the Bank agrees a clear policy line on labour standards - both 'core' labour standards and those which are contained in other international agreements and conventions - so that it can develop a strategy which can inform its own activities. Such a strategy is crucial if the Bank's extensive influence is to be used to best effect. In identifying ways in which DFID can work more effectively with the World Bank on labour standards the following points are relevant:

- the lack of a WB strategy on core labour standards to date, including a consistent policy on the four labour standards reflected in the ILO Fundamental Declaration;
- the very important role the WB potentially plays in the implementation of core labour standards. For example, if the WB were to agree with member governments that labour standards were to be incorporated in tendering documents for public works projects this could improve working conditions in the construction industry world-wide;
- the important influence that the World Bank has with member governments;

- the influence and assistance which could be extended to governments to improve their ability to implement labour law - the Bank has for many years been engaging with member states on the question of labour standards, but mainly in the context of pressing for 'more flexible' labour legislation;
- the dialogue role that the World Bank has with other actors, including the ILO, other IFIs, NGOs and more recently, trade unions. Thus, the indirect role of the Bank in co-ordinating their efforts or disseminating ideas and research findings.

4.7 CDC and other development finance institutions

The Commonwealth Development Corporation (CDC) is the UK government's main instrument for investing in the private sector in developing countries. CDC provides businesses with financing in the form of equity, loans and venture capital. CDC also provides management and technical advice to these businesses.

CDC addresses core labour standards through its Social Issues Policy. Procedures for new business investments require the client business to comply with all of the ILO core labour standards and, separately, with World Bank environmental standards and with health and safety guidelines. If they cannot do this immediately, then they have to develop a time-bound plan for compliance. Where CDC manages a business (rather than just provides equity finance or loans) then there are comprehensive standards set for the living and working conditions of employees which every business has been asked to apply.

Such procedures serve a similar function to the voluntary codes adopted by businesses. The problem for CDC and other financial institutions is that they are one step removed from the action: it is not their own business that they need to influence but that of their clients. Also, most enterprises also have their own supply chains. Even if core labour standards are reflected in investment agreements and enshrined in national law, there is no assurance that they will be implemented.

The issues affecting CDC's ability to promote and implement core labour standards through its investment procedures are very similar to those faced by international finance institutions such as International Finance Corporation (IFC). To some degree they also apply to those institutions which lend to governments - the Asian and Caribbean Development Banks for example. All of these organisations incorporate the requirement to adhere to core labour standards in their appraisal procedures (and if they do not they are discussing this issue).

The main difference between the two sorts of institutions - those that deal with the public sector and those which deal with private business - is mainly one of influence. Regional banks lending to governments tend to have much more influence over the client for two reasons: first because they are more likely to be the major source of financing; secondly because relations between governments and regional development banks are long term. This allows compliance on social issues generally, and core labour standards in particular, to be achieved over a longer period.

In identifying a role for DFID in the context of CDC and with those international financial institutions with which DFID has contact (e.g. ADB Manila and The Caribbean Development Bank) a clear distinction needs to be made in terms of strengths the institutions themselves bring to the table - and which they themselves should take forward - and issues with which DFID may be able to assist. The main areas for assistance which are reflected in the strategy are:

- the crucial importance of the regulatory framework for all financial institutions - whether they lend to the public or to the private sector (e.g. the importance of government legislation around labour standards and government enforcement mechanisms).

- the problem of finding experts in country who can be called upon to work alongside businesses on core labour standards and provide independent verification of progress – exactly the same problem is experienced by businesses wishing to implement codes of conduct.

4.8 The UN system

As a specialised agency of the UN the ILO is responsible for labour standards in the context of its mission to secure decent work for women and men everywhere. However, many other aspects of the UN's normative work also impacts on labour standards and many of its specialised agencies, including UNICEF and UNIDO, have operational programmes which address aspects of labour standards in member countries.

The 1995 World Summit for Social Development was a milestone for labour standards work internationally insofar as it committed countries to put in place employment policies which would have full respect for worker's rights and the participation of employers, workers and their respective organisations. It made special mention of the rights of particularly vulnerable groups including women, informal sector workers and migrants. Copenhagen also stressed the importance of ILO conventions, including the four 'core' labour standards now enshrined in the Fundamental Principles. In the run up to Copenhagen Plus 5 the Preparatory Committee of the General Assembly Special Session (UNGASS) has reaffirmed commitments to these principles and is expected to make recommendations for future actions to implement them. This will place a further responsibility on ratifying governments to introduce policies and programmes to transform their commitments into concrete action.

The UK, through the EU, is already playing an active role in the preparations for Copenhagen Plus 5.

As noted, UN Funds and Programmes also deal with labour standards in specific ways, although in some cases a more specific focus on specific labour issues is required. UNICEF works on child labour and on labour issues facing workers in the informal sector; UNIFEM addresses the situation of women workers, particularly homeworkers, in some of its programmes and looks at ways to improve their ability to negotiate for better terms and conditions; UNIDO promotes industrial development in developing countries. UNIDO does not deal directly with labour standards but it could be argued that labour standards, like quality standards, help increase business efficiency. The argument for including labour standards in environmental work is also strong: an ongoing UNIDO project aims to clean up effluent from tanneries; this could be complemented by health and safety work which addressed the effect of tannery processes on workers.

In developing a strategy on core labour standards which impacts on poverty thought needs to be given to the potential for supporting existing UN policy and programme work. But DFID's role in promoting *new* initiatives is also important. A recently established DFID Trust Fund for Social Assessments in UN DESA allows member countries to draw down funds to enhance qualitative monitoring and reporting against Social Summit objectives. This is exactly the sort of innovative fund that could be used to enhance qualitative reporting on progress on labour standards.

5. The Unrepresented: Needs of the Informal Sector Poor

This section discusses core labour standards in relation to the millions of informal sector poor, including homeworkers. A discussion of their interests serves to underline the challenge they pose to all the institutions discussed in the section above. In particular, it raises the question of how best to raise labour standards for workers who are often outside the reach of national employment law and also not covered by trade union collective agreements.

In developing a strategy on core labour standards which directly impacts on poverty, the varied needs of this massive and heterogeneous group needs special attention. This is why they are the focus of one of the six strategy objectives: so their interests are centre stage and not overlooked.

A starting point when considering this difficult issue is to define who informal sector workers are and then try to analyse some of the opportunities which exist - and are already being exploited - for improving the labour standards of this group. The informal sector consists of small-scale (often self-employed) activities, typically at a low level of organisation and technology, with the primary objective of generating employment and incomes. The activities are usually conducted without proper recognition from the authorities, and escape the attention of the administrative machinery responsible for enforcing laws and regulations. The participation of the informal sector in total employment has reached almost 60 per cent in Latin America. In Africa the informal economy accounted for over 90 per cent of new urban jobs during the past decade.

Informal sector workers are those who are not formally regarded as 'employees'. They work in all sectors and in all countries and their numbers are growing. Women make up a significant proportion of informal sector workers and comprise the vast majority of home-based workers, the least visible, and often the poorest, of all workers in this sector.

Informal sector workers fall into two categories. The first is casual or piece-rate workers who have an employer, directly or indirectly, even when the employment relationship is disguised. This can be seen in workers producing garments, footwear or bidi, for example. The second category is workers employed on their own account who sell their services or production directly onto the market and do not have an employer. In this category we can include street vendors, many peasant farmers, home-based producers of food, textiles, embroidery, etc. In practice of course there is a continuum: many women work for an employer and also on their own account and many factory workers may supplement their formal sector income with informal sector activities.

Despite their different positions in the labour market, all informal sector workers have two common needs. They need to be protected under national law; they also need to be able to organise collectively to strengthen their capacity to bargain for better terms in the market place. There is evidence that collective organisation has been particularly successful in providing for some fundamental needs, one of which is for social insurance - provision for sickness, old age, maternity, accidents/emergencies. For example, SEWA (Self-Employed Workers Association) in India has its own social security scheme run on insurance principles through the SEWA Bank. Elsewhere in South East Asia, homeworkers' organisations have built on indigenous social security schemes and worked with national credit unions.

Own account workers - those who sell a product or services on to the market, often through middlemen - may also need support with product development, credit, quality control and marketing. This form of technical support is often necessary but it is not sufficient to improve labour standards, particularly pay rates and social insurance provision; collective organisation is also vital.

Both the Conclusions of the Copenhagen Summit on Social Development and the report of the ILO Director General 'Decent Work' emphasises the need for proper work and employment standards for the whole of the workforce, including the unorganised sector. Current national

labour laws are often oriented to those in formal employment; informal sector workers are not necessarily recognised in law, even though they may comprise the vast majority of workers in a particular sector or geographical region.

Homeworkers are the least visible group within the informal sector poor. The vast majority are women who have little or no negotiating power. The ILO Convention on Homework (No. 177) is a response to the need for specific legislation for homeworkers. The ratification of this convention has been slow, but the Convention does not come into effect until April 2000.

In identifying a strategy for DFID to improve the labour standards of informal sector workers it is necessary to be aware of the existing legislation, of ongoing initiatives and knowledge including by DFID of this sector, and of the organisations which already exist to support the poorest informal sector workers.

The following points have been borne in mind in developing a DFID strategy to improve the labour standards for informal sector workers:

- In many countries national legislation will not cover many informal sector workers; either as a result of definition or practice. Therefore, there is a danger that informal sector workers will not even enjoy the rights contained in the ILO Fundamental Declaration, let alone any wider package of rights;
- Governments have been slow to ratify the Convention on Homeworking and a sustained effort needs to be made in relation to encouraging ratification and implementation;
- Some understanding of the informal sector already exists within DFID;
- The ETI, supported by DFID, is identifying how to promote better labour standards in global chains of production. ETI work to date has generated some understanding about how the informal sector works in different countries and how codes can have an impact on the informal sector. This understanding, if documented and made available to a wider audience, could further inform the UK position on informal sector issues. The 'Social Aspects of Construction Study' is also providing insights into how labour standards can be improved for casuals and so called 'voluntary' construction workers;
- In some countries and sectors trade unions are at the forefront of organising informal sector workers although their capacity to do this is often limited. However, there are good models. SEWA is an example of a collective, now a trade union, which has successfully organised and responded to the needs of its informal sector members.

There are other forms of non-government organisation which function in a way similar to trade unions in organising and representing their informal sector members. For example, HomeNet, a UK-based international network of organisations of home-based workers.

