

Decent work and poverty eradication: literature review and two-country study

A study for the Decent Work and Labour Standards Forum

January 2010

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Executive summary and recommendations

The scope of this study

This study has been commissioned by the UK-based Decent Work and Labour Standards Forum with the overarching intention of investigating what the Decent Work Agenda can contribute to the elimination of poverty, particularly in the context of the food, fuel and financial crises. Given the breadth of this task, a two-country case study approach has been adopted to provide a practical focus. The two countries, Bangladesh and Zambia, were chosen to provide examples of contrasting labour markets and potentially, of the impact of decent work themes within development planning. Within each country study, we have analysed the degree to which decent work has been integrated into national development planning and donor programming. Each country study has also focussed on a key sector (garments in Bangladesh and horticulture in Zambia) in order to analyse the decent work issues in each and donor strategies designed to address these.

This report therefore contains analysis of decent work at two levels: a general overview of the global debate around decent work and development; and a national analysis in relation to the two country studies and a sectoral analysis in each case.

What is decent work and how does it relate to poverty reduction?

For many poor people, work is a major route for escaping poverty. However, economic growth, which has been a focus for donors, including DFID, does not inevitably result in more and better jobs. The majority of poor people in the developing world already have jobs: the problem is that these are predominantly in the informal economy, where conditions are usually insecure and incomes inadequate. Eradicating poverty is therefore not solely a question of generating economic growth and employment opportunities but rather making sure that both the *quantity* and *quality* of available work is such that it can lead to poverty reduction.

In response to this challenge, the Decent Work Agenda, developed by the ILO, proposes an approach to development that emphasises fair and sustainable working opportunities. Decent work is conceptualised as having four constituent pillars, which are interdependent and mutually reinforcing:

- Access to productive employment and income opportunities;
- Rights at work, particularly with respect to the core labour standards;
- Systems of social protection; and
- A voice at work through social dialogue.

The Decent Work Agenda therefore is an approach to development that emphasises employment that is accompanied by rights, representation and protection. While decent work is applicable to both developed and developing countries, different elements may need greater focus depending on the particular challenges in a given region, country, sector or workplace.

Importantly, decent work represents an approach to development as well as an outcome. The Decent Work Agenda entails building respect for international labour standards and social dialogue into development processes, rather than seeing them as a future goal or inevitable outcome of economic development. This is not only a question of social justice, but also an important contributory factor to social and economic development: in many ways, labour standards and social dialogue help to enable development processes, by encouraging stronger standards of governance and promoting social development.

In addition, a major benefit of looking at development through a decent work lens is the fresh perspective it can give on links between otherwise separate branches of development thinking (e.g. employment and education). This assists in avoiding the silo approach and enhances policy analysis.

Uptake of decent work within the international development agenda

The concept of decent work has achieved high-level international endorsement as an objective of the development agenda, most notably with its integration into the Millennium Development Goals (MDGs). In recognition of the importance of decent work for poverty reduction, MDG1 now includes a target to 'achieve full and productive employment and decent work for all, including women and young people', along with four measurable indicators. These relate to both the quantity of employment, and also to its quality in terms of wage levels for workers and degree of informality. Decent work has also featured prominently in international policy statements on the global financial crisis, where the importance of employment and social protection strategies in safeguarding livelihoods and contributing to recovery has been underlined.

However, beyond these international statements of support, the uptake of decent work by donors (multilateral and bilateral) and national governments has been mixed to date. Decent work does not have a high visibility in donor programming and strategies, even where donors have expressed strong support for the concept. This is not to say that donor programmes do not address elements of the Decent Work Agenda, but rather that they do not do so in an integrated way. For example, DFID's White Paper sets out substantial commitments in relation to social protection, employment creation in fragile states and fair and ethical trade, but the conceptual links between these areas are not explored. In a similar fashion, the development plans of national governments may refer to decent work, but rarely nominate it as a central objective. Employment creation has, however, emerged as a much more important feature of partner country development policy.

These propositions were further investigated during the country studies.

Bangladesh

Bangladesh has made significant progress on poverty reduction and towards achievement of some of the MDGs, including MDG1 (halving the proportion of people below the poverty line by 2015). However, 40% of the Bangladesh's people (55 million) remain in poverty, and 80% below the US\$2 per day line.

Industry accounts for a growing proportion of GDP but employment growth has not increased at the same rate as economic growth and has not grown sufficiently to absorb new entrants into the labour market. This has contributed to unemployment, under-employment and labour migration. Around 80% of workers are in the informal economy. The main formal sector employer is the ready-made garment (RMG) industry, which accounts for three-quarters of exports by value and provides employment for 2.1 million people, 90% of whom are women.

With the structural disparities in the Bangladesh economy between the rural poor, the urban informal economy and the RMG sector, there is clearly a need for the Decent Work Agenda to be differentially applied in order to be relevant. For the bulk of the population and the very poor, the priority is to create sustainable employment opportunities, either in the formal or the informal sector. For the RMG sector, in contrast, the priority is to secure improved working conditions.

Overall, key decent work challenges at national level are:

- employment creation and employability (particularly among women) to enable poor people in rural communities to participate more fully in the economy and labour markets;
- reform of labour laws to upgrade the minimum wage, improve occupational health and safety and improve rights to freedom of association;
- improved capacity of the government to enforce labour market regulation;
- improvements in social dialogue to overcome a legacy of extremely poor industrial relations; and
- extension and improved coherence of social protection programmes.

Employment creation is prioritized by the government in national development planning, but decent work, as an integrated concept, does not have high prominence either within government or among donors, including DFID whose main areas of activity are education, health, governance reform, private sector development and extreme poverty. Nevertheless, donors have major programming areas that fall within decent work thematic areas, though they are not categorized as such. These include work on vocational training, economic empowerment of the poor, private sector development including micro, small and medium sized enterprises with a particular focus on women, eradication of child labour, and social compliance promotion within the RMG sector.

Application of focussed decent work principles to employment-related programmes could widen and strengthen their outcomes so that they have greater qualitative benefits. For example, programmes aimed at private sector development or the business environment should also contain elements to ensure adherence to basic labour standards, and the promotion of representative structures for workers, communities or employers.

RMG sector and decent work in Bangladesh

The RMG sector is vitally important for the Bangladesh economy and provides livelihoods for up to 10 million people. It has proved resilient in the face of the global economic crisis, but this has only been achieved by competing on labour costs. Some jobs have been lost and already poor working conditions have been squeezed. In this respect, this low-cost, low-value model is seen by many as unsustainable both for workers, who can see little prospect of improvement in working conditions, and for Bangladesh's economic development.

Key decent work challenges in the RMG sector include: low wages and long hours, gender discrimination, poor physical working conditions, lack of respect for freedom of association and poor industrial relations, and inadequate social protection. There have been a number of donor-funded programmes to address these problems which have focused on promotion of social compliance (in collaboration with brands) along with improvements in productivity and the business environment for the sector. This has been based on the view that the long-term health of the sector – and improvements in workers' conditions – is dependent on improved managerial practices that can improve productivity, social compliance and human resource management of workers. DFID has participated in some of these programmes, but is not presently taking the lead.

While these programmes have had some impact on working conditions, they have been limited in scope and have not resulted in significant improvements in wages, industrial relations or national capacity to enforce the existing law. There remains significant scope for action on these issues if progress towards decent work in the RMG sector is to be accelerated. The installation of a new democratic government committed to reviewing the minimum wage and labour law provides a more positive political environment for action on these issues.

A proposed Development Forum in February 2010 offers the opportunity for donors to promote a high priority for employment-related issues. There is particular scope for donors, including DFID, to support the government's labour law reform commitments, to support capacity-building for both the Labour Inspectorate and the Labour Courts and to provide greater support for programmes that aim to improve social dialogue at enterprise level, and support for industry-wide multi-stakeholder programmes to harmonise buyer codes and build industry capacity.

Zambia

Widespread poverty in Zambia means that an estimated 64% of the population live on less than US\$1 per day: as such, poverty reduction and better access to decent work is a key issue. Although Zambia enjoyed relatively high levels of economic growth from 2000 to 2007, this was concentrated in the capital intensive sectors of mining and construction and did not translate into wide-scale job

creation or broad-based economic opportunities for the poor. Although copper mining accounts for 75% of exports, it provides only 1% of direct employment overall. The vast majority of Zambians (73%) rely on agriculture as the source of their livelihood, particularly in rural areas.

The impact of the global financial crisis on the Zambian economy varied across sectors. Although Zambia was, in many ways, resilient to the effects of the financial crisis, many workers were still affected. In the horticultural sector, it was estimated that up to half of all workers lost their jobs as a result of reduced demand, while a large proportion of workers in the copper sector lost their jobs due to falling copper prices (although it is thought that this is now changing).

A key challenge for Zambia is the high levels of informal employment (only 11% of the workforce is in formal employment) and unemployment. This is a particular problem for young people, women, and people living with HIV/AIDS. At the same time, the minimum wage is very low and the real value of wages is declining for both informal and formal workers, as the price of food continues to rise at a greater rate than inflation. Most workers have no formal safety net for dealing with external shocks as government programmes are under-resourced, while donor-funded programmes are small-scale and aimed at incapacitated households rather than the working poor. It is estimated that 41% of 5-14 year olds (1.3 million) work, mostly in agriculture. All of these issues are compounded by the HIV/AIDS pandemic, which creates a further strain on households, as well as affecting workplace productivity. The labour ministry is insufficiently resourced to develop new policy approaches on decent work or enforce existing labour standards.

On paper, employment and decent work are an integral part the Zambian government's Fifth National Development Plan 2006-2010 (FNDP). However, employment and labour issues are mostly confined to the social section of the FNDP, employment is not strongly integrated into macro-economic strategies and practical strategic actions are lacking. Among major donors, none explicitly incorporate the Decent Work Agenda into country-level programming, although there are major programmes with implications for decent work. These include programmes on private sector development, SME creation and development and support for agricultural development; social cash transfers; work on rights at being undertaken by the ILO, principally in relation to child labour, trafficking and health and safety; and programmes undertaken by social partners that provide support for their counterparts in Zambia.

Zambian horticulture

The horticultural sector provides an important snapshot of a part of Zambian agriculture that comprises production for export and domestic consumption. In general, agriculture is crucial to economic development efforts in Zambia, as it is a mainstay of the rural economy and accounts for 74% of all employment.

In the 1990s and early 2000s, the horticultural sector grew to constitute an important non-traditional export sector for Zambia, with the UK and the Netherlands providing the largest markets for its produce. As recently as 2006, exports of fresh vegetables (beans, mange tout, baby carrots, courgettes, baby corn and asparagus) and cut flowers (roses and other flowers) accounted for almost 40% of Zambia's total agricultural exports. However, the sector has been hit by the effects of the economic crisis, which has compounded other pre-existing business challenges, notably high transport costs and interest rates. This has led to the closure of a number of farms and high job losses, with employment in the sector estimated to have halved.

Large commercial farms provide a source of employment for rural populations but low-wage, precarious working arrangements (seasonal, casual and contract) are the norm. This means that workers are reluctant to stand up for their rights, although many workers are not even aware of their rights in the workplace. Women face particular issues: they are more likely to be in non-permanent working relationships than men, with less employment security and no access to

maternity leave. Health and safety issues are often connected with improper pesticide use. Long working hours and overtime are also an issue and enforcement of labour laws is a problem in the agricultural sector in general.

There are no specific government or donor initiatives focused on the horticultural sector. Donor initiatives in agriculture are squarely focused on promoting entrepreneurial activity amongst farmers and do not integrate broader consideration of the Decent Work Agenda. Zambia's national development plan emphasises the role of agriculture in driving pro-poor growth, but the focus of its efforts has been a maize subsidy scheme that has been heavily criticised by many. As such, the government appears to be providing little real support for creating access to decent work in horticulture, although the horticultural union is making progress on its own initiatives with the assistance of international partners.

General contribution of decent work to poverty alleviation

The case studies exhibit some common themes about the current relevance and application of decent work within development assistance.

In spite of widespread international endorsement, the use of the Decent Work Agenda as a planning or programming tool for achieving development outcomes has been limited outside the ILO. This is true of both donor development strategies as well as the national development plans of partner countries. This is not to say that there are not many programmes and projects that address various aspects of the Decent Work Agenda; simply that these programmes are rarely instigated, categorised or evaluated in terms of their contribution to decent work.

One reason for this is that the term is often seen as limited to labour standards or the work implemented by the ILO and therefore related only to technical work within labour ministries and associated institutions or to labour markets rather than to the wider development agenda. A similar view among partner governments means that employment and decent work responsibilities are allocated to the Ministry of Labour, usually one of the most under-funded government ministries, and receive little attention from central finance and planning ministries. It also means that relevant policy links between certain ministries are often neglected, especially between ministries responsible for labour, education or social protection.

By contrast, for those actors with a broader understanding of the Decent Work Agenda, it can be regarded as too eclectic for the purposes of practical programming, which is already organised around other principles (e.g. education, governance, and infrastructure).

Finally, the poverty alleviation strategies of donors and partner country governments are generally aimed at the very poor in marginal rural or informal economies, whereas decent work is perceived as applying more to waged workers in the formal sector. Where donor focus is on incapacitated households, there is a danger that the situation of the working poor falls through the cracks in terms of development strategies. The importance of providing safety nets for this group has been particularly highlighted by the financial crisis. Where donor focus is on the informal economy, the emphasis is commonly on generating economic opportunities and jobs at the SME level. The Decent Work Agenda (and particularly where it is interpreted as limited to labour standards) is seen at best as irrelevant to this or at worst, inimical where it is interpreted as supporting inflexible labour markets. However, seeing decent work as irrelevant to or even opposed to job creation within the informal economy represents a major misreading of the concept. Interventions within the informal economy that increase the opportunities for work, whilst at the same time enhancing the conditions in which work is performed, are of paramount importance in achieving both poverty reduction and decent work.

One key finding from the case studies is that it is difficult to generalise on the best ways to promote employment, including in crisis situations, given differences in countries' economic structures, labour markets, institutional arrangements and political circumstances. But the case studies also show that there are common challenges that have more general applicability. These include:

- The overwhelming need to create greater employment opportunities through ensuring that economic growth strategies – and donor strategies - are targeted to optimise employment.
- The need to ensure that employment creation in the informal economy, where the need is greatest, also involves consideration of working conditions and economic security (including social protection).
- The need for greater linkages between different national planning documents (e.g. PRSPs Decent Work Country programmes and UNDAFs) where these address employment issues, and the establishment of clearer priorities within these to inform donor programming.
- The need for clearer links between social protection programmes and labour market strategies.
- The need to explain the business case for safeguarding labour standards and promoting social dialogue within private sector development programmes.
- The need for improved government capacity to reform labour laws so that they are up-to-date, relevant for businesses and workers and more widely applicable.
- The need for greater institutional capacity to enforce labour laws through industrial courts or labour inspectorates and also through emerging means of complementary enforcement.
- The need for improved capacity among social partners to engage in discussion at national planning level and to engage in the development of meaningful industrial relations at sectoral and enterprise level.

Many of these challenges affect more than one area of programming. This reflects the breadth of the Decent Work Agenda and reinforces the view that one way of looking at decent work is to consider it a cross-cutting theme within programming. The key is to identify the ways in which a focussed application of decent work themes can link, cross-fertilise and reinforce programme outcomes.

A better understanding and higher prominence for the Decent Work Agenda among donors and national governments could have clear positive benefits in assisting in programming aimed at poverty eradication and in delivering those programmes, so long as decent work is understood as an approach that is not applied prescriptively.

By highlighting the importance of quality of employment as a contributor to poverty eradication, the Decent Work Agenda enables a more nuanced and pro-poor analysis of growth-related strategies. Fundamentally, target 1B within MDG1 (Achieve full and productive employment and decent work for all, including women and young people) will have more prospect of being attained if relevant aspects of the Decent Work Agenda are considered within donor programming.

Recommendations

DFID and other bilateral donors

Ensuring achievement of MDG1

The high-level political consensus in favour of decent work as an objective of the development process, exemplified in the decent work target within MDG1, needs to be translated into more concrete outcomes. This also applies to the target in MDG3 on the proportion of women in non-agricultural employment. DFID and other bilateral donors will not be contributing fully to the achievement of the MDGs unless they take more account of decent work in development programming.

- **DFID and other donors should review how the decent work target in MDG1 is being addressed in their policy frameworks and programming, particularly with respect to monitoring progress and planning future interventions according to the decent work indicators within MDG1.**
- **DFID and other donors should review how they can support partner governments in collecting the labour market data required to measure the decent work targets in MDG1.**

Integrating the Decent Work Agenda within programming

Decent work should be seen as a cross-cutting theme with relevance for a number of existing programmes and teams. However, closer integration within donor programmes will only be achieved with improved understanding of the concept, and through using existing internal policy, communication and information-sharing channels rather than establishing new structures.