Part Two - Proposed Strategy for DFID

This proposed strategy recognises that DFID is a relative newcomer to the task of addressing core labour standards. Its contribution to the international debate and to labour rights issues in poorer countries begun in earnest only in 1997. The task is now to build on this contribution in an incremental and flexible way, using the knowledge and experience DFID currently has, and expanding the scope of work as opportunities arise for working on new issues and forming new alliances.

Like all areas of poverty elimination, DFID's impact will depend on the influence it can exert with partners and on its comparative advantage in skills as a development practitioner. In the short term DFID needs to work with partners who are already familiar to the Department. Gradually however, the scope of work can be extended, as can the range of partners. DFID needs to take into account existing levels of expertise and ensure that its own capacity grows as its area of operation widens.

On an international policy level the actual development of this new area of work will depend on DFID's ability to respond to the international agenda as this shifts over time. It is therefore not realistic to sequence, or suggest targets for, work which involves collaborating with, and influencing other international players. Knowledge of the issues and good communication with other Whitehall departments will help DFID respond in a timely and flexible manner to issues as they arise. At a regional and country level it is easier to map out specific steps which will need to be taken to develop a coherent programme of work around core labour standards.

Suggestions for developing a regional or country level programme are summarised separately in annex 6.

The strategy is organised in terms of six overall objectives. These reflect the importance of working with and through collaborators at international policy level - as well as at country level where the agency has country level operations. They also reflect the need for DFID to capitalise on its particular strengths in working with the most vulnerable, such as those in the informal sector, who are rarely protected by national legislation. This focus reflects DFID's role as the UK's international department for international development and the unique experience of its staff and in-country partners in working with the poorest.

Each strategy objective is followed by a list of actions which will help achieve the objective. These 'possible actions' should not be read as overall recommendations, but rather as options which DFID policy departments and geographical divisions may find it relevant to pursue over time - in conjunction with other Whitehall departments where relevant. Where several actions are suggested and we feel there are clear priorities then these are noted in the text.

Objective 1

To raise the importance attached to the promotion and implementation of core labour standards amongst DFID's international partners.

A number of international institutions are concerned with core labour standards. Each of these has a different role vis-à-vis core labour standards and different amounts of influence over the implementation of global, national and local standards. Given this situation - and mindful of the importance of DFID using its existing links in this new area of work and the competency of other Whitehall departments - it is important to prioritise the institutions DFID works with on core labour standards.

We recommend that DFID's first priority is to work more closely with the World Bank, its second priority is to work more closely with the ILO and its third priority is to work with other international institutions on core labour standards as and when relevant.

The World Bank

The ILO is without doubt the lead international organisation with regard to both the setting of core labour standards and their development and promotion. However, we recommend the World Bank is a priority partner for DFID for a number of reasons. Primarily this is because DFID is the lead institution with regard to the World Bank whereas the DfEE leads on relations with the ILO. However, it is also because the Bank has the potential to influence all borrower member countries to analyse core labour standards, and to implement them (it will be remembered from Part 1 that this is already a requirement for IDA-12 borrower countries even though it is not implemented as yet). A third reason for prioritising the World Bank is that this is not a 'new' area of DFID-Bank collaboration: the UK Executive Director has already played an important role in facilitating discussions on core labour standards between Bank staff and the international trade union movement and is in close touch with developments on World Bank core labour standards work.

Suggested actions for DFID in relation to the World Bank are:

1. Continue to support the Social Policy Principles and ensure that a commitment to core labour standards remains central. Stress the universality of the Principles and look for ways in which developing country governments can be involved in their further formulation.
2. When the Social Policy Principles are agreed consider funding meetings or fora to facilitate practical follow-up activities on core labour standards.
3. Engage in dialogue with the World Bank about the requirement of IDA-12 borrower countries to analyse core labour standards systematically. How is it intended that this requirement is met? Can DFID assist? Can the requirement be extended, in time, to all borrower countries?
4. Encourage the World Bank to include an analysis of labour issues in Country Assistance Strategies; offer to provide technical assistance to work with the Bank on improving diagnostic capabilities in this area.
5. Investigate the research work currently being undertaken by the World Bank on aspects of core labour standards; see whether there are opportunities for joint research (e.g. on the economic impacts of implementing core labour standards; on the way in which voluntary regulation mechanisms can complement public standards; on how best to improve labour law enforcement mechanisms).
6. Encourage the Bank to include core labour standards in all Social Assessments. These are increasingly being used as a Bank-wide process to identify the potential social impacts of Bank assisted projects, and to ensure stakeholder involvement in project design.
7. Most Bank lending projects involve construction work. On this: maintain and strengthen dialogue with World Bank, IFC and international trade unions on how to improve the conditions of construction workers through the contracting process. Better publicise DFID's own work in this area (Social Aspects of Construction Project) and use the findings to influence the WB and other actors.

Encourage the World Bank to develop full and regular co-operation with the ILO, business and trade unions at both an international policy level and a national programme level. It is important that the World Bank does not address core labour standards issues in isolation. In particular the Bank should not usurp the ILO's role.

In order to work more closely with the World Bank on core labour standards DFID will need to monitor the labour standard policy issues being discussed within the Bank, and keep abreast of any agreements made between the Bank and other institutions (e.g. with the international trade unions, with IFC and MIGA, with the US Treasury Department). Labour standards issues are not located in one department within the Bank and contact therefore needs to be maintained with the different individuals and units where labour standards work is being carried out.

Some of the above proposed actions relate to policy level issues which are 'located' in Washington and it is appropriate that dialogue will be mainly with DFID London. However, there are also important ways in which DFID staff located in regions and countries can work with, and influence, the World Bank on core labour standards. It is important that these are explored by regional divisions wishing to develop a regional or country level work programme on core labour standards.

The International Labour Organisation

We recommend that DFID seeks to improve dialogue with the ILO and increase joint work in areas where DFID has specific expertise and interest and where the ILO would welcome DFID co-operation. Increased co-operation with the ILO needs to be developed with a clear appreciation of DFID's role relative to other institutions, including other Whitehall departments. Good communication and co-ordination with the rest of Whitehall, particularly with DfEE, the lead UK agency in relation to the ILO, is therefore vital.

The ILO is the main international institution concerned with both setting international labour standards, promoting them and helping governments to implement these standards. DFID's engagement with the ILO has been positive to date but confined to particular issues. There are good opportunities for extending and enhancing co-operative work. However, because the ILO is currently undergoing a significant process of organisational change it may be premature to suggest what the nature of that work should be. Certainly, when the change process is complete the ideas suggested here should be reviewed.

If DFID is going to work effectively with the ILO - at a policy and operational level - then it needs to appreciate the absolute importance of its tripartite structure. This is reflected from the very top of the organisation in Geneva to the way in which the ILO operates on the ground in country. Whatever the context or issue, engaging with the ILO therefore means working with the trade unions, the employers representatives and the government.

Bearing in mind all of above, a number of strategic actions are suggested. The aim of each is to enable DFID, in full co-operation with DfEE, to forge better relations with the ILO, to utilise the expertise and skill to be found in the ILO and to ensure that DFID staff become more knowledgeable about the work of the ILO.

Suggested actions by DFID in relation to the ILO are:

1. Build on current areas of work with ILO on child labour, i.e. initiatives with IPEC in Pakistan, India, Tanzania and the Mekong Basin. These are areas where DFID has an important perspective and set of skills. Build on other current joint initiatives. For example, assess the outcomes from the ILO freedom of association work in Indonesia, funded by DFID.
2. In the light of the identification of co-operative initiatives in country, consider setting up a small number of operational programmes to prototype further co-operation. Given DFID expertise, three possible priorities are: the promotion of the Fundamental Declaration; labour rights promotion in the informal sector; and incorporating ILO standards in labour-intensive infrastructure work.

3. Once agreements on technical co-operation are more formally established, DFID and DfEE may wish to seek a regular meeting with the ILO to discuss technical co-operation matters along the lines of the meetings held annually with other northern European states.
4. When appropriate, DFID encourage governments to utilise the offices and expertise of the ILO to develop a more effective framework of labour legislation and consider providing additional funding to assist this process where appropriate.
5. DFID consider developing a manual on labour standards for use by DFID staff. This manual could set out practical ways to work towards promoting core labour standards in a development context - ideally it would be produced with ILO assistance.
6. Identify areas where there could be ILO involvement in DFID's existing work on social responsible business, such as the ETI. DFID already has some experience in working on socially responsible business and the ILO is also moving towards work in this field. Such co-operation might be mutually beneficial for the ILO and the ETI. (As a preliminary step to this the DfEE, and DTI, need to be more actively involved, or at least appraised, of initiatives such as the ETI and SRBRC.)
7. Ensure DFID staff appreciate and use the technical expertise of the ILO in implementing strategic and practical work in country on core labour standards wherever this is practicable.

In order to undertake the strategic activities mentioned above DFID needs to build its own institutional understanding of the ILO in co-operation with the DfEE. In this context, DFID may wish to discuss the benefit of funding a member of staff located in the ILO. One of the outcomes of this post would hopefully be the development of the relationship between the two organisations on an international and a country specific basis.

Other international institutions

There are many other international institutions with which DFID works on a policy or programme level - the EU, UN institutions, the regional development banks, international financial institutions. We recommend that it should be DFID's aim to encourage all of these institutions, over time, to see the promotion and implementation of core labour standards as part of their 'normal' international development work.

DFID already liaises with some of these institutions on core labour standards: for example, with UNICEF on child labour, with CDC in the context of their social issues policy. However, core labour standards is a relatively new area of work for most of these institutions and they are currently in the process of developing their own policy stance and, where relevant, operational procedures. They have yet to develop partnerships with others, including DFID. Nor may they currently see DFID as a potential partner - so there is much to be done.

All DFID staff, whether based in London or in partner countries, need to be aware of the opportunity for policy influence and practical work on core labour standards with these institutions. 'Influence' may mean a number of things: encouraging institutions to introduce policies, mission statements or procedures on core labour standards (this would be relevant to the development banks) or strongly supporting core labour standards issues within wider international conventions and conferences (e.g. in follow-up work to UN conferences). Any one intervention by DFID may not seem significant by itself and the impact may be difficult to measure. However, all institutions, including DFID, have an opportunity for influencing the policy environment - and this is the ultimate aim here.