- **DFID and other donors should utilise existing internal mechanisms to ensure that decent work is more effectively treated as a cross-cutting issue within and between programming or thematic teams and country offices. This may include internal and external awareness-raising through publications, seminars and training, accompanied by the development of practical guidance to highlight linkages between different policy areas for headquarters and country office staff.**
- **DFID specifically should ensure that achievement of decent work outcomes is enshrined as an important criteria underpinning approval of Challenge Fund applications.**

Informal economy

Many informal economy initiatives relate to MSME development and many of these include components on vocational training, productivity improvement and incentives for formalisation. These should be augmented with elements on working conditions, social protection, or creation of representative structures for workers. In particular the financial crisis has highlighted the importance of safety nets for the working poor, given the extreme vulnerability of workers in informal and precarious working arrangements. DFID could have a key role here, given its leading position on social protection.

- **DFID and other donors working on social protection should consider how to promote support for the working poor in the informal economy, who are particularly vulnerable to external shocks and crises.**
- **When designing employment-related programmes that operate within the informal economy, donors should consider how broader aspects of the Decent Work Agenda that reflect employment quality and security may be addressed.**

Support for social dialogue and better industrial relations

Social dialogue is one of the least understood and most neglected aspects of the Decent Work Agenda in terms of bilateral donor programmes, yet it is critical to ensuring that workers' voices are heard in the processes of development planning and policy dialogue. At the same time, support for stronger industrial relations processes at an enterprise level and for labour market institutions will enhance efforts to improve the private sector environment.

- **DFID and other donors should ensure programmes that relate to private sector development and social compliance include a strong element that supports the development of a self-sustaining culture of industrial relations. This should include capacity-building for representative organisations for informal workers and women workers and help to support the establishment of avenues to enable their better participation in national policy forums.**
- **DFID and other donors should support the capabilities of Labour Ministries to participate fully in national planning processes.**
- **DFID and other donors should support programmes that enhance the development of effective industrial relations and social dialogue at enterprise level such as training for worker committees, union representatives and managers on basic labour law, management skills, negotiating skills, and HR practices.**
- **DFID specifically should ensure that decent work themes, particularly respect for core labour standards, are promoted in all DFID's collaboration with companies.**

Support for regulatory reform and implementation

In many developing countries, national labour laws are in need of reform and inspectorates lack the resources to enforce them adequately. Although labour law is often considered in terms of perceived obstacles to private sector development, donors should give greater support to labour law reform and institutional capacity building in the context of governance reform, given that ineffective labour laws and institutions can serve to undermine the rule of law and create the need for often duplicative buyer-based social compliance programmes. This would help to ensure that labour standards were consistently taken into account in reform programmes.

- **Donors should see labour law reform and institutional capacity-building as part of the agenda of governance reform, and the provision of access to justice for the poor.**
- **Donors should support programmes that aim to reform labour law and institutions to extend the coverage, effectiveness and relevance of labour laws to wider groups of workers.**

Relations with DFIs

Loans and technical assistance programmes provided by development finance institutions are often the largest components of development assistance. While most DFIs have policies that promote social and environmental standards within lending projects, donors that are stakeholders in DFIs can work to strengthen the decent work outcome of DFI activities.

- **Where donors are represented on DFIs, they should ensure that lending programmes have regard to the Decent Work Agenda; e.g. that construction and infrastructure projects are carried out with respect for core labour standards and that lending to financial intermediaries is in compliance with basic policies.**

Multilateral organisations

There is scope for greater information and co-ordination on decent work themes within multilateral and bilateral donor agencies, beyond the existing Decent Work Toolkit.

- **The ILO should consider how the methodology and structure behind DWCPs can be developed to better address the needs of multilateral and bilateral donors in terms of information to underpin strategic programming.**
- **The ILO should consider developing tools to enable donor organisations to draw attention to interlinkages.**

Trade unions and NGOs

Trade unions and NGOs in developed countries play a vital role in supporting their counterparts in partner countries in participating in national development planning, and in promoting improved conditions at enterprise and community level. However, these programmes are often under-resourced and their ability to engage with international brands limited.

- **Trade unions should enhance assistance to trade unions in partner countries to develop their capacity to actively participate in national dialogue on development issues, including their ability to provide technical inputs in relation to the drafting, implementation and monitoring of national development plans and to keep employment and decent work issues on the national development agenda.**
- **Trade unions and NGOs should increase the level of their engagement with buyers on corporate social responsibility issues (e.g. responsible purchasing practices) that can impact on workers in international supply chains.**

Business

Business has an important role as a social partner in the local context, and a key responsibility for implementing the principles of decent work in terms of adhering to the law and to international standards. Buyer codes have been important in raising standards in export-oriented industries but they need to be harmonised and more effective on elements of the Decent Work Agenda such as freedom of association and wage levels.

- **International companies and brands should ensure that their audit programmes have a fuller understanding of freedom of association/collective bargaining and should prioritise communications with their suppliers to promote wider acceptance of the need for effective industrial relations.**
- **International companies and brands should support programmes that build the capacity of their suppliers to develop effective human resource structures.**
- **Buyer codes should be widened to encompass social protection requirements (health/unemployment insurance, pensions) and responsible approaches to retrenchment.**

Abbreviations

ADB	Asian Development Bank
BEST	Better Work and Standards programme (Bangladesh)
BGMEA	Bangladesh Garment Manufacturers and Export Association
BICF	Bangladesh Investment Climate Fund
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
CIDA	Canadian International Development Agency
CSCF	Civil Society Challenge Fund (DFID)
DFI	Development finance institution
DFID	Department for International Development (UK)
DWCP	Decent Work Country Programme
EBA	Everything But Arms
ECOSOC	UN Economic and Social Council
EPZ	Export Processing Zone
EU	European Union
FAO	Food and Agriculture Organisation (UN)
FNDP	Fifth National Development Plan (Zambia)
FFTUZ	Federation of Free Trade Unions of Zambia
GDP	Gross Domestic Product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IFC	International Finance Corporation
ILO	International Labour Organisation
IOM	International Organisation for Migration
ITUC	International Trade Union Confederation
JASZ	Joint Assistance Strategy of Zambia
JCTR	Jesuit Centre for Theological Reflection (Zambia)
IMF	International Monetary Fund
LCG	Local Consultative Group (Bangladesh)
LISIE	Luanshya Integrated Support Initiative on Employment (Zambia)
MCTI	Ministry of Commerce, Trade and Industry (Zambia)
MDG	Millennium Development Goals
MFA	Multi Fiber Arrangement
MLSS	Ministry of Labour and Social Security (Zambia)
MoU	Memorandum of Understanding
MSME	Micro-, small- to medium-sized enterprises
NELMP	National Employment and Labour Market Policy (Zambia)
NGO	Non government organisation
NSAPR	National Strategy for Accelerated Poverty Reduction (Bangladesh)
NUPAAW	National Union of Plantation, Agricultural and Allied Workers of Zambia

OECD	Organisation for Economic Cooperation and Development
OECD DAC	OECD Development Assistance Committee
OHS	Occupational health and safety
PPE	Personal protective equipment
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
RAGS	Responsible and Accountable Garment Sector Fund
RMG	Ready Made Garment
SAFI	Sustainable Apparel and Footwear Initiative
SAG	Sector Advisory Group (Zambia)
SCTs	Social cash transfers
SME	Small- to medium-sized enterprises
SNDP	Sixth National Development Plan (Zambia)
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WWW	Women Working Worldwide
ZCTU	Zambia Congress of Trade Unions
ZEGA	Zambia Export Growers' Association
ZFE	Zambia Federation of Employers
ZFEA	Zambia Farm Employers' Association

1. Introduction

For many poor people, work is one of the major routes for escaping poverty. As such, for poor people across the globe, the desire for productive work that provides an adequate and secure livelihood has been found to be a near universal aspiration (Narayan et al, 2000). However, there is an ongoing need to ensure that opportunities for economic growth translate into a better quality of economic opportunities for the poor. The majority of poor people in the developing world already have jobs, but these are predominantly in the informal economy, where conditions are usually insecure and incomes inadequate. This suggests that fighting poverty is not solely a question of generating economic growth and employment opportunities but rather ensuring that the quality of available work is such that it can lead to poverty reduction.

The concept of decent work is a response to this challenge, proposing an approach to economic growth that translates into fair and sustainable opportunities for the poor, particularly the working poor.¹ In theory at least, the Decent Work Agenda provides a useful and flexible way of thinking about how to combine economic growth with social justice to ensure that development is sustainable and fair. But what is the extent of its influence in policy-making? Have development actors applied this idea in practice and found it useful? And does it provide a valuable approach to recovery from the global financial crisis?

Chapter 1 of this study provides an overview of the current trends and thinking regarding the value of the Decent Work Agenda and evidence of its effectiveness. The case studies on Bangladesh and Zambia in Chapters 2 and 3 offer concrete insights of the extent to which the Decent Work Agenda is being integrated into national development strategies and donor programming in developing countries and evidence of the impact that this is having, with a particular focus on the garment sector in Bangladesh and the horticultural sector in Zambia. Finally, Chapter 4 sets out conclusions from the country studies and recommendations for international organisations, donors, national governments, social partners and NGOs.

Methodology

The research for this study encompassed desk and field research, and meetings with ILO and DFID officials. The desk research component of the study involved an extensive literature review to consider research papers, policy documents, strategy papers and project documents looking at the implementation of Decent Work within development programmes and responses to the financial crisis. The bibliography for this review is set out in Annex 1.

From 25 to 30 October 2009, the researchers visited Bangladesh and Zambia where they interviewed a range of stakeholders, including representatives from government, trade unions, employer associations, NGOs, the ILO, World Bank and UNDP. Interviews were conducted with ILO officials in Geneva on 23 October and with DFID staff in London and Scotland from 12 to 23 November 2009. For a complete list of meetings, see Annex 2.

Acknowledgements

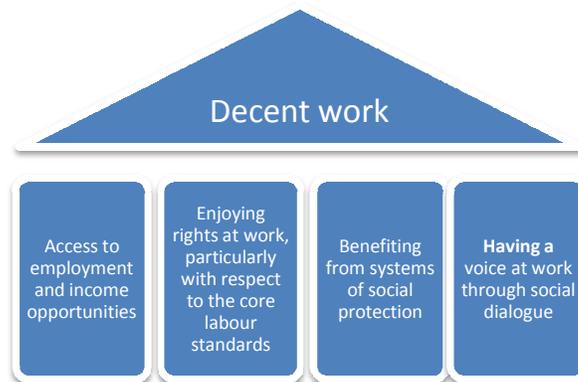
The report could not have been produced without the kind assistance of a wide range of individuals, including stakeholders in Bangladesh and Zambia and DFID officials in London and Scotland who were all very generous with their time and knowledge. The project team would particularly like to thank Karen Johnson from DFID, and Sharon Sukhram and Ben Moxham from the UK Trade Union Congress and for their guidance and support.

¹ The working poor are those individuals who have work but fall below the poverty line of US\$2 per day. See, e.g.: ILO, *Key Indicators of the Labour Market*, 2009b.

2. What is decent work and how does it contribute to poverty eradication?

The concept of decent work was developed by the International Labour Organisation (ILO) in 1999 to describe ‘opportunities for men and women to obtain decent and productive work in conditions of freedom, equity, security and human dignity’ (ILO, 1999). It encompasses four key dimensions or ‘pillars’, which are considered to be interdependent: employment, rights at work, social protection and social dialogue (see Figure 1). According to the Decent Work Agenda, it is necessary to strive for progress in all four areas, and failure to promote one pillar impedes progress in other areas. Decent work is held to be a universally applicable concept that is equally relevant for workers in both developing and developed countries.

Figure 1: Decent work pillars



In recognition of the importance of decent work for poverty reduction, the Millennium Development Goals (MDGs) have now been amended to incorporate the goal of decent work for all. MDG 1 now includes a target to ‘achieve full and productive employment and decent work for all, including women and young people’ by 2015. However, decent work is not a ‘one size fits all’ approach and different elements may need to be emphasised depending on the particular challenges in a given region, country, sector or workplace.

One of the major contributions of the Decent Work Agenda to poverty reduction is the recognition that poverty reduction must address the *nature* of employment opportunities as well as the *number* of employment opportunities. The Decent Work Agenda advocates an integrated approach to development and economic growth that takes all of the pillars into account; that is, considering how to generate employment opportunities for the poor that are accompanied by rights, representation and protection. In more concrete terms, this means developing employment-centred development strategies, in conjunction with comprehensive social safety nets and social transfers and reforms to institutions, laws and practices (ILO, 2007a).

Similarly, it is important to understand decent work as an *approach* to development, as well as a development *outcome*. While ‘decent work for all’ is clearly an objective that has been placed on the international development agenda (as an MDG target), it is also a policy approach, particularly with respect to labour standards and social dialogue. It implies that respect for international labour standards, as with other fundamental human rights, must be built into the development process from the outset as a matter of course, rather than assuming that higher labour standards and social equality will naturally grow alongside economic development. This is a question of both social equity and economic efficiency: there is a strong argument that higher labour standards and greater equality enable all workers to participate more fully in and contribute more effectively to the process of economic development and poverty reduction. At the same time, both labour standards and social dialogue entail ongoing attention. Social dialogue means, by its nature, ongoing discussion

between workers, employers and government, while continuous action is necessary to ensure ongoing respect for and compliance with labour standards.

In policy terms, proponents of decent work argue that a major benefit of looking at development through a decent work lens is the fresh perspective that it can give on links between policy areas, leading to cross-fertilisation and enrichment of otherwise separate branches of development thinking. Using the decent work paradigm can assist in avoiding the 'silo' approach to development policy and identify new ways to strengthen development cooperation. In this sense, it provides a valuable tool for thinking about how to integrate strategies on economic growth with social development concerns in order to achieve broad-based, fair and sustainable outcomes.

Cross-cutting issues

It is important to highlight some issues that have particular relevance for poverty reduction and are cross-cutting issues when considering the value of the Decent Work Agenda for poverty reduction.

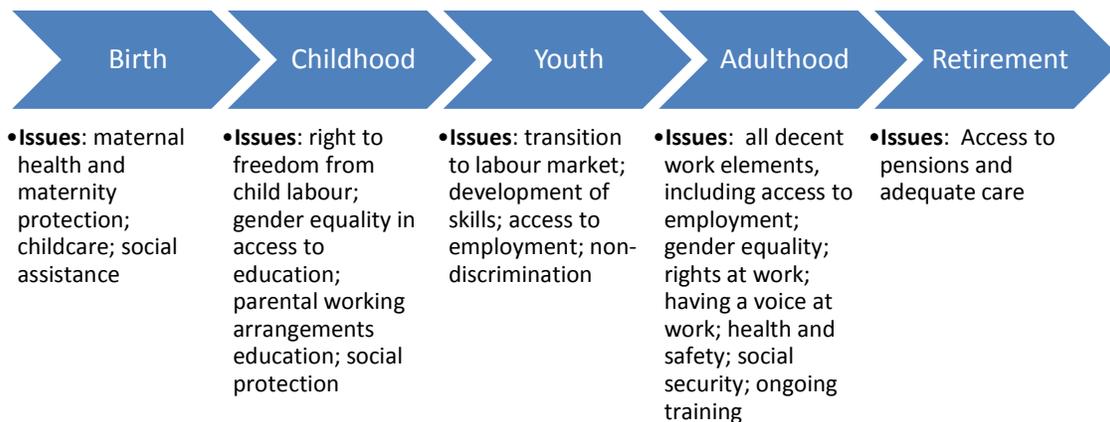
Informal economy: In developing countries, a high proportion of the working population is typically found in the informal economy, where working arrangements are not recognised or protected by law. This type of work is typically characterised by low income, poor working conditions, lack of representation, inadequate social protection and lack of rights. Vulnerability and insecurity of employment are a defining characteristic of informal work; however, informality covers a heterogeneous range of working arrangements from self-employed and own-account urban and rural workers (including home workers and contributing family members) to waged workers (ILO, 2002). The ILO (2002) observes that there is often no clear division between the formal and informal economy and also that low-paid formal workers face similar problems to their counterparts in the informal economy. This conceptual breadth and diversity poses major challenges to analysing and addressing the issues faced by the working poor in the informal economy, which are further complicated by the many linkages between the informal and formal economy and the increased global emphasis on flexible working arrangements (ILO, 2002).

Gender: Poverty has a strong female dimension, and women continue to face greater economic disadvantage compared to men. Women tend to be over-represented in jobs with poor working conditions and pay, often in the informal economy, and also undertake much 'invisible' work in the home or family businesses that is undervalued in terms of its contribution to economic development. Other key issues faced by women are disproportionate unemployment, occupational segregation and wage and other discrimination (ILO, 2009i).

Rural / urban divide: Finally, it is important to note that poverty tends to be concentrated in rural areas, where access to decent work is often a pressing issue and labour market dynamics differ from urban areas.

In this context, a different way of looking at the relevance of the Decent Work Agenda to poverty reduction is to consider it from the perspective of individuals and their families through a life cycle approach (see Figure 1). This approach shows the changing relevance of different aspects of the Decent Work Agenda at different points in the life cycle and highlights the transitions between different phases. However, it is important to note that these transitions are not always linear; for example, individuals may move in and out of the labour market several times in their lifetime for a number of reasons, such as unemployment, workplace injury, caring for children or other dependents. Also, as noted above, issues such as gender equality cut across all of the life stages, with discrimination against female infants and girls leading to a cumulative burden of inequality in education, training and access to economic opportunities (ILO, 2009i). Neglecting the foundations of decent work in earlier life has a flow-on effect to access to decent work in later life.