DFID might work with other international institutions on core labour standards in the following ways:

1. With EU partners, help maintain the current high level of input to the preparatory process for UNGASS 2000; reaffirming at all relevant opportunities the importance of core labour standards in the Copenhagen objective to achieve full employment (including in the context of rendering the Social Policy Principles operational).
2. In the context of the follow up to Copenhagen, identify ways in which DFID can assist governments to implement practically such agreements as relate to core labour standards. For example, consider financial assistance to improve government reporting on labour standards issues in conjunction with UN DESA (e.g. possibly using the Social Assessment Trust Fund model which DFID has provided to enhance qualitative reporting against WSSD).
3. Identify country programmes run by UN Funds and Programmes agencies which focus specifically on core labour standards, for example, UNICEF (child labour), UNIFEM (non discrimination) and UNIDO (including core labour standards in UNIDO's work on industry standards). Consider joint programmes with these organisations.
4. Specifically with CDC: work more closely on the implementation of their 'Social Issues Policy and Procedures' which incorporates core labour standards. Assist CDC in the identification of particular problem implementation issues and consider offering technical co-operation support to address these.

Objective 2

To develop a more effective working relationship with trade unions to promote the understanding and implementation of core labour standards.

Trade unions are central to activities to promote core labour standards. The *raison d'être* of trade unions is to promote workers' rights and, therefore, core labour standards. Further, the core labour standards of freedom of association and collective bargaining will often only be achievable through independent organisations of workers. While accepting that there are many circumstances where trade unions will not represent all workers, this takes nothing away from their legitimacy to represent the views of their members. Trade unions importance in relation to core labour standards is emphasised by the special status they enjoy in relation to the ILO.

In order to work more effectively with trade unions, DFID will need to improve its internal understanding of trade unions, both in the sense of how trade union structures operate and in terms of the most effective ways of working with them. A parallel requirement is that trade unions and their members need to develop a better understanding of DFID's structures, objectives, work and vision for international development. This includes seeing core labour standards as a route to development and appreciating the importance of strategies to reach out to the poorest, particularly those in the informal sector who are not organised.

There is a range of activities that DFID could pursue in relation to working with trade unions - international, UK-focused and country-based. Most importantly, DFID needs to develop better partnerships and common platforms with the trade union movement to take forward core labour standards work. This could be achieved by developing and publicising common positions held by the UK and international trade union movement and DFID - a commitment signalled by the Secretary of State in her speech to the TUC in 1999.

Suggested actions by DFID to achieve a 'common position' with the trade unions include:

1. Jointly publish with the TUC and/or the ICFTU a publication or a series of publications on approaches to promoting and implementing core labour standards. This publication could be circulated widely within the trade union movement, within DFID and within

other international development agencies. A jointly organised conference may be an appropriate forum to launch such a publication

As noted above, to achieve such a common position DFID and the trade unions need to understand each other better. DFID needs to better understand how trade unions operate and the role they can and do play in promoting core labour standards and eliminating poverty.

Suggested actions by DFID include:

2. Support the establishment of regular meetings and consultation structures involving unions, NGOs and DFID to share information and explore ways of working together on core labour standards. Such meetings could take place in the UK, in other countries and at an international level, bringing in the ITSs and the ICFTU.
3. Ensure that there is a process of consultation with trade unions in country prior to the drafting of all DFID Country Strategy Papers.
4. Organise training courses/workshops with trade unions - both in the UK and internationally - to discuss specific core labour standard, including the role of trade unions. Where relevant to a country office wanting to forge better links with trade unions, consider trade unions as research partners.
5. Support projects that are aimed at promoting development awareness education amongst trade union members, both through the Challenge Funds and through country programme budgets.
6. Positively encourage and support joint trade union and NGO projects, e.g. joint proposals for training and research on labour issues.
7. Identify ways to put international labour standards issues onto the agenda of collective bargaining and consultation structures that bring together companies and unions in the UK and Europe.

Finally, there is a need for DFID to review the funding scheme for trade union support. In the past there has been some confusion and disappointment in relation to the funding of trade union activities, particularly in the light of the review of the Workers Group Development Scheme. DFID therefore needs to develop a sustainable, transparent and effective means of providing financial support to appropriate trade union activities, including those that focus on labour standards. Suggested actions to progress towards a new funding regime are:

8. Implement the accepted recommendations of the review of the Workers Group Development Scheme, noting the specific recommendations on training and research.
9. Establish an interim source of non-matched ring-fenced funds to ensure that trade union work does not suffer during the very important period of transition from the WGDS form of funding to a more integrated funding model, including through the Challenge Funds. A proportion of these ring-fenced funds could be directed at training, collaborative exercises, research and liaison.
10. Review the issues around the ability of trade unions to respond to any requirement to provide matched funding for projects in order to assess whether trade union objections are real or a result of structural and organisational factors that can be overcome.
11. Explore the possibility of encouraging the establishment or development of a separate trade union-linked organisation that carries out core labour standards and development work along the model that is found in other northern European countries.

Objective 3

To support initiatives which aim to improve labour standards for informal sector and home-based workers, including women and migrant workers

Workers in the informal sector are the poorest and most vulnerable; they are also the least protected by national law and trade union representation. Their ‘invisibility’ under national law and their lack of organisation makes it extremely difficult to improve their labour conditions and enhance their security. Ensuring that these workers are effectively protected with regard to core labour standards is a great challenge. However, it is in regard to these workers that the implementation of core labour standards could most obviously contribute to the alleviation of poverty.

There are two ways in which DFID can make a difference. The first is within the international policy context: to stress the absolute importance of ensuring that international conventions, agreements or programmes of action on labour standards explicitly address informal sector workers. This reflects the position of the ILO and is in line with Copenhagen objectives.

The second way DFID can make a difference is at country level. Any DFID assisted project which involves local contractors will involve informal workers, e.g. in urban or rural infrastructure, water supply or sanitation work. Influencing the labour conditions of these workers is a practical possibility as they are contracted - or subcontracted - to work for the project. More generally, at country level there is the chance to support the efforts of organisations - including trade unions and NGOs - who are already working to improve the conditions of workers in this sector.

Suggested action by DFID:

1. In dialogue with international agencies, EU partners and national governments ensure that the rights of informal sector workers are explicitly mentioned in all agreements which deal with labour standards (e.g. in international conventions, in national labour law, indeed, in any document which deals with labour standards).
2. Encourage international partners not just merely to look to a general category of ‘informal sector’ workers, but to appreciate and address the diverse needs of this group, e.g. women, of homeworkers, of migrant workers, of child workers.
3. Explore possibilities for country specific research on the forms of protection most needed by specific groups of informal sector workers.
4. Identify sector programmes which directly impact on informal sector workers, including home-based and migrant workers. Identify the groups involved, including and particularly women (e.g. women farm-workers who migrate to find seasonal employment, home-based workers involved in ‘income generation’ projects, ‘voluntary’ health or education workers). Identify ways of addressing the labour standard priorities of these groups.
5. Use existing experience (e.g. the findings of the ‘Social Aspect of Construction project’) to question existing projects which involve physical works. Issues to consider may include: whether voluntary, unpaid, labour being used in the name of ‘encouraging greater ownership’ or ‘participation’? If so, is this, in effect, a form of forced labour? Are the practices discriminatory by reference to gender? (Note: the ILO has undergone a similar process of questioning in terms of its own technical co-operation projects.)
6. Ensure Country Strategy Papers reflect innovative work and new objectives to address the labour standards of informal sector workers.

7. Identify those trade unions, NGOs and businesses which are specifically campaigning or working with informal sector workers, including home-based workers. Identify ways of supporting their efforts e.g. through country programme financing or by encouraging them to apply for Civil Society or Business Partnership Challenge Funds.

Objective 4

To increase public awareness and understanding of core labour standards in the UK, and in developing and transition countries

Growing public awareness of the environmental and social impacts of domestic and multinational business activity has been an important impetus to change in both north and South. Public criticism of issues such as child labour can lead to immediate and far-reaching responses by government and business. The speed of such responses testifies to the efficacy of public opinion in bringing about change.

However, if the issues are not well understood then public pressure can be counter-productive. The response of employers and governments to exposes of child labour, sweat-shop conditions or other labour rights abuses can result in lay-offs or closures which actually increase the vulnerability of the poorest. 'Public awareness' in this context therefore refers to the need to ensure that the public - civil society, including the media - is well informed about the issue as a whole and, in advocating change, takes as the starting point the priorities of the most vulnerable, i.e. those they seek to help and represent.

There are already a number of existing DFID channels and mechanisms to increase public awareness of labour standards both in the UK and in countries where DFID has a development programme. The first task is to build on these.

Suggested action for DFID:

1. Ensure all future Country Strategy Papers indicate the way in which they will help build national public awareness of development issues, including labour issues pertinent to that country.
2. Encourage applications which deal with labour standards issues for funding under the Civil Society Challenge Fund. Ensure each project has a dissemination strategy aimed at informing the UK public and the public in the country concerned.
3. Better publicise the 'Building Support for Development Strategy' and the existence of the Development Awareness Fund and put labour standards firmly on the agenda of the programme and fund. The fund could be an excellent channel for informing the UK public about the development issues involved in labour standards.
4. Request the Social Dimensions of Business Partnership Resource Centre (facilitated by the Prince of Wales Business Leader's Forum) to include labour standards issues on the WEB site they are setting up. Consult with the SDBP Resource Centre on other ways to significantly raise public consciousness of labour standard issues in the UK and internationally.
5. Discuss with the members of the ETI Board (businesses, NGOs and trade unions) a strategy to ensure the awareness they have gained of the issues involved in implementing voluntary codes are eventually disseminated to a much wider UK and international public. This could be done in a number of ways, e.g. through opening the current series of seminars to a wider audience, encouraging responsible press coverage, commissioning a video of learning to date.
6. Hold workshops/meetings/training sessions (in conjunction with ILO if possible) which bring together government, trade unions, NGOs and employers federations to discuss

labour standard issues relevant in a particular country or region. Social dialogue centred around a specific issue on which DFID is already working may be a good place to start, e.g. child labour.

7. Support joint action research involving several actors, e.g. government-union -NGO initiatives to work on a particular labour issue (similar to the successful tripartite model established by ETI). Disseminate findings widely - in the UK and the country concerned.

Objective 5

To support national governments in their efforts to implement labour standards

DFID works in partnership with developing and transition country governments. Core labour standard issues have arisen in different aspects of DFID's country programmes and DFID has responded to government requests for support whenever possible. For example, the government of Kerala has recently requested help to identify core labour standards issues in the context of community contracting. Other programmes, for example on child labour, have also arisen out of dialogue with the governments concerned. DFID's in-country presence facilitates its ability to respond flexibly to requests for assistance on core labour standards.