Figure 1: Decent work - a life cycle approach



Source: ILO, 2008a; ILO, 2009i.

The constituent parts of decent work and their relevance to current development thinking are analysed in further detail below. Whilst examining each pillar, we suggest some of the complementarities between and within pillars in the context of development cooperation and the benefits that could be derived from considering these linkages.

Employment creation

Employment creation is critical to poverty reduction and has clear links to a number of policy areas, including economic growth, private sector development and trade.

Policies to promote employment creation may include:

- employment-rich growth and growth that is targeted at helping the poor;
- labour intensive infrastructure programmes;
- macro-economic and fiscal policies that aid employment growth;
- incorporating an employment dimension into development programmes in fragile states;
- linking trade policies to employment;
- promoting education and training (i.e. employability);
- policies that enhance productivity and therefore competitiveness within the world economy;
- creating an environment conducive for entrepreneurial activity;
- focusing on local economic development;
- adopting labour market policies that help generate more stable employment relationships;
- promoting fair wages or fair returns for workers;
- addressing youth employment and employability; and
- adopting policies that help improve the management and governance of labour migration.

Source: Bell and Gibbons, 2007

The role of employment creation in poverty reduction achieved new prominence when the MDGs were amended to include a new target on decent work (see page 24). Nevertheless, employment creation has not always been sufficiently integrated into development strategies and in the past, development policy has tended to emphasise growth without regard for creating inclusive labour markets (OECD DAC, 2009a). While this is changing, there is an ongoing debate within development circles over the best ways to stimulate economic growth, the best ways to share the economic benefits in more equitable ways through society, and how far quality of employment should be prioritised in growth strategies. New approaches to thinking about growth are exemplified in the DFID-funded International Growth Centre.

There is no formulaic or inevitable relationship between economic growth and employment creation, let alone the creation of decent jobs. For example, in the period 1999-2003, for every percentage point of GDP growth, total global employment grew by only 0.3%, down from 0.38%

Box 1: DFID growth strategy

“A successful strategy of poverty reduction must have at its core measures to promote rapid and sustained economic growth. The challenge for policy is to combine growth-promoting policies with policies that allow the poor to participate fully in the opportunities unleashed and so contribute to that growth. This includes policies to make labour markets work better, remove gender inequalities and increase financial inclusion.”

DFID, Growth: Building jobs and prosperity in developing countries, 2008

from 1995-1999 (Kapsos, 2005). Consequently, current thinking on poverty reduction tends to place increasing emphasis on the need for economic growth that is employment-rich and maximises economic opportunities for the poor (for example, see Box 1). There is no automatic trickle-down effect from economic growth and successful private sector development. Markets can and do operate to exclude the poor and there is a need to influence markets to operate more efficiently and inclusively (DFID, 2007).

Any discussion of growth and employment creation in the developing world must address the issues raised by the informal economy. There is renewed interest in informal employment and how it relates to development

and growth, given that economic growth experienced by many developing countries over the past two decades has not diminished levels of informal employment, contrary to expectations. Some approaches to development posit the informal economy as a ‘legitimate alternative ... that fosters entrepreneurial ambition’ (see e.g. DFID, 2008a); however, the ILO (2007b) argues that there are significant barriers to decent work in the informal economy and it emphasises the need to move workers from informal to formal employment, whilst recognising the need to improve current working conditions in the informal economy, given its immediate potential to generate jobs for the poor.

Support for the private sector is an important element of current development approaches to both growth and employment opportunities. In the developing world, 90% of jobs are in the private sector. In this context, the private sector is taken to mean both larger formal sector companies and micro-, small- and medium-sized enterprises (MSMEs). As such, private sector development programmes may include regulatory reforms to create an enabling environment for business, the creation of incentives for the formalisation of informal businesses or support for MSME development.

Global trade has significant potential to raise global welfare and to improve access to decent work, but there is an ongoing need to ensure that trade leads to a better quality of economic opportunity for the poor. Trade liberalisation generally triggers a restructuring of economic activity that invariably leads to both job creation and job destruction. In the short term, this may have an overall net positive or negative effect depending on the country context, but in the longer term, the benefits are expected to be positive for development, in terms of wages and quantity of jobs (ILO/WTO, 2009). An important challenge, therefore, is to ensure that trade leads to both economic and social benefits, resulting in improved productivity and growth, as well as employment that meets labour standards and provides decent work. The ITUC (2009) argues that trade negotiations must take place on the basis of ‘a fully informed assessment ... of their impact on the level and stability of employment, respect for fundamental workers’ rights, equality between women and men, good working conditions, social protection and access to quality public services.’

Fundamentally, the Decent Work Agenda as applied to programmes that aim to stimulate growth, means placing greater emphasis on the pattern as well as the pace of growth so that growth leads to more jobs, with greater consideration given to rights, social protection and social dialogue. The labour standards pillar is particularly important to bear in mind in the context of private sector development reform programmes that often seek to reform labour laws in line with the Doing Business indicators (see page 21). In an ILO review of 55 PRSPs (ILO, 2008a), 72% were found to refer to the need for labour law reform, and most of these references were made in the context of private sector development.

The gender dimension of employment should also be taken into account, to ensure that men and women have equal access to productive work. This applies to job creation, vocational training and education, MSME creation, labour market policy and access to credit. For example, according to the ILO (2009i), sex discrimination in relation to vocational training is common and affects women's ability to access jobs with better pay and conditions. Microfinance has assisted many poor women to create or development MSMEs, raising household income so that more can be spent on children's education and family health and nutrition (ILO, 2009i).

Box 2: Developing better links between education and private sector development

In meetings with DFID in London, the Human Development team explained how DFID has been seeking to strengthen cooperation between its private sector development and education policy teams, in order to strengthen programme outcomes on vocational education and training and avoid the rigidity of working in 'silos'. This cross-linking of different policy areas will help to ensure a demand-led approach to vocational training, which responds to the needs of the private sector.

Applying a decent work approach can also provide a clearer focus on employment outcomes for some project areas. One area receiving attention is the creation of stronger links between vocational training programmes and employment creation outcomes (see Box 2), although these links could arguably be even further strengthened by providing for greater social dialogue with workers and their representatives in relation to training provision. Equally, there are clear links between the promotion of labour standards and employment; for example, addressing discrimination in employment helps to create fairer, more inclusive and arguably more efficient labour markets.

Poverty alleviation outcomes for the informal economy may be strengthened by, for example, considering how to ensure that efforts to create jobs co-exist alongside measures to improve access to social protection measures or representative mechanisms. Access to social protection is important given that informal employment is characterised by high levels of income insecurity, yet most social protection programmes have been developed either focus on the very poor who do not or cannot work (cash transfers etc) or on workers within the formal sector (social insurance). Better access to social protection mechanisms would help to protect workers in the informal economy from loss of livelihood.

Social protection

Alongside sustained and broad-based growth, poverty reduction depends on sharing the benefits of development with vulnerable and marginalised groups and promoting better outcomes for these groups (OECD DAC, 2009b). In the very broadest terms, social protection policies can be defined as policies to address risk, poverty and vulnerability, although the scope of social protection measures and definitions varies between institutions. The ILO defines social protection expansively, as:

... the set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment, invalidity, old age, and death of the breadwinner); the provision of health care; and, the provision of benefits for families with children (Bonilla Garcia and Gruat, 2003).

According to this categorisation, the ILO's work on HIV/AIDS, occupational health and safety and migrant labour are classified within their social protection programme.² In contrast, DFID's (2006) social protection programmes emphasise assistance for the 'poorest of the poor', with social protection posited as 'actions that enable people to deal more effectively with risk and their vulnerability to crises and changes in circumstances ... and help tackle extreme and chronic poverty'. Nevertheless, a key factor in all programmes is helping to provide the poor with mechanisms to cope with economic stress and external shocks - ranging from the effects of the current global financial crisis to HIV/AIDS to military conflict - that may affect their livelihoods or income.

Social protection policies may include:

- social transfers of cash or assets;
- pensions;
- workers' compensation for injured workers;
- feeding programmes;
- public works programmes;
- social security or unemployment benefits;
- health care provision;
- support for worker remittance transmission; and
- development of policies that support minimum standards at work.

Source: Bell and Gibbons, 2007.

Types of social protection interventions include traditional forms of social security, such as social assistance and social insurance, but may also include income insurance for informal workers or even non statutory or private measures such as remittances (Bonilla Garcia and Gruat, 2003). The poverty reduction impact of social cash transfers (SCTs) – regular cash payments by governments, donors or NGOs to individuals or households – has been well-documented and most innovation in social protection over the last ten years has been in this area (e.g. Brazil's *Bolsa Família* and Mexico's *Oportunidades* programmes). Social protection may also include near cash transfers (e.g. food vouchers) and mechanisms to ensure better access to health care.

Although there is some ongoing debate around the affordability of social protection schemes for developing country governments, there is evidence that social protection systems have a positive effect on growth by supporting access to education and health, protecting assets to help people earn an income, encouraging risk taking and entrepreneurialism, promoting participation in labour markets, easing the social pain of economic transition and enhancing social cohesion (DFID, 2006). Extending social protection programmes has been seen as a particularly powerful tool for responding to the poverty implications of the global economic crisis (World Bank, 2008; OECD DAC, 2009a).

In line with the Decent Work Agenda, the OECD DAC (2009b) has underlined the need to consider social protection and employment policies as mutually reinforcing. On the one hand, employment programmes help to raise incomes and increase possibilities for labour market participation, while social protection programmes help to stimulate the involvement of the poor in economic development, providing a buffer from external shocks and stabilising incomes. The OECD DAC (2009b) notes that social protection helps the poor to 'manage the trade-offs between meeting immediate needs and securing future livelihoods', potentially enabling households to undertake a degree of risk in order to invest in more productive livelihoods or search for alternative employment. It also supports human capital development associated with more efficient labour markets; for example, supporting families to send children to school and supporting the development of a better educated workforce. There is also a clear relationship between occupational health and safety policies and provision of basic healthcare, to ensure participation in the labour markets.

There are also important links between social protection and the rights agenda. For example, strengthened social protection systems have an important role to play in the economic

² The OECD DAC (2009b) and Asia Development Bank (www.adb.org/SocialProtection/default.asp) also adopt a broad definition.

empowerment of women. According to research cited by the OECD (2009b), SCTs have twice the impact on women's labour market participation as for men and have a particularly positive impact on school attendance for young girls. Access to maternity leave is another critical aspect of social protection for women workers, providing a measure of job security for women during the early stages of motherhood.

Country situations will vary, but one of the key issues for the Decent Work Agenda is ensuring more universal coverage of social protection mechanisms for all workers, particularly the working poor, given that in many developing countries, social insurance is often limited to the formal sector and social transfers are often targeted at people who are outside the labour market. There is a particular need to ensure that social protection schemes reach vulnerable informal sector workers, as this appears to be a current gap.

Standards and rights at work

Labour standards are at the heart of the Decent Work Agenda and provide a focus for the work of the Forum. This pillar covers measures that promote compliance with the fundamental principles and rights at work or 'core labour standards'³, and other ILO conventions ratified by individual states (e.g. termination of employment).

There is widespread recognition that poverty cannot be reduced without promoting rights. According to the UN's Commission on the Legal Empowerment of the Poor (2008), '[t]he legitimacy, even the acceptability, of the economy depends upon basic labour rights, as does the development of human capital necessary for sustained growth'. Child labour is a good example of how rights-based and development-based approaches are complementary: eliminating child labour means both ensuring respect for a core human right, whilst also addressing the detrimental effect that child labour has on human development (ILO, 2006). It is being tackled through a combination of promotion of primary education, community development as well as improved labour inspection.

Labour standards can also be considered as 'enabling rights' that encourage stronger standards of governance and democracy and promote social development. For example, widespread social and economic benefits can be gained by empowering women through providing greater access to income and employment opportunities. At the same time, support for freedom of association and collective bargaining can strengthen workers' organisations and help to promote more equitable income distribution, as well as more responsive political institutions.

Yet there remains an ongoing tension about the place of labour standards in the international development agenda, particularly regarding the relationship between economic growth and labour standards. On the one hand, labour standards – particularly the core labour standards – are posited as fundamental human rights and freedoms that should be enjoyed by all workers. However, at the other end of the spectrum, some schools of thought argue that labour standards are a protectionist device that raise the cost of employment and represent an impediment to development. Many developing countries see a trade-off between higher labour standards and competitiveness, whereby higher standards are perceived to raise the costs of employment and act as an obstacle to foreign direct investment.

The debate over labour standards has been most notably played out in the arguments over the World Bank's *Doing Business Report* which awards positive scores to countries that have fewer and less stringent labour laws in relation to employee termination, weekend work, holiday with pay and

³ These are enshrined in the ILO's 1998 Declaration on the Fundamental Principles and Rights at work and cover prohibition of forced labour, the right to freedom of association and collective bargaining, elimination of child labour and the right to non-discrimination in employment.

night work. While the World Bank asserts that its approach is fully consistent with ILO conventions, the ILO has complained vociferously about ‘serious conceptual and methodological problems’ that see regulation only as a cost (Berg and Cazes, 2007). But rather than seeing this as a dichotomy between over-regulation or none, in many countries there is a need for simply better and more relevant regulation. Labour laws may be outdated, restricted to certain formal sectors and often unenforced. They may provide overly rigid protection for public sector workers while providing little or no protection for workers in the informal economy.

There is evidence to suggest that the establishment of legal minima, based on labour standards, enhances legal and political stability and can improve the climate for investment and raise income levels in developing countries (see e.g. Bazillier, 2007; Palley, 2007). Improved working conditions also can contribute to better productivity through improving employee motivation and retention, and worker health. There is also an incentive to invest in higher-skilled processes, rather than competing solely on (unskilled) unit labour costs. Freedom of association, as part of effective industrial relations, can improve productivity and worker engagement. The elimination of child labour raises the level of wages for adult workers and ensures that there are higher levels of education within the population, which raises future outputs and productivity.

A decent work approach implies supporting the development of a regulatory framework that encourages the growth in employment opportunities by ensuring respect for core labour standards, and being tailored to national circumstances in terms of being relevant to as wide a group of workers as possible, effective and enforceable. The development of private voluntary standards is a complementary mechanism for supporting the observance of international labour standards in the private sector, particularly where labour inspectorates may be under-resourced and weak.

Policies on labour standards may include, for example:

- the elimination of child and forced labour;
- promotion of freedom of association and collective bargaining;
- promoting access to employment for disadvantaged groups, such as women, youth or disabled groups; or
- programmes to assist indigenous groups.

Source: Bell and Gibbons, 2007.

Social dialogue

The fourth decent work pillar refers to social dialogue between governments, employers and workers, as a means of achieving wider input into and understanding and acceptance of social and economic policies as well as greater democratisation.

Social dialogue is important at several different levels. The first is at the level of policy development at the national and sectoral levels. According to the OECD (2008), the participation of employers’ and workers’ organisations is instrumental in designing institutions and policies to improve the smooth running of the labour market. Social dialogue also improves the participation of various groups of society in decision-making and can contribute to the effective formulation of regulations and policies for achieving employment intensive and pro-poor growth. For example, Naidoo (2001) notes how South African trade unions perceive social dialogue as a means to ‘deepen democracy in post-apartheid society’, by providing another mechanism to ensure that government takes into account the views of workers before decision-making.

Policies on social dialogue may include:

- institution-building;
- labour law reform and strengthening enforcement;
- promoting collective bargaining;
- strengthening dialogue and consultation processes.

Source: Bell and Gibbons, 2007.

The second level is in respect of the development of programming or projects by donors. Here it is often the case that employer bodies are engaged with by donors to a greater degree than worker

representatives. This can be as a result of lack of capacity or expertise among trade unions, but it also results from a lack of understanding of what trade unions can bring to the development agenda. As a general rule, donors need to enhance their consultation with trades unions, especially in relation to projects with employment outcomes.

The third level is at a firm or enterprise level. One of the lessons of the last decade of social compliance monitoring in supply chains is that an audit-based approach is insufficient to ensure fundamental and sustainable improvements in working conditions. There is a need for effective industrial relations processes that enable workers to engage and negotiate with employers over their own terms and conditions. Yet the Ethical Trading Initiative (2008) notes little progress towards achieving freedom of association and collective bargaining. Donors have funded projects aimed at improving worker engagement as part of social compliance programmes, but this sort of work needs to be extended to other private sector development programmes.

Making improvements to social dialogue mechanisms also means ensuring that the voices of the marginalised and vulnerable are heard in development debates. In particular, this means ensuring better avenues for listening to the voices of workers in the informal economy, women workers and youth, as the participation of these groups is still low, but critical for promoting equality. For example, according to the ILO (2009i), women currently account for only 15% of total members – government, worker and employers – of social dialogue institutions. National governments, donors and trade unions all need to step up their efforts to ensure that these voices are heard in sectoral and national policy debates. Improving the quality of social dialogue also means ensuring that labour ministries and social partners have the necessary institutional capacity and resources to formulate, implement and monitor appropriate policies and engage meaningfully in debates from the national through to the enterprise level.