In the future DFID will continue to respond to requests, but should be more proactive in initiating dialogue on core labour standards - so it is clear to partner governments that DFID is prepared to offer support in this area.

If a technical co-operation programme with the ILO is agreed in the future, it is likely that the ILO itself will approach DFID for technical co-operation and funding for core labour standards work. Because a technical co-operation agreement is not yet in place it is difficult to identify the substantive issues on which DFID co-operation might be required - and this will depend on the context. The following points are not therefore 'suggested action' points but possible areas where DFID support may be required.

DFID should be ready to respond to requests from ILO for support to:

1. Ensure labour law is relevant and comprehensive with no loopholes and also protects informal sector workers.
2. Assist in the drafting of new labour legislation (relevant in countries moving from a command to a market economy).
3. Train labour inspectors on the provisions of labour law.
4. Help develop systems to improve monitoring and enforcement.
5. Train workers' representatives on the provisions of labour law their role in its application and enforcement in specific sectors/industries.

At a recent meeting with the ILO in Geneva the area of 'social dialogue' was identified as a particular area of potential DFID support. Improving social dialogue is one of the ILO's four main areas of activity. In the context of core labour standards this would involve increasing opportunities for social dialogue to promote understanding, consensus and action on core labour standards.

Again, it is difficult to second guess the outcome of a technical co-operation agreement with the ILO, but actions to further social dialogue could involve:

6. Holding workshops/meetings/training sessions which bring together government, trade unions, NGOs and employers federations to discuss labour standard issues relevant in that country. Social dialogue centred around a specific issue on which DFID is already working may be a good place to start, e.g. child labour.

7. Supporting joint action research involving several actors, e.g. government-union-NGO initiatives to work on a particular labour issue (similar to the successful tripartite model established by ETI).

Objective 6

To influence private sector business to adopt labour standards in a way which helps eliminate poverty

DFID's relations with private sector business is growing but is still relatively limited. Much existing contact - in the UK and in countries where DFID has programmes - aims to improve the development impact of commercial activities and/or encourage firms to develop and apply socially responsible business principles. Despite this work most DFID staff do not have regular contact with the private sector and do not come from a business background. In the light of this it makes sense for DFID to be selective and focused with its work with private sector business on labour standards.

There are several ways in which DFID can build on and extend current contacts. For example, there is scope for putting labour standards higher on the agenda of existing business partners - including contracting companies who undertake DFID assisted work - and addressing labour standards more directly in DFID's own programmes. As a government department DFID can play an important role in identifying and disseminating good business practice to a wider public - both in the UK and in partner countries. It is important in the context to involve other government departments, particularly the DTI.

There is also an opportunity for promoting labour standards through DFID's own procurement process. Any dealing with a business supplying goods or services to DFID employs labour. And any business supplying services can therefore be required to adhere to core labour standards through a contract compliance policy. At the time of writing the development of such a policy is being considered.

We recommend that in selecting partners to work with on labour standards DFID appreciates the importance of 'champions' - businesses who are standard setters for their industry or sector. They may be the smallest local employer or a multinational corporation - whatever their size, they are crucial to influencing the business environment. Both within the UK and in partner countries DFID can develop links with these 'standard setters' and support their efforts to comply with national regulation, apply voluntary codes or positively influence national policy on labour standards.

Suggested action for DFID in influencing private sector business includes:

1. Ensure the businesses supported by Business Partnerships Unit, and particularly recipients of the Award Schemes, appreciate the importance DFID gives to labour standards and implements them in terms of their own practice.
2. Learn from business members of ETI the practical issues of implementing labour standards in developing countries. Consult them on issues relating to voluntary codes. Facilitate wider DFID access to ETI partners and assist in publicising the existence of ETI and the lessons that have been learned from the initiative.
3. Ensure the issue of labour standards is high on the agenda of the 'Social Dimensions of Business Practice' Resource Centre and that the Centre incorporates labour rights issues into all its services (e.g. its information, advisory and consultancy services, its research and pilot projects).
4. Liaise with CDC as an entry point for business information in developing and transition countries.

5. Identify national 'standard setters', those businesses which already have a track record in socially responsible business (e.g. Tata in India). Identify the extent to which they are currently promoting and implementing labour standards. Give appropriate support, e.g. assist in disseminating good practice.
6. Identify local standard setters who have contact with a DFID assisted programme, e.g. because they are private contractors supplying goods or services to a project. Use this opportunity as a window to put labour standards on to the project agenda. Help boost their profile through facilitating their involvement in workshops, seminars, e.g. to outline the business arguments for applying labour standards.
7. Seek to apply any core labour standards guidelines subsequently developed by DFID on procurement.

Annex 1

What are Core Labour Standards?

The key focus of the study is to determine when the best ways in which DFID can contribute to the implementation of core labour standards. This necessitates an understanding of what constitutes core labour standards. While there are a wide range of issues around the question of what are good or bad labour practices, and there many legal definitions on the question of labour standards, there is a general consensus on what constitutes internationally accepted core labour standards.

The legal standards relevant to labour issues include the international conventions of the International Labour Organisation, provisions of international human rights instruments, regional standards on human rights and labour law, national labour and constitutional law and sub-national or workplace based legislation. This annex looks at the international standards that are applicable for defining core labour standards for DFID's purposes; it also identifies some of the practical issues that can arise in interpretation and implementation.

It should be noted that each of the issues discussed below will normally be covered by provisions at a regional or national level and these will be more detailed and relevant than the international conventions and norms outlined here. The national law should always be the first port of call when assessing a problem on a country basis; international standards are relevant only where there are considered to be discrepancies in the national law. It should also be noted that international standards are formulated in such a way as to apply to States and, therefore, procedural elements of the standards will not apply to private individuals.

Core labour standards – the human rights approach

The obvious starting point for identifying what are core labour standards is to consider those rights and obligations which, in international law, are considered to be fundamental or 'irreducible'. Essentially what this means is that they are the rights that every country should ensure exists for all its citizens, regardless of their status or the level of development of the country in question.

Over the years the international consensus on labour standards has led to the identification four categories of rights that are considered to be absolutely fundamental. These rights are most forcefully restated in the ILO's Declaration on Fundamental Principles and Rights at Work adopted in 1998. This declaration contains what are generally considered to be the 'human rights' provisions of international labour law - namely those labour-related provisions to be found in other international instruments such as the Universal Declaration of Human Rights, plus rights and obligations related to child labour.

ILO Declaration on Fundamental Principles and Rights at Work

The essence of the Declaration is to place the following four categories of labour rights at the very core of the ILO membership. These four categories are:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

These four groups of rights can be broken down by reference to specific ILO Conventions (as is explained below). However, the point of the Declaration is that they should be taken as a

group of rights that every Member State of the ILO must comply with regardless of whether that State has actually ratified any or all of the relevant individual conventions.

Freedom of association and a collective bargaining

The right to freedom association is often considered to be the primary core labour standard. The important factor about freedom of association is that it is essentially an ‘enabling’ right which allows workers, and employers, to join together to promote their interests. As such, freedom of association is a means of facilitating the realisation of further rights, rather than just a right in itself. Without the right to organise workers stand in danger of being isolated and powerless. While trade union freedoms are central to the understanding of freedom of association, it is important to note that the concept does not only apply to formal trade unions in the sense that these organisation are understood in the North, but to the right of any group of workers, or employers, to associate with each other.

The respect for freedom of association and the health of a country’s trade union movement is often seen as a fair indicator of the strength of democracy in that country.

The right to freedom of association is also found in a wide range of important international legal and quasi-legal documents. For example, article 23(4) of the Universal Declaration of Human Rights states that ‘everyone has the right to form and to join trade unions for the protection of his interests’. The right to freedom of association is generally considered to be a key civil and political right as well as of being a particularly important right in the context of the workplace. All relevant regional human rights instruments also contain provisions relating to freedom of association.

The ILO’s key Convention No.87 on the right to Freedom of Association has traditionally been considered so important that all member states are subject to scrutiny by reference to its standards regardless of whether they have actually ratified it. The right to freedom of association as developed through the supervisory mechanisms of the ILO, in particular the Committee on Freedom of Association, relates to workers and those who employ them in the broadest sense - not just employees, but also home workers, the self-employed, etc. The concept of freedom of association has, amongst other things, been also held to cover: the right to strike (with some limited exceptions for the public sector and emergency situations); the right to independence from government and employer interference; the right to form federations of trade unions and affiliate to international organisations; and the right for trade unions to elect officials and organise their own affairs. The fact that there is regular scrutiny of Convention 87 through the Committee on Freedom of Association has led to the development of a wide range of precedents on particular issues.

In addition, ILO Convention 98 on the Right to Organise and Collective Bargaining provides for protection against anti-union discrimination, for protection of workers’ and employers’ organisations against acts of interference by each other, and for measures to promote and encourage collective bargaining. Article 1 of Convention 98 provides that workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment, both on recruitment and during employment.

The protection shall apply particularly to acts calculated to:

- make the employment of a worker subject to the condition that he or she shall not join a union or shall relinquish trade union membership;
- cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.

Convention 98 also places an obligation on states, where possible, to promote collective bargaining through measures that are appropriate to national conditions.

Child labour

There are five kinds of regulation that States can adopt to deal with child labour, all of which are reflected in ILO Conventions. They are:

- the setting of a minimum age for admission to employment or work;
- the immediate suppression of the worst forms of child labour as the priority of national and international action;
- the prohibition of young persons from working at night;
- the requirement that working young persons under the age of 18 be found fit to work by undergoing a medical examination; and
- recommendations for the conditions of employment of persons under the age of 18 underground.

The first approach is reflected most obviously in the terms of ILO Convention 138 concerning Minimum Age for Admission to Employment. This Convention provides that the minimum age should not be less than the age for completing compulsory schooling and in no event less than age 15. For countries whose economic and educational facilities are insufficiently developed the age can be set at 14, with the understanding that this will be increased over time. A higher minimum age should be set for hazardous work. This age may not be less than 18. The Convention provides that the types of employment or work deemed to be hazardous shall be determined by national laws or regulations or by the competent authority, leaving it to individual countries to determine the content of these activities.