3. How far has decent work been integrated into the international development agenda?

Since its inception, the Decent Work Agenda has gained considerable political currency within the international community and has featured in a number of high-level declarations and resolutions, particularly in international responses to the global financial crisis. However, beyond broad international statements, it appears that the uptake by donors and national governments has been mixed to date. As such, the links between poverty eradication and decent work, analysed in Part 2 above, remain unexplored and ad hoc in many development plans and programmes.

International endorsement

The Decent Work Agenda received perhaps its most important international endorsement when world leaders agreed in 2005 to amend the MDGs to explicitly include reference to decent work. The MDGs are the cornerstone of the international development agenda, representing an agreement amongst all countries and major international development institutions on the major challenges to halving extreme poverty by 2015. MDG 1, which aims to eradicate extreme poverty and hunger, now includes a target to ‘achieve full and productive employment and decent work for all, including women and young people’ by 2015 (see Box 3). The MDGs also intersect with the Decent Work Agenda in other ways; in particular, MDG 3 on gender equality includes a target on the proportion of women in non-agricultural employment and also relates to standards and rights at work. There are also clear synergies between the MDGs 4, 5 and 6 on health and social protection.

Box 3: MDG Target (1B): ‘Achieve full and productive employment and decent work for all, including women and young people’

Indicators:

- Growth rate of labour productivity (GDP per person employed)
- Employment-to-population ratio
- Proportion of employed people living below the poverty line
- Proportion of own-account and contributing family workers in total employment (vulnerable employment rate)

Alongside its incorporation into the MDGs, the United Nations has recognised the relevance of the Decent Work Agenda for development. In December 2008, the UN General Assembly adopted a resolution to make ‘full employment and decent work for all’ the central theme of the *Second United Nations Decade for the Eradication of Poverty (2008–17)*. At the same meeting, the General Assembly reiterated its support for the Decent Work Agenda and resolved to make decent work ‘a central objective of relevant national and international policies, including poverty reduction strategies’. Previously, in July 2008, the Economic and Social Council (ECOSOC) adopted a resolution on promoting full employment and decent work for all, following on from the 2006 ECOSOC Ministerial Declaration which called for “multilateral and bilateral donor and inter-agency cooperation and coordination, in the pursuit of the goals of full and productive employment and decent work for all.”

Naturally, the champion of decent work in the UN system is the ILO, for which decent work is now the central objective and institutional *raison d’être*, particularly following the adoption of the 2008 Declaration on Social Justice for a Fair Globalisation. For this reason, both inside and outside the UN system, the ILO is widely perceived as the ‘owner’ of the Decent Work Agenda. Other agencies may collaborate with the ILO or conduct their own programmes that pertain to one or more pillars of the Decent Work Agenda, but do not use decent work as a programming tool. The concept of decent work now drives the ILO’s technical cooperation programme (through the adoption of Decent Work Country Programmes) and, to some extent, has raised the ILO’s profile as a development actor.

There have been moves to mainstream decent work across all UN agencies. Following the ECOSOC Ministerial Declaration, the ILO worked with the UN Chief Executive Board to develop a Decent Work Toolkit (ILO, 2007c) that would assist the UN family to assess and improve employment and decent

work outcomes of their own policies, programmes and activities. The UN also highlights decent work as a cross-cutting issue in its guidelines for country teams preparing a UN Development Assistance Framework (UNDAF), the collective framework for the UN's operational activities at a country level. Nevertheless, the extent to which the Decent Work Agenda has been used by other UN agencies is unclear and there is potential for the ILO's voice on decent work to be lost within the UN system, given its status as one of the smaller agencies with limited resources.

Another source of support for the Decent Work Agenda is the OECD Development Assistance Committee (DAC), comprised of donor governments and multilateral institutions. The DAC issued a high-level policy statement in May 2009 to declare that 'productive employment and decent work needs to be a key objective of development co-operation' (OECD DAC, 2009a). In particular, the statement emphasises the mutually reinforcing nature of actions on social protection and employment and calls for donors to support *inter alia*:

- Developing countries' own efforts to build social protection systems, especially through long-term partnerships that include financial and technical support;
- Measures specifically designed to improve employment, productivity and working conditions in the informal economy, at the same time as measures to encourage formalisation and support the creation of more, productive and decent work in the formal economy; and
- Increasing the participation of women and young people in the labour market.

Donor support for decent work

Despite this chorus of collective support for the Decent Work Agenda, individual donor responses to date have varied considerably, in terms of both policy frameworks and development funding. In policy terms, one of the most enthusiastic supporters has been the European Commission. Its overarching policy statement on development cooperation, the 2005 European Consensus for Development, expressly refers to the need to include decent work in poverty eradication strategies and establishes work on social cohesion and employment as one of nine development priorities. Subsequently, the Commission has issued a number of policy statements reiterating its support for decent work (see Box 4). Other countries that have strongly supported the concept include Norway (see Box 5 below), Sweden and the Netherlands.

Box 4: European Union

The European Commission (2008) has recognised that 'Promoting full and productive employment and decent work is an objective in EU external assistance and development cooperation'. This is to be implemented through trade agreements, multilateral agreements, bilateral co-operation and neighbourhood policy.

Box 5: An integrated approach to decent work and development: Norway

In September 2008, Norway published a 7 point strategy to strengthen and coordinate Norway's efforts to promote decent work, in both domestic and international spheres. The strategy's action points are:

1. An integrated approach to strengthening policy initiatives and coordination on decent work matters, both through the ILO and through Norwegian foreign policy, development aid policy, trade policy, ownership policy and labour policy;
2. A deeper engagement with the ILO;
3. Respect for worker's rights, especially the core labour standards, will be made a criterion for assessing how to prioritize the use of Norwegian development aid funds;
4. Applying increased pressure to include decent work matters in trade policy, including bilateral and regional trade agreements;
5. Working with Norwegian companies to ensure that they assume social responsibility with respect to workers they employ in other countries, particularly in relation to the core labour standards and OHS;

6. Strengthened focus on the enforcement of labour laws and regulations, including through international development assistance and dialogue; and
7. Sharing Norwegian experiences to improve the monitoring of work environment and OHS in other countries.

Source: Ministry of Labour and Social Inclusion, Norway, 2008.

But even where there has been strong support for decent work, individual donors have generally not chosen to use it as a programming theme for their own bilateral development cooperation. For example, despite EU support for the concept, decent work does not have a high visibility in partner country programming and strategies (Delarue, 2009). Operationally, few donor agencies have a unit devoted to employment or labour market outcomes, and expertise regarding different elements of the Decent Work Agenda tends to be spread across several units. This is not to say that donor activities are not addressing elements of the Decent Work Agenda, but rather that they do not tend to do so in an integrated way: activities may target a single pillar of the Decent Work Agenda without regard for the others.

DFID exemplifies this. The 2009 White Paper, DFID's most recent policy statement on its approach to development and poverty reduction, contains references to decent work, but in these, it appears to be conflated with labour standards⁴ or associated with the ILO. Decent work is not used as a programming concept or tool. For example, the White Paper cements DFID's substantial commitment to social protection, making an ambitious pledge to support 50 million poor people through social assistance and related measures, but this is not explicitly linked to decent work. The White Paper also makes further commitments in relation to employment creation in fragile states and support for fair and ethical trade (see Box 6). However, conceptual links are not evident between the different areas in which DFID is active that fall within the Decent Work Agenda. (See also DWLSF, 2009).

Box 6: DFID – Responsible and Ethical Garment Sector (RAGS)

RAGS is a new DFID initiative to promote better labour standards in the garment sector in developing countries from which UK retailers source garments. The funding mechanism, commencing in 2010, will provide £3.5 million over four years for non-government organisations to undertake self-designed programmes.

The aspects of the Decent Work Agenda that continue to generate the most support in the donor community are employment creation and social protection (Ergon Associates, 2008; ILO PARDEV, 2009). Social dialogue is the most neglected pillar of the Decent Work Agenda, particularly in bilateral technical cooperation, although some donors provide strong support to trade union development work. Donors tend to support this pillar through funding for other organisations; i.e. the ILO, trade unions, NGOs and political foundations. For example, the Netherlands provided €69.6 million in 2005-2008 to Dutch trade union centrals for working on trade union and labour rights in developing countries (Dutch Ministry of Foreign Affairs, 2008). Similarly, DFID is currently providing the Trade Union Congress with £2.4 million in 2009-2011 through a Programme Partnership Agreement and also provides grants to trade unions and NGOs for decent work activities through the Civil Society Challenge Fund (CSCF) (see Annex 3). Notably, the German government provides funding to the Friedrich Ebert Stiftung, a political foundation that works in a large number of developing countries to build trade union capacity.

National development planning

The extent to which international support for decent work filters down into national development planning varies considerably across countries. Overall, it has not consistently emerged as a major priority, although an increasing inclusion of employment objectives in national development planning suggests a growing recognition of the importance of employment creation to economic

⁴ See 'Decent work for Bangladeshi workers', p 43.

growth. These patterns are significant not only because national development plans set out government policy and budget allocation over a three year or longer period, but also because there is, in theory at least, a strong alignment between donor programming (including UNDAFs, multilateral and bilateral donor planning) and these strategies.

A number of studies have analysed the integration of employment and decent work objectives into Poverty Reduction Strategy Papers (PRSPs), country-owned strategies developed by national governments through a participatory process. A forthcoming ILO analysis of African PRSPs has found that employment is emerging as a much more central objective in the latest generation of PRSPs, and all of the analysed PRSPs refer to employment in some way (Delarue, 2009). However, there are ongoing questions regarding the extent to which governments are translating these policy statements into budgetary allocations, as well as the strength of monitoring indicators (which may not correspond to the MDG indicators). Moreover, other pillars of the decent work may not be covered, such as labour standards, wage policies and occupational health and safety (Egulu, 2004). This is of particular concern given that a high proportion of PRSPs have been found to refer to labour law reform. An earlier ILO assessment (2007d) considered that, although there is general recognition of the importance of social protection, PRSPs rarely established long-term strategies to address this need and rights at work were not discussed systematically.

In theory, the consultation process that is used to develop national development plans should provide an avenue for labour ministries, social partners and NGOs to call for a greater emphasis on the links between poverty, employment and decent work. Egulu (2004) found that there was a clear correlation between effective union participation, ILO involvement and stronger coverage of labour-related and social protection issues in the PRSPs. Nevertheless, there are obstacles to this participation, including how the process is structured more generally and the capacity of local actors. For example, a report on the UN 'Delivering as One' pilot process found that there was a need to ensure that line ministries (such as labour ministries) are given a stronger voice in articulating national development priorities, as the predominant role is usually taken by ministries of finance and planning (UNEG, 2008). Similarly, Egulu (2004) found that a widespread lack of capacity within trade unions was a major deficiency, with many lacking the financial and human resources to prepare well-argued analyses and present alternative workable policies.

One of the main ways in which the ILO promotes awareness of decent work at country level is through its Decent Work Country Programmes (DWCPs). DWCPs provide a framework for consulting national governments, employers and trade unions on decent work deficits in order to set priorities for the ILO's country-level technical cooperation. The ILO has underlined the importance of DWCPs as a vehicle for building and developing national ownership of decent work issues and building the capacity of government and social partners in results-based programming, monitoring and evaluation skills (ILO, 2009a). The ILO has been able to use its DWCP to influence development planning to some extent; however, the ILO acknowledges that there are still difficulties in using its tripartite structure to influence other processes, such as UNDAF formation.

4. How has the Decent Work Agenda been incorporated into responses to the food, fuel and financial crises?

Impacts

The global financial crisis triggered at the end of 2008 was the deepest to affect global trade and activity since the end of World War II. The crisis came at a time when many in the developing world were already struggling to cope with the rise in food, fuel and other basic costs, alongside stagnation in the value of real wages (IDS, 2009a). Shocks caused by natural disasters and conflict had also affected food security and community vulnerability. As such, the UN (2009a) has estimated that up to 91 million people could be added to the number of people living in extreme poverty.

The ILO has recast the financial crisis as a 'jobs crisis', given the dramatic rise in global unemployment and swelling of the ranks of the working poor. According to the UN's *Voices of the Vulnerable* report (2009), it is not the chronic poor that have been most affected by the current crisis, but the near and working poor. The groups identified as most affected by the crisis are the working poor, i.e. workers in the formal economy, workers in the informal economy and international and domestic labour migrants, with agricultural cash crop farmers tagged as a fourth category to be watched closely. Many of these workers have little or no access to social protection once they have lost their jobs and are forced to accept whatever employment is available, regardless of wage levels or working conditions.

Nevertheless, the impact of the crisis on growth and employment has not been uniform across or within countries. Most developing countries have experienced a drop in economic growth in 2008-9, threatening the achievement of the MDGs, although this drop has not been as severe as in industrialised countries. In general, export-oriented sectors, such as manufacturing, took a rapid hit due to a fall in global demand for goods, though this has been differentiated by sector and country. Job losses have also been high in construction and commerce. For example, according to the ITGLWF (2009), over 13 million jobs have been lost in the garment sector since June 2008 and a further 3 to 4 million are at stake.

Recent economic forecasts suggest that the global economy is starting to show signs of recovery, albeit a sluggish and uncertain one (IMF, 2009); however, research on previous financial crises shows that impacts on employment levels, poverty and inequality can be long-lasting. For example, informal employment – where wages are lowest and working conditions poorest – is likely to grow in the wake of a financial crisis, with recent statistical data supporting this theory (ILO, 2009c). This effect is particularly pronounced where social safety nets are underdeveloped (Marshall et al, 2009). The crisis is already thought to have exerted downward pressure on wages and working conditions for both formal and informal workers. Global growth in wages dropped sharply from 4.3 % in 2007 to 1.4 % in 2008, and is expected to drop further in 2009, regardless of any beginnings of economic recovery (ILO, 2009d). Moreover, as workers shift from the formal sector to the informal economy, there is increased competition for jobs and already meagre earnings, reducing workers' bargaining power and making workers more vulnerable to exploitation.

In times of crisis, the most vulnerable and marginalised often suffer most, yet many developing countries lack social protection systems to cushion the impact for these households. Where there are social protection systems in place, these may be focused on the chronic poor and may not be designed to reach the working poor and crisis affected households (O'Keefe, 2009). Women and children have been identified by the UN (2009a) as those most likely to bear the brunt of the crisis in the medium to long term. For example, as household incomes drop and businesses seek to lower overheads, more children will be vulnerable to child labour. At the same time, global youth unemployment is expected to more than double (ILO, 2009e). Migrant workers are also particularly vulnerable to the effects of the crisis, as they often lack employment security and a voice in the

workplace. Declining wages of migrant workers also have an important effect on developing countries that rely on remittances, as these provide an important informal safety net for many vulnerable households.

Responses

In the international political responses to the crisis, there has been considerable recognition of the need to emphasise employment and social protection measures in order to combat job losses and increased vulnerability; however, questions remain regarding the extent to which policy statements have been translated into action.

The London G20 Summit in April 2009 pledged to build a sustainable and inclusive recovery to the global economic crisis, and recognised the effects of the crisis on vulnerable groups in developing countries. The resulting roadmap included a reaffirmation of the international commitment to the MDGs and measures worth \$50 billion to support social protection, boost trade and safeguard development in low income countries. The leaders’ statement also promised to increase employment opportunities, create a family-friendly labour market for men and women and invest in education and training and active labour market policies, with a focus on the most vulnerable.

Following the London Summit, the UN Chief Executives Board proposed nine coordinated policy initiatives to be taken by UN agencies as part of the international crisis response. These included a Global Jobs Pact, with the ILO as lead agency, and a Social Protection Floor, to be developed by the ILO and the World Health Organisation in collaboration. The ILO’s Global Jobs Pact was adopted by representatives of governments, workers and employers at the June 2009 International Labour Conference. (A selection of the proposed measures is set out in Table 1 below.)

Table 1: Global Jobs Pact: Selection of proposed measures regarding employment and social protection	
Employment	<ul style="list-style-type: none"> • Investing in workers’ skills development to improve employability, in particular for vulnerable groups and those who have lost or at risk of losing their job; • Promoting measures to ensure a favourable environment for SME creation, including access to affordable credit; • Tailoring support for cooperatives; • Using public employment guarantee schemes for temporary employment • Increasing investment in infrastructure, research and development, public services and ‘green’ production
Social protection	<ul style="list-style-type: none"> • Introducing cash transfer schemes for the poor to meet immediate needs and alleviate poverty • Building adequate social protection for all, drawing on a basic social protection floor including access to health care, income security for the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for the unemployed and working poor • Extending the duration and coverage of unemployment benefits • Ensuring that the long-term unemployed stay connected to the labour market through e.g. skills development for employability

In conjunction with these measures, the Jobs Pact calls on countries to increase respect for the core labour standards, including vigilance on breaches, and underlines the value of social dialogue in designing policies that fit national priorities. Work on the Social Protection floor is ongoing: it will provide a policy statement on essential social services, a basic set of essential social transfers, a minimum income security and access to essential services, including health care (ILO, 2009g).