There is, however, also a provision in Article 7 of the Convention which states that in the case of light work the minimum age can be set at 13 years, or 12 years where the economy and educational facilities are insufficiently developed. Light work is defined as work: (i) which is not likely to be harmful to the health or development of children; and (ii) which is not such as to prejudice their attendance at school or their capacity to benefit from the instruction received.

In recent years more and more attention has focused upon the international approach to dealing with the problems of child labour. The International Labour Conference of 1999 specifically addressed the issue of child labour and adopted a Convention on the Worst Forms of Child Labour (Convention 184). While this convention in no way supplants the previous conventions on child labour, it does give some policy and practical impetus to work around child labour that prioritises dealing with child labour in its most extreme forms.

The worst forms of child labour are defined as follows:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

In relation to these forms of child labour States must take measures to identify where it is prevalent and, taking into account the importance of education in eliminating child labour, take effective and time-bound measures to:

- prevent the engagement of children in the worst forms of child labour;

- provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration;
- ensure access to free basic education, and, wherever possible and appropriate, vocational training, for all children removed from the worst forms of child labour;
- identify and reach out to children at special risk; and
- take account of the special situation of girls.

In addition to the ILO provisions, there are a number of other more general statements on child labour to be found in international instruments. For example, Article 32(1) of the Convention on the Rights of the Child provides that States should recognise the ‘right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous to interfere with the child’s education, or to be harmful to the child’s health or physical, mental, spiritual, moral or social development’. Article 32(2) provides that in implementing Article 32(1) States shall, in particular:

- Provide for a minimum age or minimum ages for admissions to employment;
- Provide for appropriate regulation of the hours and conditions of employment;
- Provide for appropriate penalties or other sanctions to ensure the effective enforcement.

In doing the above States are directed to have regard to other relevant provisions of international instruments, including the ILO conventions set out above.

Forced labour

There are two ILO Conventions dealing specifically with the issue of forced labour. Further, a number of international instruments address the issue of forced labour including the Universal Declaration of Human Rights which provides in article 23 that ‘everyone has the right’s free choice of employment’. Specific conventions passed by the United Nations include the 1956 Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery. The two relevant ILO conventions are the Forced Labour Convention of 1930 (No.29) and the Abolition of Forced Labour Convention of 1957 (No.105).

Forced Labour Convention, 1930 (No. 29)

Countries which have ratified the Forced Labour Convention undertake ‘to suppress the use of forced or compulsory labour in all its forms within the shortest possible period.’ The Convention requires immediate action by States. Over the years the Convention has been the most widely ratified of all the Fundamental ILO Conventions. Of the 174 ILO member States 150 had ratified the instrument as of 9 June 1999. 140 member States have ratified the Abolition of Forced Labour Convention, adopted in 1957 to abolish forced labour for particular purposes.

According to the Convention forced labour is ‘all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.’ For the purposes of the Convention, the term ‘forced labour’ does not include such obligations as military service; work or service which is part of normal civic obligations; work or service exacted as a consequence of a conviction in a court of law, under certain conditions; work exacted in cases of emergencies such as wars, fires, earthquakes, etc.; and minor communal services as defined in the Convention (see below). The Convention requires ‘really adequate’ and strictly enforced penal penalties at the national level in cases of illegal exaction of forced or compulsory labour.

Abolition of Forced Labour Convention, 1957 (No. 105)

This Convention prohibits the use of any form of forced or compulsory labour as a means of:

- political coercion or education, or punishment for the expression of political or ideological views,
- workforce mobilisation for purposes of economic development,
- labour discipline,
- punishment for participation in strikes, or
- racial, social, national or religious discrimination.

Practical note 1 - Debt bondage

International law is quite clear on the application of the standards on forced labour to debt bondage. The most specific provisions are to be found in Article 1 of the Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery. This Article prohibits ‘(a) Debt bondage, that is to say, the status or condition arising from a pledge by a debtor of his personal services or of those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined’.

The ILO Committee of Experts is clear that the terms of the Forced Labour Convention prohibits bonded labour. In particular Article 2(1) which describes Forced Labour as ‘all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.’

Practical note 2 - Community Labour

Article 2 Paragraph 2(e) of Convention 29 provides that the following does not constitute forced labour: minor communal services of a kind which, being performed by the members of the community in the direct interest of the said community, can therefore be considered as normal civic obligations incumbent upon the members of the community, provided that the members of the community or their direct representatives shall have the right to be consulted in regard to the need for such services. In defining the meaning of this paragraph, the Committee of Experts of the ILO have stated that:

- the services must be ‘minor services’, i.e. relate primarily to maintenance work and - in exceptional cases - to the erection of certain buildings intended to improve the social conditions of the population of the community itself (a small school, a medical consultation and treatment room, etc.);
- the services must be ‘communal services’ performed ‘in the direct interest of the community’, and not relate to the execution of works intended to benefit a wider group;
- the ‘members of the community’ (i.e. the community which has to perform the services) or their ‘direct’ representatives (e.g. the village council) must ‘have the right to be consulted in regard to the need for such services’.

Discrimination

There are numerous provisions of international law that deal with the question of discrimination. Often the provisions are general civil rights to non-discrimination which are as applicable in the employment context as any other. The relevant ILO conventions, No.100 and No.111, are employment specific.

Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

This Convention calls for a national policy to eliminate discrimination in access to employment, training and working conditions, on grounds of:

- race,
- colour,
- sex,
- religion,
- political opinion,
- national extraction or
- social origin

Discrimination is defined as any distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national extraction or social origin (or any other motive determined by the State concerned) which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. The scope of the Convention covers access to vocational training, access to employment and to particular occupations, and terms and conditions of employment.

The Convention assigns to each State which ratifies it the aim of promoting equality of opportunity and treatment by declaring and pursuing a national policy aimed at eliminating all forms of discrimination in respect of employment and occupation. Having ratified this Convention, Member States undertake to repeal any statutory provisions and modify any administrative instructions or practices which are inconsistent with this policy, and to enact legislation and promote educational programmes which favour its acceptance and implementation in co-operation with employers' and workers' organisations.

Equal Remuneration Convention, 1951 (No. 100)

This Convention calls for equal pay for men and women for work of equal value. States having ratified the Convention are obliged to promote and, in so far as is consistent with the methods in operation for determining rates of remuneration, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.

The Convention applies to basic wages or salaries and to any additional emoluments whatsoever, payable directly or indirectly, in cash or in kind, by the employer to the worker and arising out of his or her employment.

The Convention defines equal remuneration for work of equal value as remuneration established without discrimination based on sex.

This principle may be applied by means of national laws or regulations, legal machinery for wage determination, collective agreements or a combination of these various means. One of the means specified for assisting in giving effect to the Convention is the objective appraisal of jobs on the basis of the work to be performed. The Convention provides that governments shall co-operate with employers' and workers' organisations for the purpose of giving effect to its provisions.

Annex 2

DFID support for core labour standards: examples of current work

DFID has significantly increased its support for the promotion and implementation of core labour standards in its policy and programme work over the last two years. The examples below are not comprehensive but illustrate the range of work in which DFID is currently involved at country and regional level, and internationally.

Because core labour standards are a relatively new area of work for DFID a great deal of initial effort has been put into building up relationships with individuals and organisations who are themselves able to promote core labour standards. Such relationships are vital for the development of collaborative work.

In addition, DFID has begun to build its own knowledge base around core labour standards and has already set in place structures to respond to requests by businesses for help on the social aspects of business practice.

Country and regional programme work

The following are examples of ongoing work on core labour standards:

Nepal. A study on the impact of different interventions around child labour in the carpet industry. Another study is looking at the issue of labour migration and workers' rights.

India. Assistance to the ILO to work with government institutions, the private sector and civil society in Andhra Pradesh to develop a state-based approach to tackling the problem of child labour.

China. As part of its support to the reform of state-owned enterprise, assistance to the Ministry of Labour to maintain health and safety standards in reformed enterprises.

Bangladesh. A number of projects providing educational and other services to working children are underway. For example, a study to consider child labour issues in development programmes; a project to provide reproductive health care to workers in garment factories.

Vietnam. DFID is supporting a study by Pentland into corporate responsibility in shoe factories.

Indonesia. Support for trade union development through the ILO.

South-east Asia. Support to the ILO to develop a regional programme to tackle trafficking in women and children.

Pakistan. Assistance to Save the Children for a project in Sialkot tackling child labour in the football stitching industry.

Mozambique. Work with the World Bank and the Ministry of Trade and Industry to ensure that grants to small and medium enterprise are only given to firms respecting core labour standards.

Zimbabwe. Support to the Farm Community Trust to promote the rights of workers on large commercial farms.

Tanzania. Assistance to the ILO to investigate child labour issues in the mining industry.

Zambia. DFID has supported the Chamber of Commerce in developing a code of conduct for its members.

DFID supports universal primary education programmes in a number of countries. The provision of quality and accessible primary education for all children can help reduce child labour.

Promoting core labour standards internationally

Promotion of labour standards internationally takes place in conjunction with relevant Whitehall departments. To date most work on labour standards has been undertaken with the World Bank and the ILO. DFID is the lead agency with respect to the World Bank; DfEE leads with respect to the ILO.

Examples of current work are:

- Supporting the formulation by the World Bank of Social Policy Principles which include the protection of core labour standards.
- Organising (through the UK Delegation to the World Bank) a high level seminar between Bank officials and a visiting delegation from the International Confederation of Free Trades Unions.
- Support to the Global March on Child Labour. Assistance to the ILO's International Programme for the Elimination of Child Labour (IPEC), for both country programmes and core activities. Core support to the ILO's More and Better Jobs for Women.
- With the election of the new Director General to the ILO, DFID provided support to the transition process by funding an international seminar on social protection for workers.

Building relations with the trade unions, business and NGOs

Support to trades union activities in developing countries has traditionally been through the Commonwealth Trades Union Congress and the Workers' Group Development Scheme. In the last two years regular dialogue has been established with the TUC, the ICFTU and the International Trades Secretariats, as well as with individual British trades unions interested in promoting core labour standards in poorer countries.

DFID is providing financial support to the Ethical Trading Initiative, a consortium of UK retailers, NGOs and representatives of the international trades union movement. The aim of the ETI is to monitor supply chains on the basis of agreed codes of conduct.

The Commonwealth Development Corporation has adopted a set of Business Principles which include a requirement for comprehensive labour standards in all the businesses in which CDC invests.

In 1998 DFID organised a workshop for trades unions and NGOs from North and South to share experience in tackling child labour. Support to Save the Children and Anti-Slavery International for projects in six countries (each NGO) which promote implementation of the Convention Worst Forms of Child Labour.