The most recent statement from the G20 leaders at Pittsburgh in October 2009 contains its strongest statement of support to date for the Decent Work Agenda. In the context of its Framework for Strong, Sustainable and Balanced Growth, the statement expressly commits the G20 countries to:

... implementing recovery plans that support decent work, help preserve employment, and prioritise job growth. In addition, we will continue to provide income, social protection, and training support for the unemployed and those most at risk of unemployment.

The statement recognises that government policies must be consistent with the core labour standards in order to ensure that growth is broadly beneficial. In relation to developing countries, the Pittsburgh statement pledges cooperation to improve access to food, fuel and finance for the poor and calls on the World Bank to work with donors to scale up agricultural assistance to low income countries.

The Jobs Pact has also been endorsed by the OECD Labour Ministers Meeting, the EU Heads of Government or State informal meeting, the African Union's Tripartite Labour and Social Affairs Commission and the Inter-American Conference of Ministers of Labor (ILO, 2009h). In a July 2009 resolution, the UN ECOSOC encouraged member states to make use of the framework provided by the Jobs Pact and also called on international institutions, UN funds, agencies and country offices to take account of its policy options.

But to what extent are these political statements being translated into action? The ITUC (2009) has criticised the international crisis response for a lack of coordination and national stimulus packages for being 'inadequate in size, imbalanced geographically, insufficiently focused on labour issues and [...] implemented too slowly'.

The ILO's report to the Pittsburgh summit (2009c) found that all countries it surveyed had prioritised investment in infrastructure in order to generate employment. However, additional funding for active labour market programmes, aimed at helping the unemployed back to work, was found to be limited. An earlier survey of rescue measures found that fiscal packages were likely to emphasise expenditure on public infrastructure projects (close to one third of overall expenditure) and tax cuts, whilst spending relatively little on employment measures (such as training programs, job matching and funding for employment services) and social transfers to low-income groups (Khatiwada, 2009).

Moreover, measures generally overlooked the importance of social dialogue.

Many voices have called for responses to the financial crisis to provide the basis for a more socially and environmentally sustainable world economy. Economic crises and shocks are cyclical and responses to the current crisis must be established within a longer-term development agenda. For example, where comprehensive social protection mechanisms are already in place prior to a crisis, they are better placed to protect the poorest once a crisis arrives. So far, it appears that the international financial crisis has provided the context for greater recognition of the importance of employment and decent work in international development; however, it is not clear that this high level discussion is filtering through to the country level and providing the basis for the creation of decent jobs and the development of better and fairer systems of social protection.

Box 7: Responding to the labour rights implications of the crisis

One of the more interesting sectoral responses to the crisis is the Sustainable Apparel and Footwear Initiative (SAFI), which represents a collaborative approach between the private sector, trade unions, government, international institutions and government actors.

SAFI aims to respond to the immediate consequences of the crisis for workers and enterprises – job losses and a lack of access to credit – but also to use the context of the financial crisis to consider how to achieve longer-term sustainability in the industry.

SAFI is led by the MFA Forum, with funding from the International Finance Corporation.

5. Bangladesh country study

Overview

In recent decades, Bangladesh has made considerable progress in reducing poverty. Bangladesh has experienced strong GDP growth averaging 6% per annum from 2003-7 (up from 5% per annum over the previous five years). Strong growth combined with a fall in the population growth rate to less than 1.5%, has contributed to a growth in per capita GDP. Life expectancy has improved from 50 to 64 years over three decades. Bangladesh now ranks 140th out of 177 countries in the UNDP's Human Development Index.

Nevertheless, in spite of progress, over 40% of the Bangladesh's people (55 million) remain in poverty with 80% below the \$2 per day line. It remains vulnerable to natural disasters such as floods and cyclones, and climate change is a major threat. While the country has experienced improved food production and security with near self-sufficiency in rice in non-disaster years, and improved poverty incidence, the gap between rich and poor is widening, and those hardest hit are usually women, children, slum dwellers and ethnic minorities. In terms of the MDGs, Bangladesh is on course to meet MDG 1 (halving the proportion of people below the poverty line) but is off-track on others, notably MDG 2 (completion of primary schooling), MDG 3 (gender parity in tertiary education), and MDG 5 (reducing maternal mortality).

Three quarters of Bangladeshis live in rural areas but structurally, the economy is changing with the agricultural share of GDP falling from 33% in 1980 to 22% in 2006. Conversely, industry accounted for 29% of GDP in 2006, up from 17% in 1980. The proportion accounted for by services has remained stable at around 49%. Dhaka is experiencing rapid urbanization and is anticipated to become one of the world's largest cities by 2015. At the same time, the economy has become more open in terms of international trade, with merchandise trade increasing from 21% of GDP in the early 1980s to 37% in 2004-06.

Employment has been growing at 1.6% per annum since the 1990s at a slower rate than the economy as a whole and slower than the increase in the labour supply. This has contributed both to labour migration (mainly to the Gulf States) and also to high rates of under-employment. While official unemployment is low, underemployment is as high as 38% of the potential labour force. 80% of employment is in the informal economy. Sectorally, agriculture accounts for around 23 million workers, with industry 6 million, and services 15 million. The main formal sector employer is the ready-made garment (RMG) industry, which accounts for three quarters of exports by value and provides employment for 2.1 million people directly and indirectly, 90% of whom are women.

The Bangladesh government has been successful in maintaining a stable macro-economic framework but in other respects, governance and state capability is weak. Public financial management is fragile and delivery of infrastructure projects has been slow, resulting in inadequate transport and energy provision. The country ranks 147th out of 180 in Transparency International's Corruption Perception Index 2009.

Since independence in 1971, politics has been often polarised and volatile. From 2007 to early 2009, there was a military 'Caretaker' government which restricted civil rights (including trade union rights) while taking steps to address endemic corruption. A new democratic government was elected at the start of 2009.

Decent work challenges

Employment creation

The ILO's Decent Work Country Programme (DWCP) emphasises that 'rapid employment generation is vital to poverty reduction in Bangladesh'. Continuing high levels of poverty remain because of

inadequate employment opportunities. Thus a key decent work challenge is to create more employment opportunities to address the problems of underemployment, marginal subsistence employment and an increasing labour supply. To a large degree, this means developing greater opportunities for economic participation in rural areas. At the same time, there is a need to upgrade livelihoods and improve the earning power of those workers in both the informal and the formal economy. There are persistent gender inequalities related to employment and wages. Education and vocational training are seen as poorly targeted to the needs of the economy, and failing to improve employability. A persistent complaint from labour and NGO interlocutors was that formal jobs were becoming more vulnerable by being outsourced to agencies with worse conditions and less regular employment.

Decent Work Country Programme 2006-2009

The ILO's DWCP identifies the following priorities:

1. Competitiveness in the post-MFA era and promotion of decent work and productive employment.
2. Promotion of fundamental principles and rights at work including elimination of worst forms of child labour.
3. Capacity-building for tripartite partners.

Labour rights

In terms of rights and labour standards, child labour remains widespread particularly in the informal economy, with hazardous child labour prevalent in certain industries. Bangladesh has not ratified the Minimum Age Convention (No. 138), though it has ratified the Convention on Worst Forms of Child Labour (No. 182).

The central piece of employment legislation is the Bangladesh Labour Act (2006). This consolidated previously disparate acts, but was not fully implemented during the period of the Caretaker government. In terms of freedom of association and collective bargaining, the Labour Act includes various restrictions on union activity (although it is an improvement on the previous legislative structure). For example, 30% of enterprise workers have to be union members for union to be recognized and unions must be registered by the government. Unions can only be formed at the enterprise level with limited scope for regional structures. Three-quarters of members must agree before a strike can go ahead, and strikes may not continue for more than 30 days, after which the dispute goes to the industrial court. No strikes are allowed for the first three years of an enterprise's existence if it is newly built, foreign owned or built with aid. Workers in export processing zones (EPZs) can now form unions, though the process is cumbersome, and strikes are banned until 2010.

It is also the case that the government's ability to enforce labour legislation is weak. There are insufficient numbers of labour inspectors, with inadequate training and facilities.

Minimum wage

Minimum wages for sectors within the formal economy are set by a wages board. For the RMG sector, this was most recently revised in October 2006 and set at Taka 1662.5 per month (approx. US\$25). It is generally agreed that this is now inadequate, having been eroded by inflation. Moreover, the enforcement of the current minimum can be patchy and many factories were slow to implement the 2006 increase. The new government is committed to reviewing the minimum wage. There is vigorous debate over a new level that would be more in line with a living wage.

Social dialogue

There are tripartite structures at national level, including an official tripartite committee to review the labour law, but these do not function effectively. Employer groups tend to be better organised and resourced than the trade union side. The employer side is dominated by the two garment manufacturing associations (the Bangladesh Garment Manufacturers and Export Association – BGMEA, and the Bangladesh Knitwear Manufacturers and Exporters Association – BKMEA), whereas trade unions are fragmented and generally weak.

Trades unions tend to be closely associated with political parties and strikes have been used by both main parties (the Awami League and Bangladesh National Party) to further their political ends. Arguably this has undermined the ability and credibility of some unions to act as representatives solely of worker interests.

Only around 3% of total labour force is unionised, though this rises to a third of formal workers. Unions on average have around 300 members. During the 'caretaker government', union activity was severely restricted. At enterprise level, industrial relations can be extremely poor. Employers have a negative view of trade unions and are reluctant to engage with them. The RMG industry has seen regular – and violent – strikes and protests, which have been suppressed with fatal consequences, indicative both of poor working conditions and a lack of effective dialogue. This arises both from traditional hierarchical attitudes among employers, inadequate legal rights to freedom of association, as well as from poor education among workers and inadequate leadership and politicisation of some trade unions.

Social Protection

The country implements about 30 public safety net programs to promote inclusive growth some of which are highly innovative and known worldwide (e.g. Secondary Schools Stipends Program). Other private sector led programs, such as the Grameen Bank's microfinance program also have global recognition. Most recently, recent economic growth has led to increased spending on public social safety nets from 0.4% of GDP in 2002 to 1.6% of GDP (2007), consistent with Bangladesh's level of income (this represents an increase in the proportion of total public expenditure from 12% in 2008-09 to 18% in 2009-2010). However, the safety net system is not able to cost effectively reach the poor. Safety net programs can be duplicative, each with limited scope and coverage, and are administered by 13 separate Ministries. 'Leakage' (i.e. corruption) can be considerable. For example estimates of leakage from the secondary school stipend program ranges from 10-40% of program benefit, depending on the method and data used.

Most social protection programmes are aimed at asset or cash transfers. Social insurance programs tend to be limited to civil servants with few other formal economy workers protected against by catastrophic income shocks, such as health or disability.

The key problem identified by DFID in Bangladesh was greater co-ordination between government systems and donor programmes, with an enhanced willingness to learn from successful programmes such as the Chars Livelihood programme and BRAC's Challenging the Frontiers of Poverty Programme.

Impact on livelihoods of food, financial and fuel crises

On average the real price of rice was 33% higher in 2008 than in 2007. Since poor people spend as much as 40% of their incomes on rice, this had the effect of pushing a significant number of households back into poverty. It is estimated that about 7.5 million were added to absolute poor while about 6.9 million to the extreme poor due to food price hike in 2008. Coping strategies included reducing expenditures on health and education and simply eating fewer, lower calorie meals. The fall in the price of rice during 2009, helped by good harvests, eased the situation somewhat, though high protein foodstuffs remained expensive.

The financial crisis was expected to impact negatively on exports, remittances and imports. However, Bangladesh has weathered the global economic crisis relatively well. Reduction in demand for RMG goods from the US and Europe was not as severe as expected and export volumes were maintained. However, this was achieved through maintaining pressure on costs. Bangladesh was forced to compete even more strongly on price to maintain its position. This has put more pressure on working conditions including hours and wages, and there have been some factory closures. There is some evidence of a slowdown in orders in recent months.

Remittances from Bangladeshi workers abroad have also held up well, though there are concerns over whether growth in demand for migrant workers can be maintained. Provision of better education and training for potential migrants is seen as a means of satisfying demand for more highly qualified labour.

In response to the crises, the previous Government scaled up its social protection and public works programmes. It also introduced an employment generation program (EGP) in 2008 to ensure a minimum of 100 days of work for two million rural unemployed people. The present Government has restructured the programme as the Employment Generation Scheme for the Hardcore Poor and allocated a substantial amount in the 2009-2010 budget presented in the parliament on 11 June 2009.

How are these challenges being addressed in national development planning?

National development planning

The country's first Poverty Reduction Strategy Paper (PRSP) was adopted in 2003 and ran until 2008. The caretaker government prepared a new PRSP or National Strategy for Accelerated Poverty Reduction (NSAPR - 'Moving Ahead'). However, the incoming democratic government has amended this in line with its election manifesto. The new draft ('Steps Towards Change') is being put for Parliamentary approval and is expected to be agreed by the end of the year. It will cover to the end of the 2011 financial year. The government's planning cycle is also to be organized around five year plans, with a new one starting from 2010. It is intended that the future cycle of PRSPs and five year plans will become harmonized.

The draft NSAPR covers a wide range of development and planning programmes and commitments. However, its overarching aim of promoting pro-poor growth has strong decent work themes, including development of small and medium-sized enterprises, promoting decent employment, private sector development, provision of enhanced social safety nets, and human resource development (education, training and non-formal education). Supporting strategies to achieve these aims include participation and social inclusion of women, and good governance.

This provides a strong framework for the inclusion of decent work themes within government programmes and donor activities, and it is certainly the case that the new NSAPR gives greater prominence to employment-related issues (see Box 5). However, while some donors thought that the new strategy would mean a greater focus for them on employment-related issues (mainly employment-rich growth); others thought it did not necessarily provide a sufficiently focused framework that would necessarily change their priorities.

The installation of the new democratic government in early 2009 is seen as providing a major opportunity to engage on employment issues. It is widely perceived to be giving a higher priority to employment-related issues and is committed to reviewing the minimum wage, trade union rights and strategies to eliminate child labour.

Box 8: NSAPR employment priorities

- Removing barriers to SME growth (improving access to credit, improving technologies, inter-firm linkages and quality standards);
- Addressing under-employment through job creation programmes, upgrading skills training, upskilling overseas migrant workers;
- Mainstreaming employment into policies pursued by other Ministries;
- Reviewing worker welfare policies including minimum wage, trade union rights, child labour and occupational health and safety;
- Better co-ordination and dialogue between public and private sectors;
- Infrastructure development, particularly power and transport;
- Development of Special Economic Zones, to augment and widen the existing EPZs;
- Promotion of CSR initiatives, including promoting codes of conduct.

Donor co-ordination

Donor programming is coordinated through a the Local Consultative Group (LCG) composed of the Secretary, Economic Relations Division (ERD), Ministry of Finance, Government of Bangladesh and 39 Bangladesh-based representatives of bilateral donors, International Monetary Fund (IMF), World Bank (WB), Asian Development Bank (ADB) and the UN agencies. The LCG structure has sub-groups, with the most relevant for the Decent Work Agenda being: micro-economics (chaired by the IMF), poverty issues (UNDP/DFID), private sector development (DFID), women's advancement/gender equality (Denmark/USAID), and macro-economic issues. There is a safety net working group being established under the Food and Agriculture LCG (chaired by the FAO). There is no sub-group tasked with looking at employment as such.

There is general agreement that there is scope for greater co-operation between donors and that the LCG structure needs overhauling. A major opportunity for greater co-ordination will occur in February 2010 when the government is hosting a development forum.

How are decent work challenges reflected in donor programming?

The largest donors to Bangladesh in order with their key areas of commitment (in summary) are:

Japan	Transport infrastructure, power infrastructure
World Bank	Private sector development, transport, electrification, water supply, education
ADB	Urban & rural infrastructure, water supply, power supply, education, TVET, transport,
UK⁵	Education: primary; Human development: health (particularly maternal health & nutrition); Governance: civil society public sector reform, democracy justice; Private sector development; Extreme poverty
USA	Health/family planning, private sector development, democracy & governance
EU	Primary education, health/nutrition, TVET
Netherlands	Water management

Infrastructure, education and health are the clear leaders in terms of development programming. There is also a focus on improving the livelihoods of the very poor, which in effect means in the rural areas and in the informal economy.

While most donors make references to decent work as a desired outcome, no donors or providers of technical assistance (other than the ILO) use the concept as a major element in their country strategies. However, in conversations with donor representatives, it is clear that there is a relatively high recognition of the term, though in some cases, decent work is understood to be synonymous with the labour standards agenda. While the ILO has promoted the concept of decent work through the UN agencies, it has not been mainstreamed into the work of other donors.

But while there is no evidence that decent work is used as an organising principle for donor programming in Bangladesh, there are a variety of projects that are addressing aspects of the Decent Work Agenda. This creates a rather fragmented picture in which various aspects of decent work are being promoted through programming but there is not a coherent overall framework (see Annex 4: Mapping of decent work activities in Bangladesh and Zambia for a list of programmes that are related to decent work). This applies as much to the ILO's DWCP as to the country strategies being pursued by other donors.