Developing a knowledge base, and resources, for core labour standards work

In 1999 DFID established a Resource Centre for the Social Dimensions of Business Practice to provide businesses with knowledge and skills concerning the social impacts of business.

Guidance and research studies on core labour standards are also supported. For example:

- A guide on understanding and implementing the new Convention on the Worst Forms of Child Labour (under preparation);
- A paper on child labour in Asia (1999);

- A mapping exercise of trade unions;
- A review of company codes of conduct (1998);
- A position paper on trafficking and child sexual abuse;
- In addition, a pilot programme monitoring the impact of the application of core labour standards in DFID-funded construction projects in Ghana, Zambia, India and Bangladesh (the 'Social Aspects of Construction' study).

Annex 3

The Consultation Process

This document was prepared following a consultation process with a wide range of institutions and individuals. The consultation process was an opportunity to inform key stakeholders that this study had been commissioned and would provide the basis for a DFID strategy on core labour standards. It was also an opportunity to gain a fuller understanding of the current work of those organisations which help define promote or implement labour standards, and to elicit their ideas on areas for future collaboration.

The discussion process began with a briefing by the Secretary of State and the Minister for International Development in July 1999. A cross-Whitehall Steering Group was convened at the same time to provide overall direction to the study and provide critical feedback on initial drafts.

The main consultation process took place between July and September 1999. The consultants met with representatives of UK-based trade unions, NGOs and business, other Whitehall departments and with DFID's own staff. The trade union meetings were convened by the International Department of the TUC and brought together representatives of all of the major UK trade unions. The NGO meetings were convened by the network of NGOs involved in the Ethical Trading Initiative. The business meeting was convened by the Prince of Wales Business Leader's Forum. Discussions with multilateral and bilateral agencies were conducted via email and telephone. A visit was made to the ILO in August in conjunction with the DfEE.

In Whitehall meetings were held with the FCO, DfEE, DTI and the PIU, Cabinet Office.

List of individuals providing information during the consultation process

UK Government

| | |
|-----------------|------|
| Paul Ackroyd | DFID |
| Andrew Bennett | DFID |
| Frank Black | DFID |
| Richard Calvert | DFID |
| Maria Cushion | DFID |
| Glynis Davies | DFID |
| Rosalind Eyben | DFID |
| Annie Feltham | DFID |
| John Hodges | DFID |
| Jessica Irvine | DFID |
| Catriona Laing | DFID |
| Richard Manning | DFID |
| Moira Marshall | DFID |

| | |
|--|---|
| Helen Radcliffe | DFID |
| John Roberts | DFID |
| Paul Spray | DFID |
| Helene Stanley | DFID |
| Rosemary Stephenson | DFID |
| John Stuppel | DFID |
| Dee Sullivan | DFID |
| Neil Thin | DFID |
| Greg Toulim | DFID |
| Sue Unsworth | DFID |
| Judy Walker | DFID |
| Malcolm McKinnion | DTI |
| Jessica Irvine | Cabinet Office/DFID |
| Daniel Instone | Cabinet Office, Performance & Innovation Unit |
| Suma Chakrabarti | Cabinet Office, Performance & Innovation Unit |
| Marie Niven | DfEE |
| Sarah Bratton | DfEE |
| Keith Sequeira | DTI |
| Alastair Newton | FCO |
| Sam Selvadurai | FCO |
| Pat Samuel | Treasury |
| <i>Others (not trade union)</i> | |
| David Ould | Anti-slavery International |
| Chris Williams | C&A |
| Jane Turner | Central American Women's Network |
| Gabriella Culla | Commonwealth Development Corporation |
| John Marjoribanks | Commonwealth Development Corporation |
| Alice Chapple | Commonwealth Development Corporation |
| Peter Trusdale | Corporate Citizenship Company |
| Maggie Burns | ETI |
| Dan Rees | ETI |
| David Steele | ETI |
| Jane Tate | HomeNet |

| | |
|--------------------|---|
| Peter Brannen | ILO |
| Stephen Miller | ILO / UNDESA |
| Hubet Y. O. Danso | International Chamber of Commerce |
| Mick Blowfield | Natural Resources Institute |
| Andrew Norton | ODI |
| George Tarvit | Oxfam |
| Ruth Mayne | Oxfam |
| Lesley Roberts | Pentland Group |
| Julian Parr | Prince of Wales Business Leaders Forum |
| Robert Davies | Prince of Wales Business Leaders Forum |
| Fiona King | Save the Children Fund |
| Rachel Marcus | Save the Children Fund |
| Ros Tennyson | Social Aspects of Business Practice Resource Centre |
| Julie Shreaves | TUIREG |
| John Ball | TUIREG |
| Catherine Matheson | War on Want |
| Rob Cartlidge | War on Want |
| Gordon Betcherman | World Bank |
| Myles Wickstead | World Bank |
| Brenda Killen | World Bank |
| Barry Coates | World Development Movement |

Trade unions

Trade Union Congress Affiliates attending DFID consultation meetings

| | |
|------------------|--|
| Joe McCowen | Amalgamated Engineering and Electrical Union |
| Richard Fullem | Amalgamated Engineering and Electrical Union |
| Meryl Thompson | Association of Teachers and Lecturers |
| Mike Spahram | British Airline Pilots Association |
| Mark David Gray | Broadcasting, Entertainment, Cinematograph and Theatre Union |
| Joselyn Prudence | Chartered Society of Physiotherapy |
| Des Farrell | GMB |
| Geoff Hayward | Graphical, Media and Paper Union |

| | |
|---------------------|---|
| Paul Noon | Institution of Professionals, Managers and Specialists |
| Dave Green | National Union of Knitwear, Footwear and Apparel Trades |
| Paul Bennet | NATFHE |
| John Foster | National Union of Journalists |
| Pat Hawks | National Union of Teachers |
| Steve Sinnott | National Union of Teachers |
| David Griffin | National Union of Rail, Maritime and Transport Workers |
| John Ward | Society of Telecom Executives |
| Jenny Smith | Transport and General Workers Union |
| Les Ford | Transport and General Workers Union |
| Peter Booth | Transport and General Workers Union |
| Bandula Kothalawala | TUC |
| Jane Galloway | TUC |
| Joanne Segars | TUC |
| Maggie Dwyer | TUC |
| Simon Steyne | TUC |
| Tom Jenkins | TUC |
| Ed Sweeney | UNIFI |
| Caroline Annesley | Unison |
| Graham Markell | Union of Shop Distributive and Allied Workers |

Other trade union related bodies contacted

| | |
|----------------|---|
| John Evans | Trade Union Advisory Committee to the OECD |
| Annie Watson | CTUC |
| George Martens | ICFTU |
| Sue Longley | IUF |
| Neil Kearney | ITGWU |
| Marion Hellman | IFBWW |
| Carolyn Jones | Institute of Employment Rights |
| Tom Sibley | International Centre for Trade Union Rights |

Meetings with the International Labour Office

| | |
|-------------------------|--|
| Oscar de Vries Reilingh | Director, Central and Eastern European Team |
| Annette Ching | Programming Officer, Multi-bilateral Activities Section |
| Gabriele Stoikov | Office of the Director General |
| Guy Ryder | Chef de Cabinet |
| Anne Trebilcock | Office of the Director General |
| Kari Tapiola | Executive Director, Fundamental Principles and Rights at Work |
| Panudda Boonpala | Senior Programme Officer IPEC |
| Michael D Urminsky | Programme Specialist, Entrepreneurship & Management Development Branch, Enterprise & Co-operative Development Dept |
| Heribert Scharrenbroich | Regional Director for Europe & Central Asia |
| Lin Lean Lim | Manager, International Programme on More and Better Jobs for Women |
| Auret van Heerden | Special Action Programme, Export Processing Zones |
| Bill Brett | Vice-Chairperson of the Governing Body |

Annex 4

Other UK Government Departments and core labour standards

Department for Education and Employment

As the Whitehall Department with lead responsibility for the ILO, DfEE negotiated both the ILO Declaration on Fundamental Principles and Rights at Work and the new Convention on the Worst Forms of Child Labour on behalf of the UK Government and continues to lead in negotiations on the implementation of the follow-up to these instruments.

DfEE consults all Whitehall Departments in order to co-ordinate the UK position with regard to UK policy and legislation on all ILO standards, including the core labour standards. DfEE co-ordinates and submits the UK reports on compliance with all these standards. DfEE also actively promotes UK policies within the ILO e.g. active labour market policies, policies on lifelong learning and active ageing.

Cabinet Office: Performance and Innovation Unit

In the context of the forthcoming round of trade talks in Seattle, the Performance and Innovation Unit is undertaking a project to examine labour standards, the environment, human health and animal welfare issues through trade and non-trade measures. The project has arisen from concern, particularly in many developed countries and amongst NGOs, that the present global trading arrangements fail to give sufficient weight to improving labour standards, the environment and other related issues. The project aims to take a longer term perspective in developing a set of principles to underpin the line the UK takes on these issues in international fora and to help to identify the appropriate instruments for achieving higher standards in these areas. The project commenced in October 1999 and is due to report to the Prime Minister in May 2000.

Foreign Office

Through the UK Mission to the UN in Geneva, FCO manages day to day liaison with the ILO Secretariat and the representatives of the social partners in Geneva. This includes representing HMG at a wide range of ILO meetings in conjunction with, and support of, visiting DfEE officials. The Mission also co-ordinates and consults with other Missions in Geneva. They report directly to, and are instructed by, the lead Departments in Whitehall (principally DfEE, FCO and DFID) as appropriate.

During the Governing Bodies and the International Labour Conference (ILC) the mission leads on financial and administrative matters, issues relating to UN reform, and political matters. The FCO is responsible for ensuring consistency of UK policy towards the UN's Specialised Agencies, particularly in relation to UN system-wide issues; budgetary, personnel and reform matters; and elections.

The FCO also works closely with DfEE and other interested government departments to ensure consistency between HMG's position in the ILO and in other multilateral organisations on specific aspects of policy, such as human rights, and towards specific countries.

Through posts overseas, the FCO lobbies for wider international acceptance and implementation of the ILO's core labour standards. Where necessary, posts raise infringements or suspected infringements of the core labour standards with other governments. Posts can also carry out research on the implementation of core labour standards in specific countries, or on specific related issues, such as child labour, to inform

the positions taken by HMG in the ILO. Where we have significant concerns about core labour standards, posts also maintain contact with local trade unionists and other civil society organisations to monitor the implementation of the labour standards in practice. Posts draw on advice and assistance from the FCO's Human Rights Policy Department (HRPD) to feed into these activities.