This also means that there can be areas of funding to which decent work principles are not applied. For example, it was unclear to what extent development finance institutions apply relevant

⁵ DFID's bilateral programme budget in Bangladesh in 2008 was £129 million (up from £55 million in 2004), accounting for 3.69% of the UK's total bilateral gross public expenditure.

principles such as ensuring high concentrations of local employment, and adherence to labour standards in the construction infrastructure projects that they fund.

Key clusters of decent work-related activity are set out below.

Technical and Vocational Education and Training (TVET)

The EU is funding a major programme managed by the ILO aimed both at the national level, in terms of reviewing and reforming national skills policies, institutional structures, qualifications framework, and teachers and trainers training system, as well as industry level in supporting industry committees and a focus on underprivileged groups' access to TVET. The ADB (in conjunction with the Swiss government) has also funded a skills development programme. Additionally the ADB has worked on reform of the secondary education sector to make it more relevant to the labour market. Other development programmes have training elements including the UNDP-led Urban Partnership for Poverty Reduction (UPPR) project (also supported by DFID).

Economic empowerment of the poor

Programmes include asset transfers intended to assist poor people in creating a surplus to improve incomes and participate in markets (such as the DFID-funded 'Challenging the Frontiers of Poverty Reduction' programme which involves the provision of land, money, training, livestock and seeds to women set up their own businesses). The multi-donor Katalyst programme also aims to support MSMEs in both a rural and urban context. The ADB and IFC also provide funding instruments to support SME business development.

Eradication of child labour

The USA funded an ILO programme focussed on the RMG sector, but the main ongoing project is the Dutch funded ILO programme Elimination of Worst Forms of Child Labour - Urban Informal Economy (UIE), to be delivered in conjunction with the Dhaka City Council.

Social compliance promotion within the RMG sector

Various programmes have operated or are operating – see the RMG section below.

Sectoral focus: ready-made garment sector (RMG)

The RMG sector is atypical of the Bangladesh economy in that it provides formal employment and is export-oriented. It is the most important industrial sector within the Bangladesh economy, accounting for around 80% of the country's export earnings (\$10.7 billion in 2007-08). Approximately 2.4 million people are directly employed, 80-90% of whom are women. It is estimated that up to 10 million people depend on the sector for their livelihoods.

There are around 4,250 factories producing woven garments and 1050 for knitwear, with knitwear increasing as a proportion of total production. Growth has been rapid, with the number of factories and employees doubling since 1995. Bangladesh is diversifying its product base. It started as a producer of shirts, but in recent years is moving into jackets, tee shirts and sweaters. Nevertheless, it still remains positioned within the low value end of the cotton goods product range. Overall, Bangladesh exports account for about 2% of the global textile and clothing market. Its main competitors are other low cost producers, notably India and China. The bulk of the industry's products are sold in the USA and Europe, where Bangladesh enjoys preferential access under the Everything But Arms (EBA) trade preference regime for least developed countries. Around 200 garment factories are in the eight EPZs. These factories tend to be foreign owned. Those factories outside the EPZs are split between primary facilities and sub-contractors.

With the phase-out of the Multi-Fiber Arrangement (MFA) in 2005, there were real concerns that Bangladesh would be adversely impacted. In fact, it saw positive growth with export values

increasing by 28% between 2004 and 2007 (Forstater, 2009). This position has been maintained through the global economic crisis, with exports up 19.9% from January 2008 to January 2009.

This impressive performance has largely been achieved through maintenance of low prices. Bangladesh's apparels export price index fell from 100 in 1999 to 71 in 2007. While some of this may be attributed to improved productivity, the bulk is accounted for lower labour costs. As noted above, the main impact of the global financial crisis was to put pressure on prices. Unit prices in the RMG sector fell by 17-20%. Bangladesh's apparel unit labour cost of \$0.22 per hour is the lowest in Asia, behind Cambodia (\$0.33), India (\$0.51) and China (\$0.55). This low-cost, low-value model is seen by many as unsustainable both for workers, who can see little prospect of improvement in working conditions, and economically, as falling prices offset the gains of increasing export volumes into an increasingly saturated global market (Merck, 2009). The effect of the crisis has been to exacerbate the existing trends towards consolidation in supply chains and downward pressure on prices and wages leading to increasing vulnerability for the garment supply business (Forstater, 2009).

Sweatshop conditions were highlighted in 2005 with the collapse of the Spectrum factory outside Dhaka, which killed 64 workers and seriously injured another 54. In the same period, serious industrial relations problems, including the burning of factories by workers, led to the signing of a tripartite MoU between workers' representatives, government and the main employer associations in 2006 to establish the Social Compliance Forum. This provided for implementation of improved labour conditions by employers, a new minimum wage, compliance with the labour law and an end to unrest. The employer associations have social compliance inspection programmes in place, supported by donor funding, to implement the agreement. This meets quarterly but views differ on how effective it has been in promoting improved conditions (Karmojibi Nari, 2009).

However, worker unrest has continued with major outbreaks in 2008 and 2009. While this study was being completed, three protesting garment workers were fatally shot by police outside Dhaka.

Decent work challenges in the RMG sector

In some respects, RMG workers could be seen to be relatively better off than many in Bangladesh. However, this does not mean that they enjoy decent work, rather that the decent work deficits they face are different to those workers within the informal economy. Interviewees were surprisingly consistent identifying the key decent work problems:

Low wages and long hours: While most export-oriented factories comply with the minimum wage regulations, the minimum wage is too low and has been eroded by food price inflation over the past three years. The government is committed to reviewing the minimum wage and debate is under way over the new appropriate level that could reflect a living wage calculation. The legal limit of 48 hours per week is routinely ignored.

Discrimination: In spite of the preponderance of female workers, promotion prospects are limited and allegations of sexual harassment are common.

Limitation on freedom to move jobs: Many employers fail to provide the necessary papers and identity cards that workers need to move another employer. Bribes are often necessary to secure employment.

Occupational health and safety: There is a general perception that physical working conditions have improved, particularly at newer, primary production factories, older factories and those involved in sub-contracting often lack clean drinking water, first aid facilities and even adequate sanitary facilities. Accident and sickness prevention is not taken seriously by many owners.

Harassment: There are persistent allegations of physical abuse by supervisors.

Social protection: Provisions for health, unemployment insurance and maternity pay are limited in coverage.

Freedom of association: There is no culture of dialogue and negotiation with entrenched positions on both sides. Union organization is weak with employers actively impeding union activity. Within EPZs, few factories have Participation Committees as provided for by law.

Poor management training: Many of the labour disputes in recent years have been traced to delays of wage payment, non-payment of overtime, sudden closures of factories without notice or payment of outstanding wages and calculation of holiday entitlement. Undoubtedly some of these issues arise from deliberate management strategies. However, it also appears that they also relate to poor human resource management skills among supervisors and a culture of disregard for worker interests.

Worker education: Low levels of worker knowledge and awareness about their rights undermines their ability to organise in support of better conditions.

Initiatives on decent work in the RMG sector

Various initiatives have been implemented by donors and multi-stakeholder bodies to address these issues. The main ones are:

SouthAsia Enterprise Development Facility (SEDF)

Established in 2002 by the IFC (funded by DFID, EU, CIDA and the Netherlands), this is a technical co-operation fund focused on SME development. In Bangladesh, it has targeted the RMG sector for technical assistance for delivery of business services (e.g. productivity) and improving the enabling environment. It has funded social compliance elements:

- Capacity building for employer associations (BGMEA) to undertake audits as part of the Tripartite MoU signed in 2006. Over 2000 factory audits were completed in 2008 with high rates of compliance reported for minimum wage compliance and overtime payments, but low levels of collective bargaining and awareness of rights among workers. BGMEA audits are not seen as rigorous by many stakeholders and are not accepted by brands;
- Support for buyer forum to share knowledge and harmonise expectations on factory conditions;
- Piloted grievance mechanisms to improve industrial relations;
- Assistance with compliance at BKMEA member factories;
- Environmental improvements; and
- Worker awareness raising.

MFA Forum

The MFA Forum is a multi-stakeholder initiative established in 2005 that was set up with core funding from DFID, SIDA and USAID. It has working groups in Bangladesh (Morocco and Lesotho) to address labour conditions and competitiveness. This was implemented in Bangladesh through locally-owned grouping the Multi-stakeholder Forum (MFB) which has adopted a round table approach to develop common understanding. However, there has been limited progress with fragmentation among stakeholders resulting in little shared agreement between them and difficulties agreeing action plans. To a certain extent, this is seen as symptomatic of the state of industrial relations in the sector. The MFA Forum internationally has in 2009 developed the Sustainable Apparel and Footwear Initiative (SAFI) to address response to global crisis.

PROGRESS/BEST

‘Promotion of Social, Environmental and Production Standards in the Readymade Garment Sector’ is a social compliance programme operated by German Technical Co-operation (GTZ) with a budget of €7.5 million over 2007-2009. It comprises a number of elements including: training for RMG middle

managers and workers on workplace standards; worker awareness-raising; training inspectors (including the national labour inspectorate); factory inspections by own staff; promotion of worker committees for social dialogue; improved factory environmental impact; training for improved productivity. Training has been the main focus, though this has been limited in terms of numbers of factories covered. It has collaborated with brands (e.g. Marks & Spencer) to improve conditions in suppliers. From 2010, this is being phased into the existing EU quality improvement programme, Better Work and Standards (BEST).

Bangladesh Investment Climate Fund (BICF)

This is a separate fund managed by IFC from 2007-09 with funding from DFID and EU. Element focused on RMG sector providing 60 advisers within EPZs to promote legal and social compliance. It has been proposed to extend the programme by adopting elements of the joint ILO-IFC Better Work Programme to enhance factory monitoring and training for managers and workers, but approval for this is pending.

The Responsible and Accountable Garment Sector (RAGS) Challenge Fund

DFID is launching a new challenge fund to support the work of organizations interested in improving working conditions in the garment industry – including large and small businesses, and labour and civil society groups. It will not be exclusively focused on Bangladesh, but South Asia is seen as a core area. The RAGS Challenge Fund will support voluntary approaches and will work with both the private sector and civil society to strengthen market drivers for ethical trade, and seek to support collaboration and learning between them. It will have a grant budget of approximately £3 million over the three years of the project (2010-2013).

General approach

These programmes have tended to taken a twin track approach that integrates promotion of social compliance with improvements in productivity and the business environment for the sector. This has been based on the view that the long-term health of the sector – and improvements in workers' conditions – is dependent on improved managerial practices that can improve productivity, social compliance and management of workers. In this respect, projects have focused on meeting the social compliance demands of buyers from developed countries through working directly at sector and enterprise level, rather than through government. There has also been a recognition that the sector requires a significant improvement in its industrial relations climate. This has been addressed through training programmes aimed at middle managers and worker representatives, though the emphasis has been on working with employers rather than through unions, partly because of the problems of working with unions during the period of the Caretaker government.

Achieving industry-wide buy-in with credible outcomes has been a problem and these programmes have been focused on primary factories, rather than sub-contractors where many of the major problems exist. While there have been improvements in social compliance at factory level in terms of record keeping, compliance with the law and in terms of working conditions, the approach adopted by donors has had little impact on absolute wage levels (and therefore livelihoods) and on improving social dialogue, though it must be acknowledged that the political context for this has not been favourable. Social protection for RMG workers has also had a low profile. In spite of the programmes listed, it is difficult to conclude that sector-wide conditions have improved for the bulk of workers. Indeed, the low-cost model adopted by the Bangladesh RMG sector inhibits and undermines efforts to ensure social compliance.

Conclusions

The importance of employment has a central role in development planning but decent work as an integrated concept does not have high prominence. However, with the structural disparity in the Bangladesh economy between the rural poor, the urban informal economy and the RMG sector, there is a clear difference in how the decent work agenda can be applied. For the bulk of the

population and the very poor, the priority is to create sustainable employment opportunities. For the RMG sector, the priority is to secure improved working conditions. This illustrates the challenges in using decent work as a consistent programming tool and perhaps explains its lack of uptake in this way by donors.

However, while different programmes rightly have very different objectives, it is possible to see how applying the decent work agenda to employment-related programmes could widen and strengthen their outcomes so that they have greater qualitative benefits. For example, programmes aimed at private sector development or the business environment should also contain elements to ensure adherence to basic labour standards, and the promotion of representative structures for workers, communities or employers. With the new government, the conditions are more auspicious for interventions to support decent work outcomes. To date donors have been sceptical of the capacity of the government to deliver real change. But there is now a case for closer collaboration with government over the legislative framework and enforcement structures.

The RMG sector has been successful in growing and maintaining its market share and has the potential to provide improved livelihoods and working conditions for its workers. Until now the RMG sector has pursued a low wage, low productivity strategy but this cannot continue without severe impacts on workers. Therefore in order to maintain its growth trajectory, it must develop strategies that enable growth at the same time as improving conditions for workers. This involves improving productivity, product quality and the marketability of its products. From a development perspective, it is important that Bangladesh does not simply remain a low cost producer of basic items. This will involve improvements in working conditions alongside productivity and technical improvements. There is a clear role for donors, including DFID, to enhance their efforts in this regard.

Currently adequacy and enforcement of the law is lacking in effectiveness, leading to a plethora of private sector and multi-stakeholder initiatives of varying scale and credibility. The longer term aim should be to make private sector inspection redundant through a combination of effective social dialogue at enterprise, sector and national level ('mature systems of industrial relations') along with credible enforcement of adequate labour laws. Promoting effective labour regulation and enforcement is entirely consistent with the good governance and access to justice agendas supported by donors in Bangladesh.

However, in the short-to medium term private sector inspection will remain necessary. The overall aim should be to achieve an industry-wide multi-stakeholder solution that promotes harmonisation and avoids duplication. Attempts to do this have been made but need strengthening.

Tripartite dialogue at national, sectoral and enterprise level currently suffers from asymmetry in the resources enjoyed by employer bodies and unions. There are serious problems to overcome in the union structure in Bangladesh but there is a danger that poor industrial relations will undermine efforts to improve working conditions and sectoral competitiveness unless worker organisations are supported to play a more effective role in dialogue.

Finally, there has been little focus on provision of social safety nets for garment sector workers. This is true both for donors and among buyers, whose codes do not cover this aspect of decent work. Provision of adequate schemes for health and unemployment insurance and pensions should be added to buyer codes and promoted through donor-funded social compliance programmes.

Recommendations

- Donors should ensure that the Development Forum (February 2010) maintains a high priority for employment-related issues and acknowledges the inter-linkages between elements of the Decent Work Agenda.
- Donors should support the government's commitments to reform the minimum wage, freedom of

association, health and safety and labour law implementation.

- Ensuring acceptable working conditions for migrant workers should be a focus and donors should collaborate with the IOM and other relevant agencies to develop an approach on this.
- Donors should consider how they can support capacity-building for both the Labour Inspectorate and the Labour Courts.
- Social compliance programmes should have a greater focus on sub-contracting factories and homeworkers
- Donors should provide greater support for programmes that aim to improve social dialogue at enterprise level, including training for worker committees, worker representatives and for managers on OHS, basic labour law, management skills, and human resource practices.
- Donors should provide greater support for industry-wide multi-stakeholder programmes to harmonise buyer codes and build industry capacity.
- Brands and retailers should consider how social protection can be included within their standards and supplier expectations.

6. Zambia country study

Overview

Poverty eradication and access to decent work is a pressing concern in Zambia, where widespread extreme poverty means that an estimated 64% of the population live on less than US\$1 per day (UN, 2009). Stimulating equitable, pro-poor growth is therefore a key priority. Although Zambia enjoyed consistent levels of economic growth from 2000 to 2007, this was concentrated in the capital intensive sectors of mining and construction and has not translated into wide-scale job creation. In particular, poverty has remained constant in rural areas where the majority of the poor live.

Economic diversification is a key development challenge for Zambia. Its economy is heavily reliant on copper mining, which accounts for 75% of exports but provides only a tiny proportion of direct employment overall (1%). Instead, the vast majority of Zambians (73%) rely on agriculture as the source of their livelihood, particularly in rural areas (CSO, 2005). As a consequence, agriculture is frequently identified by the government and donors as the sector with the most potential for driving broad-based economic growth. After agriculture, the largest source of employment is trade (10%) (CSO, 2005).

In February 2009, Zambia was one of the countries identified by the World Bank (2009a) as facing a high risk of increased poverty as a result of the global financial crisis, due to a combination of high existing poverty and decelerating growth. Indeed, there are a number of indications that many workers have been affected by the crisis. In the horticultural export sector (see case study on p.48), stakeholders suggested that up to half of all workers had lost their jobs following reduced demand from export markets. Forthcoming studies commissioned by the ILO have identified major job losses in the mining sector, where one third of all workers were affected, and significant job losses in the tourism sector.

More recently, copper prices have recovered to some extent and stakeholders in Zambia commented that mining employers have started re-employing retrenched workers. Also, the IMF (2009) has recently observed that Zambia has been considerably resilient to the effects of the financial crisis, noting that economic growth for 2009 will exceed 5%. However, stakeholders suggested that there will be ongoing impacts of the financial crisis, particularly through a squeeze on access to credit for business, as financial institutions tighten their lending policies.

Key decent work actors

There are two trade union confederations: the **Zambian Congress of Trade Unions (ZCTU)**, with approximately 250,000 members and the **Federation of Free Trade Unions of Zambia (FFTUZ)**, with around 60,000 members.