The FCO's Global Citizenship Unit was set up in November 1998 specifically to work with UK companies operating overseas to promote corporate citizenship. As such, the unit has a key role to play in promoting the observance of core labour standards in the private sector. The Unit is putting together a document of good practice to guide the advice that posts overseas provide British companies on corporate citizenship. HRPD has in the past provided advice to the development of corporate human rights policies at the request of individual UK companies with significant overseas operations. The observance of core labour standards in overseas operations and, where possible, the observance and promotion of these standards in supply chains, plays a key role in such policies.

Department for Trade and Industry

The DTI works closely with industry to improve competitiveness and performance. It leads in policy areas such as international trade, employment relations, consumer affairs and company law.

The DTI publicly supports the ETI and officials have taken part in the conference organised by the ETI and in working parties related to standards such as SA8000. DTI strongly encourages companies to associate themselves with these initiatives. The DTI believes that they should encourage companies and organisations such as the ETI to develop their own benchmarks of performance that relate to core labour standards as defined by the relevant ILO Conventions.

Annex 5

Approaches to core labour standards in the development work of other DAC Member States

In the process of consultation for this paper it was decided to focus briefly on some other DAC member countries in order to understand their approach to core labour standards. This annex outlines the work of government agencies and trade unions in four European countries - Denmark, Germany, Netherlands and Norway - and of the Directorate General for Development (VIII) of the European Commission. The information presented was obtained through government agencies and with trade union groupings when appropriate. Contact with trade union groupings was particularly important for the Scandinavian countries.

While no attempt is made here at effective comparison between the countries mentioned here, or between them and DFID, certain summary points are worth noting. They are:

1. In the countries reviewed core labour standards issues are mainly devolved to trade union/NGO-type structures which are supported, at least partly, by the bilateral agency. In the Scandinavian countries discussed here trade unions are perceived in law as NGOs. This legal status entitles Scandinavian unions to compete for government funding on an equal footing with other NGOs. Moreover, in certain states, other ministries also contract these trade union/NGO type structures in addition to the government development agency. This is the case in the Netherlands (Finance Ministry) and in Norway (the 'Global Section' of the Norwegian Foreign Ministry).
2. In some agencies core labour standards are considered as an 'environmental' concern - i.e. as being essential for a sound 'working environment' in the broadest sense. This notion is particularly apparent in DANIDA which undertakes projects on core labour standards (and, also, non-core labour standards such as health and safety) almost exclusively under the auspices of its 'Working Environment' unit. For DANIDA, conceiving of and working on labour standards in this manner engenders not only greater policy coherence and integration, but further allows core labour standards concerns to be set on an equal footing with other, more visible environmental issues.
3. The Directorate General VIII of the European Commission has taken few initiatives on labour standards to date. However, this may change. In responding to questions by the European Parliament in August 1999 the new Commissioner Poul Nielson emphasised the importance of ILO standards in all the work of DGVIII, commenting that core labour standards need to be integrated into political dialogue on development. Furthermore, communication with the Sustainable Development Strategies Department of DGVIII indicates that a future Lome Convention may well encompass core labour standards in both social and commercial spheres.

A discussion of core labour standards work in the four countries reviewed, and of DGVIII, now follows.

DENMARK DANIDA

Flemming Bo NIELSEN, Senior Technical Advisor - Working Environment

LO/FTF Council

Jørge ÄSSENS, Executive Consultant

DANIDA is the development agency of the Danish Ministry for Foreign Affairs. Its development work approaches core labour standards as a cross-cutting issue, to be included as a component in all programmes. In most cases, DANIDA's work on core labour standards

– generally in the form of seven or eight ‘minimal requirements’ - comes under the rubric of ‘working environment’, considered in close relation to external environmental issues. Core labour standards issues are discussed in annual project negotiations with the government of the host country – most usually including representatives of the national Finance, Labour and Health Ministries. Given the Danish context of a strong and extensive system of tripartite consultation and co-operation, DANIDA works closely with Danish trade unions on core labour standards in the form of the LO/FTF Council described below.

In 1987, the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF) jointly established the Danish Trade Union Council for International Development Co-operation, known as the LO/FTF Council, in order to strengthen and expand co-operation with the trade union movement in developing countries. In 1998 LO/FTF became a legal entity with its own statutes and its own employer status.

All LO/FTF projects undertaken in association with DANIDA address at least one of the core labour standards. The LO/FTF’s in-country partners are normally the national trade union centre affiliated to the ICFTU - or one or more of the trade unions affiliated to the International Trade Secretariats.

All funds provided by the LO/FTF Council are funded from DANIDA through an annually approved 4-year-revolving framework agreement between DANIDA and the LO/FTF Council. At present the annual amount made available to the Council through the framework agreement exceeds £3.5 million.

More information on the Council can be found at <http://www.ulandssekretariatet.dk/english/index.htm>.

To an increasing degree, Denmark is placing emphasis on promoting business development in the developing countries, primarily through support for the development of the private sector. To date, efforts have been concentrated on developing the Private Sector (PS) Programme under the management of DANIDA, entailing co-operation between Danish companies and firms in developing countries. DANIDA gives support for problem identification, preliminary studies, training, environmental measures, etc. All papers submitted for consideration must comply to ILO core labour standards.

An advisory panel has been created in order to monitor the program; the LO/FTF Council represents the trade union movement on the panel. For the LO/FTF Council, it is especially important to ensure that occupational environment issues are prioritised, and that the PS Program contributes to developing good professional organisational conditions. The PS Program currently operates in six of DANIDA’s twenty co-operating countries: four in Africa—Ghana, Zimbabwe, Egypt and Uganda—and two in Asia—India and Vietnam.

GERMANY GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit)

Sabine TROMMERSHÄUSER, Head - Labour and Social Projects

Jörg FREIBERG-STRAUSS, Consultant - Labour and Social Projects

The GTZ is a government-owned public-benefit company, using primarily public funding for its operations. Most commissions to the GTZ are placed by the Ministry for Economic Co-operation and Development (BMZ), although work is also carried out for other German ministries, for partner governments and for international organisations.

GTZ’s work in the area of labour and employment policies has until now concentrated mainly on employment creation, promoting self-employment, supporting countries to cope with unemployment and improving the services of national employment offices (especially job-placement, special public work schemes and unemployment benefit schemes). Generally GTZ’s in-country partners are constituted by self-help organisations of informal workers,

trades unions, and the country's Ministries of Labour and Health. The GTZ does not directly initiate contact with a specific trade union outside the context of project proposals elaborated and initiated by governmental institutions.

The GTZ has worked with trade unions in Kazakhstan and in Kyrgyzstan: in both countries they conducted seminars on employment-related issues. Representatives of German and local trade unions participated in these seminars. It should be noted that in German development co-operation it has traditionally been the German 'political foundations' - such as the Friedrich-Ebert-Stiftung and Konrad-Adenauer-Stiftung - which have worked with the trade unions in developing countries. The Friedrich-Ebert Foundation (FES) is very active in this field.

However, in the future the agency would like to intensify its work on labour and social standards.

In India, the agency works with SEWA, supporting their efforts in providing poor (mainly informal sector, self-employed) women access to social security schemes. GTZ has supported SEWA in gaining access to group insurance for its members. In Nepal, GTZ runs a project for young people, dealing with aspects of child labour. Within the area of small-scale industry development, GTZ has project experiences in the field of social labelling - the Rugmark Initiative in India - and the social rights of women - SEWA in India. The project activities of the GTZ in the field of social security for the informal sector are underway and will be implemented in Venezuela and El Salvador in the next year, specifically covering access to health insurance.

NETHERLANDS NEDA (Netherlands Development Assistance)

José VAN HUSSEN, Head – Social and Institutional Development Department

Frits KEINER, Consultant - Social and Institutional Development Department

NEDA is the development agency of the Netherlands' Ministry for Foreign Affairs. The Ministry for Foreign Affairs actively monitors national and international discussions on codes of conduct for trade and industry operating internationally (this concerns mainly the OECD Guidelines for Multinational Enterprises). An important element in these discussions is the application of ILO core Standards in the transnational conduct of companies. In addition, the Ministry has drawn and continues to draw attention to core labour standards during preparatory discussions for the forthcoming ministerial WTO conference and the possible follow-up in the Millennium round on further liberalisation of world trade.

NEDA's Women and Development Fund finances the following projects addressing core labour standards:

- Two ILO projects dealing with 'gender training' and dissemination of information on women workers' rights in Surinam, Honduras, Egypt, Vietnam, Mali, Ukraine, Hungary and Zimbabwe. 'Training of trainers' workshops have been set up, aiming to develop a pool of trainers and to address the establishment of national steering committees.
- Project to organise women working in sectors of the informal economy, in agriculture and in the free trade zones jointly executed by Dutch union federations FNV and CNV. A similar project being executed by the World Confederation of Labour, involving various affiliated unions in the developing world, is also receiving financial assistance from the Netherlands.

Over the past few years, the Ministry for Foreign Affairs has published several policy notes on the position of children, in which extensive attention has been drawn to (the most intolerable forms of) child labour.

It should be noted that interdepartmental contact with trade unions, employers' organisations and relevant NGOs is primarily the responsibility of the Ministry for Economic Affairs. Every now and then, projects are undertaken by Dutch organisations, focusing mainly on increasing knowledge and on capacity building in partner organisations in the South.

In 1975, the Minister for Development Co-operation initiated a co-financing programme with the Dutch Trade Union federations FNV (non-denominational) and CNV (Christian). This programme provided the union federations with the opportunity to submit proposals to the Minister for financing individual projects.

In 1985 the Trade Union Co-financing Programme underwent a radical change due to the decision to adopt a programme-financing model. The TUCP follows broad policy guidelines based on the vital role a union can play in development processes. The following strategic objectives play a central role: strengthening unions, alleviating poverty and promoting human and labour rights. Management of the available funds - including their allocation among the various organisations - is placed completely in the hands of the trade union federations.

In the period 1994-98, the TUCP's budget grew from NLG 14.5m (£4.2 million) to NLG 23m (over £6.5 million). FNV receives 70 per cent and CNV 30 per cent of the total budget. The maximum amount of overhead is set at 7.5 per cent of the total budget.

In recent years, the Dutch TU federations have concentrated their efforts on a smaller number of countries. The FNV focuses on developing and maintaining close relations with the ITSS and continental organisation such as AFRO. The CNV supports co-operation with the Belgian trade unions by entering into agreements on regional focuses in Latin America. The focus on the informal sector is in its early stages of development. In recent years, research has been carried out on the informal sector - NEDA has asked trade unions to spend 10 per cent of their budget on 'innovative activities' concerning the informal sector. Another focus in policy is that strengthening the role of women in trade unions has become a higher priority (strengthening of gender expertise and gender mainstreaming). Last year the unions spent almost one third of their TUCP budget on gender-related activities.

NORWAY

NORAD/ Ministry for Foreign Affairs

Inge GREGERSEN, Consultant - Global Section, Ministry for Foreign Affairs

LO Norge (National TU Federation)

Leif LAUSUND, LO International Department

Kåren-Beate THEODORSEN, LO International Department

NORAD is the development agency of the Norwegian Foreign Ministry. Aside from projects undertaken by the LO TU federation (see below), Norway's work on core labour standards is, however, organised almost exclusively by the Multilateral Department of the Foreign Ministry (the 'Global Section', ex-'UN Section') and realised through assistance to ILO projects. Of the 40m (£3.1 million) Krone Norwegian budget line to the ILO, around half is directed to projects focusing on freedom of association and collective bargaining; a further quarter is allocated to initiatives dealing with child labour issues. The Foreign Ministry states that priority is given to capacity-building projects - which includes strengthening a tripartite infrastructure for consultation and co-operation within the employment sphere - as a matter of policy.

National TU federation LO plays a role analogous to the Swedish LOTCO or Danish LO/FTF councils for development work. LO, which has the status of an NGO in Norwegian law,

applies to NORAD on an annual basis for project funding: approximately 80 per cent of its projects are funded by the Foreign Ministry through NORAD and LO enjoys a close relation to the agency. However, whereas its Danish and Swedish equivalents exist as 'Councils' outside the union body, the Norwegian LO undertakes its development work through an internal unit – the IFS (International Trade Union Solidarity Unit) – within the organisation itself. For LO Norge, its 'development' work and 'political' work are non-separable: in maintaining its development co-ordination within its institutional structure, it seeks to deal more fully with the political implications of its development work.

Giving priority is to trade union rights/freedom of association, LO's work on core labour standards takes two different forms – strategic programmes and bilateral co-operation.

***EUROPEAN COMMISSION DGVIII – Sustainable Development Strategies
Department (Social, Human and Cultural Development Unit)***

Philippe DARMUZEY, Head of Unit

Jean-Pierre DUBOIS, Deputy Head of Unit

The current EU Lomé Convention (IVb) does not make any mention of core labour standards as defined by the ILO. Furthermore, DGVIII is at present not working on any issues relating to core labour standards. However, the Mandate to Negotiate (i.e. the preparatory framework for new Convention) on a New Partnership with African, Caribbean and Pacific (ACP) states –the signatory countries of the existing Lomé Conventions – mentions core labour standards for the first time, noting their importance in two areas:

- Within the framework of social dialogue: 'guided by respect for basic social and labour rights and relevant ILO Conventions including those on freedom of association, collective bargaining, non-discrimination and the prohibition of child labour.'
- Within the commercial sphere: 'confirming the parties' attachment to internationally recognised labour standards and promoting co-operation in this field.'

Further areas for intervention earmarked by the Mandate to Negotiate mentioned above are 'labour-market policies and institutions, especially for information and training, the implementation of legislation guaranteeing workers an appropriate level of protection and basic social rights, and the improvement of health, safety and non-discrimination, in accordance with relevant ILO Conventions'.

However, we were told that it is 'too early to affirm that something of this nature will be retained in the final version of the future Convention'.

Whilst DG8 is not yet working on core labour standards, several DG8 budget lines finance (or co-finance) European NGO projects working on training, institutional strengthening and child labour issues in partnership with trade unions in ACP and Central American countries. Of particular relevance are the following budget lines:

- NGO Co-financing
- Human Rights
- Discrimination against Children
- Decentralised Co-operation

By way of example, below is a summary of union projects co-financed on the DGVIII 'Decentralised Co-operation' budget line from 1/1/96 to 9/9/99:

- ICFTU capacity building programme

- Union seminar on Lomé social policies (current and future) and on decentralised co-operation
- Follow-up seminar, Dakar: ‘Decentralised co-operation – a new challenge for unions’
- The promotion of social dialogue in the wider Caribbean – an example of decentralised co-operation
- Support to the ICFTU-CISL capacity building programme – phase II

Upon the acceptance of the new Commission, an agreement was reached between Allan Larssen (DG5) and Juan Somavia (ILO) on a new Declaration of Intent between the Commission and the ILO. It is expected that ILO core labour standards will be mentioned in this new Declaration.

Poul Nielson, Commissioner of DG8, referred to ILO core labour standards - in his response to the European Parliament in August of this year – as needing to be integrated into political dialogue on development. In this context, he concluded on his intention to ‘engage in a close dialogue with ILO in order to strengthen the implementation of ILO conventions.’

Annex 6

Recommended steps for developing a regional or country level work programme on labour standards

This section suggests the steps which regional or country programmes might take to develop a coherent programme of work around core labour standards. It represents a summary of the actions recommended in the strategy which apply to country programmes, focusing on essential first steps - namely a mapping exercise.

The steps recommended start from the premise that DFID has little or no current work on labour standards in the region. In reality this is unlikely to be the case and in many regions it is anticipated that the best strategy might be to start with current activities and think how to expand their scope and impact. Nonetheless, the suggested steps below may still be a useful - they outline the sort of information which it is ideal to have before choosing options in terms of countries, partners and areas of work/activities.

The first task is to carry out a political and institutional mapping exercise. The aim of this mapping exercise is to identify countries in a region where it might be possible to develop a comprehensive core labour standards strategy, to identify possible future possible partners and areas of work. All of these need to come together - to be mutually compatible and feasible - if an effective work programme around core labour standards is to be developed. A mapping exercise might consider the following set of questions:

1. Which country governments in the region already have a track record on promoting or implementing core labour standards and are open to improving their capacity to work in this area? The ILO will normally be an excellent source of information here; the FCO will also have relevant information as will various other international bodies including the ICFTU. Some possible indicators for identifying countries - and governments - open to work on labour standards might be:
 - free and independent trade unions, not restrictively tied to political parties or employers
 - Government has ratified the international conventions which embody core labour standards, e.g. those conventions referred to in the ILO Fundamental Declaration
 - ILO programmes are operating in country; government is known to be keen to collaborate with other agencies on labour standard issues (or, more generally, on human rights issues)
 - national legislation which protects the rights of workers is in place even if it is not implemented
 - where relevant, government is taking action against corruption, including against corrupt business practices

Note that these indicators are only a guide and should be used carefully. Non-compliance in one or two areas does not mean that DFID should consider ruling out work in a particular country. But DFID needs to have a general feeling that the government would welcome such work (and to be sure that work on labour standards will not jeopardise the security of staff or partners).

Having identified possible countries the aim is to identify possible partners and areas of work.

2. Which institutions (government, international agency, trade union etc.) are currently working on labour standards and what are their programmes? Among those whom DFID might contact are:

- Government. Start with the Ministry of Labour
- ILO
- Relevant trade unions – the ICFTU, ITSs and UK TUC should be of assistance in identifying appropriate trade unions
- NGOs - start with international NGOs known to be working on labour issues
- the World Bank office
- employers (any obvious and known ‘champions’ - national or multinational?)

It should be possible to come to an understanding of current work in the area - and who the main champions are - through contacting some or all of the above institutions. This is also an opportunity to identify potential partners for a future programme of work.

3. What are the main issues around core labour standards in the country (or a region if dealing with state/regional governments) about which there is general agreement that ‘work needs to be done’?

The answer to this question might already have been answered - through contacts with government, ILO or other institutions. If not, then it may be worth addressing this issue thematically. Possible questions are:

- is child labour an issue in this country...and one around which additional work/support is known to be required?
- is there a problem around one or more of the other three core labour standards e.g. in terms of forced (bonded) labour, discrimination (including gender and race discrimination), freedom of association and collective bargaining?
- is there good labour law in place? Is government able to implement national labour law? Is it able to report progress made against international conventions which deal with labour issues?
- what is the situation of informal sector workers - are there particular labour abuses known to occur with particular groups of people (e.g. migrant workers and women) or in particular sectors?
- on sectors: are there particular labour issues in specific sectors, e.g.. in the construction industry, garment manufacture, horticulture (and supply chains), footwear, mines.

Answering these questions should provide three things:

1. An overview of key labour standards issues in country (and thus an initial guide on the basis of which DFID can make decisions about programme priorities)
2. Some indication of possible partners - current areas of work, their strengths and weaknesses - and capacities (most important)
3. a signal of intent to all concerned that DFID is taking this issue seriously and intends to implement a programme which addresses core labour standards.

Glossary

| | |
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| ADB | Asia Development Bank |
| CDC | Commonwealth Development Corporation |
| DfEE | Department for Education and Employment |
| DFID | Department for International Development |
| DFIDSEA | DFID South East Asia |
| DTI | Department of Trade and Industry |
| ETI | Ethical Trading Initiative |
| FCO | Foreign and Commonwealth Office |
| ICFTU | International Confederation of Free Trade Unions |
| IDA-12 | International Development Association - 12 th replenishment |
| IFBWW | International Federation of Building and Woodworkers |
| IFC | International Finance Corporation |
| IFIs | International Finance Institutions |
| ILO | International Labour Organisation |
| IMF | International Monetary Fund |
| IPEC | International Programme for the Elimination of Child Labour |
| ITGWU | International Textile and Garment Workers |
| ITS | International Trade Secretariat |
| IUF | International Union of Foodworkers |
| NGO | Non-Governmental Organisations |
| PIU | Performance and Innovations Unit (Cabinet Office) |
| SEWA | Self-Employed Workers Association |
| SRBRC | Social Responsible Business Resource Centre |
| TUC | Trade Union Congress |
| UN DESA | UN Department for Economic and Social Affairs |
| UNGASS | UN General Assembly Special Session |
| UNICEF | UN Children's Fund |
| UNIDO | United National Industrial Development Organisation |
| UNIFEM | UN Development Fund for Women |
| WSSD | World Summit for Social Development |