The national employers' association is the **Zambian Federation of Employers (ZFE)**, which represents 225 individual companies and 8 affiliate organisations, which altogether employ around 88,000 workers.

The government ministry responsible for decent work is the **Ministry of Labour and Social Security (MLSS)** and the forum for national-level social dialogue is the Tripartite Consultative

Decent work challenges

Access to employment

High unemployment levels and the pervasiveness of informal employment are core obstacles to poverty alleviation and decent work for most Zambians. Over time, formal sector employment has remained more or less static, decreasing as a proportion of overall employment. Of the 6,184,000 people in the labour force, only about 700,000 are formally employed, with the remainder working in the informal economy or unemployed (CSO, 2005). The agricultural sector accounts for most informal employment (73%), but almost every sector of the Zambian economy has some informal element. The overwhelming prevalence of informal employment impacts on the ability of most

Decent Work Country Programme (DWCP)

The ILO's DWCP for Zambia, developed in consultation with the government and the social partners, identifies national decent work priorities as:

1. More and better employment for youth, women and people with disabilities, supported by enhanced labour market information systems;
2. Responding to HIV/AIDS challenges in the world of work; and
3. Elimination of child labour, particularly in its worst forms.

Zambians to access secure employment, regular and reasonable wages, better working conditions, gender equality, social security and representation (WoW, 2007). Decent employment is particularly elusive for young people, women, people with disabilities and people living with HIV/AIDS.

Wage and income levels

Wages and conditions in the formal sector are declining (CSO, 2005), which has a cascading effect on income levels for informal workers. The real value of wages continues to fall as wage levels fail to keep pace with rises in the cost of food (JCTR, 2009). In October 2009, the food inflation rate for 2009 was recorded as 12.3%, compared to 13.9% in 2008 and 14.3% in 2007 (CSO, 2009). The minimum monthly wage for the formal sector is currently set at

268,000 kwacha (£34.80), which falls far short of the amount required to provide the monthly basic needs of the average family of six in Lusaka (estimated to be 2,260,680 kwacha (£294)) (JCTR, 2009). As a result, Koyi (2007a) notes that many formal sector workers supplement their wages with additional activities in the informal sector, such that many workers hold two or three jobs.

Social protection

Existing pension schemes are only available to formal sector workers, with no systems accessible to the majority of workers who are located in the informal sector. This means that the vast bulk of workers have no safety net for dealing with unexpected problems or expenses and is more likely to end up within the poverty trap if they lose their source of income. Although there are some government programmes that provide social protection, these are underfunded and payments are irregular, while donor-funded programmes are currently small-scale and aimed at incapacitated households rather than the working poor, including informal workers.

HIV/AIDS

The HIV/AIDS pandemic has compounded poverty alleviation and decent work issues in Zambia. According to a 2007 national survey, 14.3% of Zambia's population is HIV positive, with a higher prevalence among women (16.3%) than men (12.3%) (CSO, 2007). Not only does HIV/AIDS directly affect those who are infected, it reduces the incomes of uninfected family members who provide financial support or take on a care-giving role for incapacitated family members and orphans. Declining health associated with HIV/AIDS also impacts negatively on productivity at work, through loss of working time, skilled labour and high medical costs.

Child labour

Child labour is a widespread problem in Zambia. According to recent ILO estimates, 41% of 5-14 year olds (1.3 million children) are in child labour, mostly working in agriculture, and an estimated 1.4 million children aged 5-17 years were exposed to hazardous forms of child labour (UCW, 2009). The number of HIV/AIDS orphans in Zambia is projected to increase to 1,470,000 by 2010, meaning that around 20% of children will be orphaned (FNDP). Many of these children drop out of school, and are then less likely to find decent employment or create successful businesses later in life.

Social dialogue

Meetings with stakeholders suggested that social dialogue at the national level is relatively positive and improving. However, the national Tripartite Consultative Labour Council (TCLC) did not meet in 2008 and only met once in 2007. Furthermore, social dialogue is largely restricted to the formal sector and most workers in the informal sector do not benefit from formal mechanisms and structures for dispute resolution or policy dialogue. In general, stakeholders suggested that the

social partners in Zambia are relatively weak and questions were raised about the representativeness of the trade union movement, given that it is perceived to have only weak links with the informal sector. The Alliance for Zambia Informal Economy Associations (AZIEA), an umbrella body for informal economy associations, is an associate member of the ZCTU, but there is further scope for strengthening this relationship (WoW, 2007).

Enforcement

The low level of funding allocated to the national labour administration system means that there are major resourcing issues in the enforcement of labour standards. The size of the informal economy provides particular challenges for labour law enforcement. Currently, the government only has offices in 23 out of 72 provinces and only 12 inspectors to enforce health and safety legislation nationwide. There are two industrial relations courts, which are both working through massive backlogs: according to the MLSS, the Ndola court is still addressing cases dating from 1999.

How are these challenges being addressed in national development planning?

National development planning

On paper, employment and decent work are an integral part the Zambian government's Fifth National Development Plan 2006-2010 (FNDP), for which the overarching theme is 'broad based wealth and job creation through citizenry participation and technological advancement'. The FNDP aims to raise annual economic growth to 7% during 2006-2010, with a particular focus on sectors that create employment and income opportunities for poor – namely rural development, agriculture and manufacturing – and the creation of linkages between capital-intensive sectors and the rest of the economy. In addition, the government's medium-term policy for development, Vision 2030, includes the objective of 'decent work opportunities that ensure respect for fundamental human rights and principles'.

National development planning and implementation is coordinated by the Ministry of Finance and National Planning. The Ministry of Finance is currently in the preliminary stages of preparing the Sixth National Development Plan 2011-2016 (SNDP).

Decent work in the FNDP

The FNDP includes a chapter on Labour and Employment that references all four pillars of the Decent Work Agenda (see Box 9) and is linked to the National Employment and Labour Market Policy (NELMP). The Labour and Employment chapter was introduced late in the FNDP planning process, following successful lobbying by the MLSS and the ILO. The social partners were involved in the development of the chapter, although it is clear that an ongoing issue for trade union participation in development policy dialogue is their ability to speak credibly on behalf of workers in the informal economy. The ongoing implementation of this chapter is supervised by a Sector Advisory Group (SAG) on Labour and Employment, which is coordinated by the MLSS and attended by the social partners, the ILO, the IOM, the UNDP, the World Bank and the Finnish and Dutch embassies.

Although the FNDP refers to all elements of the Decent Work Agenda, employment and labour issues are not consistently woven throughout the FNDP; rather, they are quarantined mostly in the social section of the FNDP. A number of stakeholders emphasised the need to strengthen employment-related indicators for the labour and employment chapter area, which are currently vague. The strongest government commitment to decent work relates to

Box 9: Decent work themes addressed in the FNDP include:

- Employment creation;
- Wages and working conditions;
- Employment policies and legislation;
- HIV/AIDS;
- Social dialogue;
- Labour market information systems;
- Discrimination;
- Child labour;
- Social protection and inclusive labour market strategies; and
- Fundamental principles and rights at work.

employment creation, particularly with respect to SME creation and private sector development. Employment creation is one of the key expenditure priorities for the social sector, with an emphasis on creating opportunities for SMEs.

Other commitments in the FNDP with particular resonance for the Decent Work Agenda are social protection and private sector development. There is a stand-alone chapter on social protection, which recognises the need to provide social safety nets for the extremely poor and vulnerable. This chapter states that the MLSS will work on developing a comprehensive social security system which includes informal sector workers as well as working to enhance child protection interventions that assist in the elimination of child labour. In addition, the FNDP flags private sector development as an area for major structural reform, through the ongoing Private Sector Development (PSD) Reform Programme. The PSD programme seeks, *inter alia*, to 'address the restrictive labour market issues related to retirement and termination'. The PSD programme is heavily influenced by the Government's desire to improve its ranking in the World Bank's Doing Business report.

Although the FNDP sets out a clear policy direction on decent work, a number of stakeholders raised concerns that the FNDP statements are empty, particularly in light of the government's limited resources. The MLSS expressed frustration regarding a perceived lack of interest by the Ministry of Finance in decent work and employment and a feeling that the FNDP includes commitments in this area that are not matched by corresponding resources. The MLSS's budget is one of the lowest for all line ministries.⁶ This seriously affects the MLSS's ability to enforce existing legislation, let alone formulate new policies aligned with the NELMP or introduce programmes to address the challenges associated with Zambia's high rate of informal employment. The MLSS also raised concerns that there was insufficient links between employment policies and macroeconomic planning.

How are decent work challenges reflected in donor programming?

Major donors in Zambia are the US and the UK, with other important donors including the European Commission, Japan, Germany, Finland, Sweden and Norway. Several of these, including DFID, provide budgetary support through the Ministry of Finance. This support is based on priorities set out in the FNDP and is conditional on ongoing progress on poverty reduction. However, the monitoring framework for performance on poverty reduction targets only contains limited reference to employment creation (through SME creation), and no reference to decent work, providing narrow scope for dialogue on decent work related issues. This is a significant omission given the amount of budgetary support provided by donors; for example, the DFID country office explained that budgetary support represents 70% of DFID's aid to the Zambian government.⁷

No donors explicitly incorporate decent work into country-level programming, although several provide funding for decent work initiatives through the ILO.⁸ The Netherlands and Finland are the lead donors of the Labour and Employment SAG for the FNDP, but this involvement is not due to an

⁶ According to the MLSS, it has a budget of 18 billion kwacha (£2.3 million), of which 4 billion (£518,000) is allocated for salaries and 12 billion for programmes (\$1.5 million) must be shared between 6 departments. As a point of comparison, carrying out a Labour Force Survey costs the MLSS 4 billion kwacha (£518,000).

⁷ DFID has a 10 year Development Partnership Arrangement with Zambia, which commits the UK to delivering at least half of its bilateral development programme as budgetary support. Other donors to provide budgetary support are the European Commission, Finland, Germany, Netherlands, Norway, Sweden, the World Bank and the African Development Bank.

⁸ Donors that are funding technical cooperation related to these priorities are the EU, US, UK and Finland. See Annex 4: Mapping of decent work activities in Bangladesh and Zambia for a list of projects funded by donors.

inherent focus on decent work, but is rather a consequence of their support for private sector development.

Labour and employment issues are not specifically addressed in the donor coordination strategy, the Joint Assistance Strategy for Zambia (JASZ), which aligns with chapters of the FNDP, although there are sectoral groups for social protection and private sector development. During meetings, it was explained that the non-inclusion of a labour and employment theme was due to the late inclusion of this chapter in the FNDP. DFID Zambia advised that it is pushing for a revision of the JASZ alongside the development of the SNDP, which would provide an avenue for introducing a Labour and Employment stream.

The major areas of the World Bank's contribution to decent work related programmes are indirect, but include support for growth through private sector reform, improving the business environment for SMEs, strengthening skills development for the formal and informal sectors and general poverty reduction strategies. The World Bank is providing large-scale funding for infrastructure projects, including roads, sanitation and energy, and support for macroeconomic and expenditure management.

Decent work interventions and their contribution to poverty reduction

There are a number of activities taking place that are relevant to decent work, although these are generally not developed with reference to the Decent Work Agenda, leading to limited scope for cross-fertilisation between policy areas. Overwhelmingly the greatest number of activities relate to employment and social protection, while a small amount of work is taking place on social dialogue and labour standards.

Employment creation

In general, government and donor support for employment creation arises principally through programmes on private sector development, SME creation and support for agricultural development, with very little reference to other pillars of the Decent Work Agenda.

The Netherlands, Finland and DFID are providing funding for the government's PSD Programme, which is coordinated by the Ministry of Commerce, Trade and Industry (MCTI). One of the overarching aims of this programme is to stimulate employment creation by creating an enabling environment for business (see also 'Rights at work' below). The MCTI is also coordinating a range of programmes to support SME creation and development.

The ILO has two main programmes on employment creation, both focused on MSME development: the Broad-based Wealth and Job Creation (BBW) programme and the Business Development Services programme. One of the more interesting aspects of the BBW programme is its objective to create business linkages between MSMEs and larger, formal sector businesses, some of which are multinational companies.

Box 10: ILO response to the financial crisis

Very few initiatives have been launched in response to job losses caused by the financial crisis. Most notably, the ILO has launched the Luanshya Integrated Support Initiative on Employment (LISIE).

LISIE aims to provide training to retrenched miners, women and young people to assist them in creating self-employment and small enterprises. It also provides support for families of retrenched miners to ensure that children remain in school and do not fall into child labour, by assisting families in establishing income-generating activities.

LISIE was designed as a quick response to the crisis and reorients elements of existing technical cooperation programmes. Its success to date has led to other mining towns in the area asking the ILO to extend the programme to their areas.

The ILO is also planning to hold a jobs conference in Lusaka by the end of 2009 to highlight employment issues caused by the financial crisis and discuss how they might be addressed. In the lead-up to the conference, the ILO has commissioned papers on the impact of the crisis on mining, tourism and women workers. The conference will aim to raise the profile of these issues during the preliminary stages of preparation for the SNDP.

With AZIEA, the ZCTU has undertaken some initiatives on informal employment, such as the Concept for Informal Sector Employment Promotion in the Copperbelt region, which provides skills training for union members who have been made redundant.

Social protection

DFID is providing major support for social protection programmes, including funding for the Ministry of Community Development (MCD) to implement a social cash transfers (SCT) scheme in a number of districts, targeting the poorest 10% of the population. The scheme targets incapacitated households with a limited capacity to work, i.e. those who are headed by the elderly, disabled or ill. An independent evaluation has found that the pilot has helped to improve welfare levels, with beneficiary households investing in food as well as livelihoods, by purchasing livestock or developing micro-enterprises. However, so far the scale of the SCT programme is relatively small.

DFID is aiming to build the SCT programme to a size where it could be sustainably covered by national government. Independent analysis suggests that the government could afford to fund the scheme on a modest scale and DFID would ideally transfer funding for this project to budgetary support. However, DFID Zambia noted that central government's commitment to large-scale social protection programmes was weak, as they are not perceived to have a strong connection to economic growth.

In addition, DFID is working with the government to develop a national social pension scheme. This will be housed in the MLSS and represents the only donor engagement with the MLSS. DFID is also funding a child grants scheme, as well as a regional ILO programme on social security that has a Zambian component.

Rights at work

Much of the work expressly aimed at on rights at work and labour standards is being undertaken by the ILO, principally in relation to child labour, trafficking and health and safety (see Annex 4 for list of projects).

Labour law reform was consistently identified as a key priority by a range of stakeholders, although not usually in the context of rights at work. The main issue relates to severance payments, as current legislation requires employers to pay employees one month's redundancy pay for each year of service, with no cap on the amount. Employers are concerned that the payment is onerous, and some stakeholders suggested that this requirement encourages informal employment. This issue corresponds directly with the World Bank's Doing Business indicator on ease of employment.

The second phase of the PSD reform programme includes a work stream on labour law reform, led by the MLSS and involving consultation with the TCLC. This responds to concerns that the current legislation is overly protective and costly, particularly with respect to severance payments, and aims to introduce amendments that would decrease the cost of doing business. Importantly, the Dutch embassy emphasised its desire to ensure that the labour law reform programme did not lower labour standards in order to bring down business costs, particularly minimum wage levels.

Social dialogue

There are a number of European social partners and NGOs who have been working with the Zambian trade union movement to better support social dialogue processes in Zambia. For example:

- UNISON is supporting Zambian public sector unions' work on HIV/AIDS;
- War on Want has been working with the National Union of Plantation, Agricultural and Allied Workers (see below) and AZIEA;

- The Danish Trade Union Council for International Development (LO-FTF) is funding a regional project called 'Decent Work in Southern Africa', which will include work on the informal sector and is coordinated by ZCTU in Zambia;
- The Friedrich Ebert Stiftung has been working with the ZCTU to improve its engagement with government on national development issues and help build constructive approaches to dialogue with foreign investors; and
- The Dutch Employers' Cooperation Programme (a public-private partnership established by Dutch employers and the Dutch Ministry of Foreign Affairs) is providing support to the ZFE to improve service delivery to its members.

Sectoral focus: horticulture

Overview

The horticultural sector in Zambia provides a snapshot of one part of the agricultural sector, which is an important mainstay for the rural economy and accounts for 73% of overall employment. Smallholder agriculture dominates the rural economy and provides income for the vast majority of rural households (World Bank, 2009). In a number of meetings, stakeholders emphasised the need to unlock the development potential of Zambian agriculture, referring to its critical importance for rural livelihoods, the fact that only 14% of arable land is currently being used and the promise of regional markets.

The horticultural industry can be divided into a small number of large commercial farms that produce vegetables and cut flowers for the export market and a heterogeneous group of smaller growers who provide vegetables for the domestic market. There is little overlap between the two because, according to the Zambian Export Growers' Association (ZEGA), commercial export farms no longer use out grower schemes as a result of the high standards required for European markets. Major markets are the UK and the Netherlands.

The export sector is relatively small but grew during the 1990s and early 2000s to constitute an important non-traditional export sector. In 2006, exports of fresh vegetables and cut flowers accounted for almost 40% of Zambia's total agricultural exports (PWC, 2006). However, more recently, the export industry has been struggling to deal with the impact of the financial crisis, alongside rising air freight costs, appreciation of the kwacha and electricity shortages. The reduced demand for exports (particularly flowers) that followed the advent of the financial crisis resulted in a 45% drop in production and cut in half the number of farms producing for export. The crisis particularly affected smaller farms, which either ceased production altogether or switched to production for regional or domestic markets. ZEGA believes that larger farms who have proven resilient so far will continue to remain competitive; however, there are ongoing issues around the general business environment in Zambia, including the high cost of fuel and high interest rates.

A large number of workers in the export sector have lost their jobs as a result of the crisis. According to ZEGA, there are now 10-12 farms that employ around 6,000 workers (compared to 10,000-12,000 in 2006). Many of these workers will not recoup their jobs due to farm closures and will most likely be absorbed into the informal economy. Lower working conditions may also be a concern where farms have shifted production to the domestic sector, as codes of conduct will no longer apply and labour standards will be under lesser scrutiny.⁹

Less attention has been paid to the domestic horticultural sector (that supplies domestic and, to some extent, regional markets), despite the fact that it involves a higher number of people. Most

⁹ A forthcoming study commissioned by NUPAAW and War and Want will provide a more detailed examination of the impact of the financial crisis on the floriculture sector.

commercial production in the domestic sector is concentrated amongst a relatively small group of larger farms, with 20% of farmers accounting for about 75% of all sales (Hichaambwa et al, 2006). There are around 10,000 waged workers (permanent and seasonal), but the sector also provides livelihoods for 526,406 small-scale farmers (World Bank, 2009). However, the number of farming households involved in vegetable production is relatively low (16%) compared to Kenya (70%) and Mozambique (25%) (Hichaambwa et al, 2006). Only 170,000 households sell vegetables with a value that annually exceeds US\$100 (World Bank, 2009). Domestic horticultural produce is mostly sold through urban markets or supermarkets.

The main trade union in the horticultural sector is the National Union of Plantation, Agricultural and Allied Workers (NUPAAW). NUPAAW represents 18,500 workers across different agricultural sectors, including horticulture, and mainly engages with export producers. Low wage levels and employment insecurity make unionisation difficult, as workers are reluctant to pay membership fees or may be scared to be associated with a trade union. However, NUPAAW has succeeded in maintaining and increasing its overall membership, gaining 3,222 members as a result of a recruitment drive from June to September 2009.

Employers are represented by the Zambian Farm Employers' Association (ZFEA), which has concluded a collective agreement for the agricultural sector with NUPAAW. NUPAAW also has enterprise agreements with larger farms, including in the horticultural sector. There is some dialogue between NUPAAW and ZEGA, although ZEGA is more concerned with logistical matters than industrial relations. Although it does not negotiate directly with NUPAAW, ZEGA has a voluntary Code of Conduct for growers that has a component on worker welfare.

Decent work issues

This section principally relates to waged workers in commercial export-focused horticulture. It is difficult to generalise about conditions within the domestic sector, given the diversity of workplaces and working arrangements and degrees of formality: workers may be wage earners (permanent, seasonal or casual), self-employed (including small-scale and subsistence farmers), unpaid family labour (including child labour) or a combination of one or more of these categories. There is also very little research that is specifically focused on labour standards in the domestic horticultural sector. This presents a complex picture that is highly relevant to poverty reduction in Zambia but is unfortunately beyond the scope of this paper.¹⁰

Wages in the horticultural sector – and agriculture more generally – are very low. According to JCTR (2009), agricultural workers earn 5,000 to 15,000 kwacha (£0.64 to £1.95) per day, which is insufficient to cover the basic needs of an average family of six, given that work is often not full-time or ongoing. All horticultural workers surveyed by Smith et al (2004) complained that their wages were inadequate to meet their basic needs, resulting in high levels of vulnerability.

Although large commercial farms provide a source of employment to workers in rural areas where other economic opportunities may be limited, non-permanent work (seasonal, casual and contract) is the norm and many workers feel that they have no protection against summary dismissals (Smith et al, 2004). A typical commercial farm may employ a core of 10-20 permanent employees and then engage up to 10 times that number during peak seasons. In its survey of horticultural farms in Zambia, Women Working Worldwide (WWW) (2007) found that 48% of workers were casual and a further 26% were seasonal workers. These workers all received a lower daily rate than permanent workers.

¹⁰ For an extended discussion of decent work and rural employment, see e.g.: ILO, *Promotion of rural employment for poverty reduction*, Report to the International Labour Conference, 2008.

According to NUPAAW, the prevalence of precarious employment has a serious effect on labour standards, making workers reluctant to stand up for their rights. This problem is compounded by a lack of awareness of rights: casual and seasonal workers are far less likely to receive written contracts and where they do, the contracts may not be written in their mother tongue (Smith et al, 2004). Moreover, non-permanent workers do not enjoy the same employment benefits as permanent workers, such as sick pay or maternity leave. A local NGO, Afya Mzuri, also suggested that the impermanence of employment relationships in the sector also acts as a disincentive for employers to invest money in workers' well-being, for example through HIV/AIDS workplace programmes.

There is also a gender dimension to working conditions on farms. Women account for over 50% of workers in export agriculture (Smith et al, 2004) and represent an important but unpaid source of family labour on small farms. On commercial farms, women are more likely to be in non-permanent working relationships than men (i.e. higher insecurity and no access to maternity leave) and less likely to be in the higher skilled, better paid jobs (Smith et al, 2004). NUPAAW reported that sexual harassment is common. Smith et al (2004) state that gender discrimination permeates the industry as a result of social norms that dictate that women are compliant workers who are more suited to certain types of work (picking and packing). There is also a presumption that they earn income that is supplementary rather than central to their family's needs (WWW, 2007).

Collective bargaining is an important mechanism for setting terms and conditions in horticulture, but NUPAAW noted that the sectoral agreement for agriculture has not provided adequate terms and conditions for all workers and does not provide specificity for different agricultural sectors. Importantly, many of the terms and conditions in the agreement do not cover non-permanent workers, except for the minimum wage clause (Koyi, 2007b). In response to these issues, NUPAAW has recently negotiated the right to make collective agreements within narrower agricultural sectors (eg horticulture, tea, cotton) so that agreements more accurately reflect the needs of workers. Where possible, NUPAAW has entered into enterprise-level agreements with larger farms, which tend to offer more favourable conditions to workers.

Long working hours and overtime are also an issue. According to NUPAAW, overtime often exceeds statutory levels, with workers working up to 14 hour days during peak periods. Workers are generally willing to augment their wages with overtime hours, but claim that it is not always paid at overtime rates (Smith et al, 2004). NUPAAW stated that unannounced overtime can be difficult for women, who are clustered in packing and production jobs and may have difficulty arranging child care and transport home. However, Smith et al (2004) note that producers may have little control over unannounced overtime as a result of 'just in time' supply chain management.

Enforcement of labour laws is problematic across the agricultural sector. According to NUPAAW, the government does not prioritise labour inspection, believing that it acts as a disincentive to foreign investment, and prefers to prioritise economic growth over social standards. There are also questions regarding the adequacy of written laws, as the main legislation, the *Factories Act 1966*, has limited application to agricultural workplaces. Health and safety issues are often connected with improper pesticide use and few workers receive formalised or regular OHS training (Smith et al, 2004).

The ZEGA Code of Conduct promotes responsible employment and management practices, but it is not uniformly observed and only applies to commercial export farms. Smith et al (2004) suggested that although industry codes have contributed to a cultural change within African horticulture, producers often implement changes based only on their own perceptions rather than those of workers, suggesting that there is further scope for higher levels of worker-management dialogue. A number of studies have commented that workers have a generally low awareness of code provisions relating to workers rights.

Some of the issues faced by small-scale farmers in the domestic sector are similar. In particular, low income and lack of representative structures are both major issues for small-scale farmers, who often have little bargaining power with the rural traders to whom they sell their vegetables. The World Bank (2009) found that links between value chain participants in domestic horticulture are fragmented, with farmers selling produce to roaming rural traders or brokers rather than directly to wholesalers. These small farmers are generally not organised and receive few extension services from agribusiness, which further affects their profitability (World Bank, 2009). However, overall, the World Bank (2009) found that smallholder participation in horticultural value chains was financially beneficial and further investment in this sector would increase farm incomes significantly.

Initiatives on decent work

At the level of national planning, agriculture is broadly identified as a priority sector for driving broad-based growth and emphasises the importance of promoting large-scale commercial farming as well as increased small-holder participation, as a means to increase rural incomes. However, the horticultural sector is not the target of specific initiatives by the government or donors. The government is providing little real support for creating access to decent work in agriculture, with current expenditure focused on maize production through the politically popular national fertiliser subsidy scheme, which has been heavily criticised for mismanagement and poor targeting. NUPAAW argues that the government's interest lies in attracting foreign investment rather than protecting workers.

Donor schemes tend to focus on promoting entrepreneurial activity amongst farmers (i.e. MSME development), but this is not expressly targeted at particular sectors or crops (given that small farmers may cultivate diverse crops or switch between them). In particular, USAID is supporting a number of programmes to support improved productivity and access to markets for Zambian farmers. Studies by the World Bank (2009b) and Hischaabwa et al (2007) both identified great potential to increase incomes within the domestic horticulture industry, but noted ongoing problems caused by a lack of government investment (including poor access to extension services) and poor linkages between farmers and urban markets.

Despite a perceived lack of support from government, NUPAAW has made its own headway towards decent work, helped along with support from international partners on research and campaigns. For example, FNV Mondiaal and DFID have provided funding for Women Working Worldwide (WWW) to conduct a study on working conditions in African horticulture in partnership with local organisations, and NUPAAW has also worked with War on Want on research studies. These studies, along with other international campaigns, have at various times helped to place pressure on ZEGA and ZFEA to enter into negotiations with NUPAAW. More recently, NUPAAW has carried out research regarding purchasing practices and profit margins in the horticultural sector, which will allow the union to be better equipped to negotiate with employers over pay rises. Kunda Mutebele from NUPAAW noted that 'international supply chains open doors'; i.e. consumer pressure and international support help to place pressure on local employers to engage with workers.

Conclusions

The influence of the Decent Work Agenda as a cohesive concept on development planning and programmes in Zambia is limited, although the ILO and MLSS have worked together successfully to ensure that labour and employment continues to occupy a place in national development planning. Despite the fact that the national development plan refers to decent work as a development objective, concrete support for an integrated approach to creating decent jobs appears restricted, even allowing for the government's limited available resources. The current preparatory phase of the SNDP provides an important opportunity for national policy dialogue on employment and decent work; as such, it is crucial that the MLSS, ILO and social partners seek and are given the opportunity to influence government planning on issues.

Having noted the limitations of the influence of the Decent Work Agenda on policy, there are a number of government and donor programmes that operate within the parameters of decent work, particularly those that seek to stimulate private sector development or SME development, but these seem to have limited regard for other pillars of the Decent Work Agenda (i.e. social dialogue, labour standards and social protection). DFID is providing important support for social protection programmes, but so far these have been aimed at the non-working poor.

However, it is possible to see how current programmes could potentially benefit from an increased consideration for the Decent Work Agenda, particularly to generate a better quality of employment opportunity for workers in the informal economy. This could be, for example, through providing greater support for representative structures in the informal economy, as well as greater access to social protection for vulnerable workers (including workers in informal and precarious formal working arrangements). Equally, the ILO is currently running projects that seek to strengthen the economic links between large businesses (formal economy) and MSMEs (informal economy).

The horticultural sector provides a focused case study of some of the decent work challenges faced by the poorest waged workers in Zambia, who earn low wages and have very little job security. Although direct donor involvement in the horticultural sector is currently limited, the support from international trade unions and NGOs has proven critical for NUPAAW's engagement with employers on working conditions and it is important that this support should continue.

Recommendations

- Donors should review the Joint Assistance Strategy to ensure that it reflects labour and employment issues.
- Donors should seek to ensure that labour and employment issues are integrated into the Sixth National Development Plan and support efforts of the Ministry of Labour, working together with the ILO and social partners, to this effect.
- In the interests of supporting labour standards and creating better functioning labour markets that contribute to a business enabling environment, donors should provide better support to the Ministry of Labour, its labour inspectorate and dispute resolution mechanism.
- Donors and central government should ensure that programmes that aim to create employment through the informal economy should also take into account quality of employment, as reflected by the Decent Work Agenda.
- Donors and central government should consider introducing social safety net programmes for low-wage workers, including agricultural workers, in precarious working arrangements.
- Donors should consider the scope to build on ILO's crisis initiative for retrenched workers and its work on improving the linkages between the formal and informal economy.
- International trade unions and NGOs should continue to provide ongoing support for Zambian trade unions, including NUPAAW.

7. Conclusions and recommendations

DFID and other bilateral donors

While this study has not focussed exclusively on DFID's activities, we have spoken to a number of DFID staff in the UK, Bangladesh and Zambia. This has raised a number of issues, many of which are relevant to both DFID and other bilateral donors and some of which are more specific to DFID.

Ensuring achievement of MDG1

There has been high-level political consensus that decent work and employment should be seen as an objective of the development process and that employment offers a potent route out of poverty. This finds its most authoritative expression in the decent work target in MDG1. However, this international recognition needs to be translated into more concrete outcomes. This also applies to the target in MDG3 on the proportion of women in non-agricultural employment. DFID and other bilateral donors will not be contributing fully to the achievement of the MDGs unless they take more account of decent work in development programming.

Four indicators have been published to underpin the MDG1 decent work target. However, these and wider employment-related indicators are not consistently used to set targets and measure progress, even for donor programmes that have a significant employment impact. One problem is unavailability of data within labour ministries. While there is still work to be done on honing indicators, partner governments and donors can start to use the decent work indicators developed by the ILO. DFID has started to make some reporting use of employment indicators.

- **DFID and other donors should review how the decent work target in MDG1 is being addressed in their policy frameworks and programming, particularly with respect to monitoring progress and planning future interventions according to the decent work indicators within MDG1.**
- **DFID and other donors should review how they can support partner governments in collecting the labour market data required to measure the decent work targets in MDG1.**

Integrating the Decent Work Agenda within programming

The Decent Work Agenda is wide-ranging and therefore affects a number of existing programming areas. To bolster efforts to achieve MDG1, decent work should be seen more as a cross-cutting theme for donor programming. This is not to say that donor programming frameworks should be completely overhauled, or that all programmes should seek to incorporate elements from across the whole Decent Work Agenda in a tick box manner. However, programmes could be strengthened in terms of sustainable poverty reduction outcomes if they took account of particular decent work themes in a focused manner. Within DFID, this is of particular relevance for growth, private sector, trade education, social protection and rights teams. For example, the poverty reduction impact of private sector development programmes could be strengthened by ensuring they also addressed basic working conditions (such as wages), the creation of representative institutions and by considering how they could incorporate some element of social protection for workers. Equally, DFID's work on ensuring that vocational training responds to productive employment demand should incorporate consultation with worker as well as employer representatives.

The ways in which DFID and donor agencies can seek to better integrate decent work considerations into policy frameworks and programming, will depend on using existing internal policy, communication and information-sharing channels rather than establishing new structures. Raising awareness of the breadth of the decent work themes, and how they can contribute to poverty reduction, is an important element. This could include publishing best practice case studies to show what can be achieved, by drawing on DFID's existing experience (e.g. DFID's work on strengthening the links between vocational training and employment) as well as that of other agencies. It may also

involve holding cross-unit training, seminars and discussion groups to strengthen organisational knowledge of the concept. In conjunction with awareness-raising, the development of practical guidance and resources, such as a decent work toolkit – potentially by liaising with the ILO – would help to highlight possibilities for strengthening linkages between different policy areas. Tools and resources should be developed with a view to being used by global policy staff as well as country offices and should be regularly updated.

- **DFID and other donors should utilise existing internal mechanisms to ensure that decent work is more effectively treated as a cross-cutting issue within and between programming or thematic teams and country offices. This may include internal and external awareness-raising through publications, seminars and training, accompanied by the development of practical guidance to highlight linkages between different policy areas for headquarters and country office staff.**
- **DFID specifically should ensure that achievement of decent work outcomes is enshrined as an important criteria underpinning approval of Challenge Fund applications.**

Informal economy

Social protection policy and programming is particularly relevant for DFID, given its leading international role in this area. The financial crisis has highlighted the importance of safety nets for the working poor, given the extreme vulnerability of workers in informal and precarious working arrangements. As such, social protection schemes should be considered in terms of how they can support the vulnerable working poor in the informal economy as well as the chronic poor outside labour markets.

- **DFID and other donors working on social protection should consider how to promote support for the working poor in the informal economy, who are particularly vulnerable to external shocks and crises.**

Improving the livelihoods of workers in the informal economy is recognised as a pressing development issue; however, the quality of jobs created in the informal economy has less prominence. In this respect, the Decent Work Agenda has under-utilised relevance for the informal economy. Many initiatives focus on MSME development and many of these include components on vocational training, productivity improvement and incentives for formalisation, although few include elements on working conditions, social protection, or creation of representative structures for workers. The longer-term challenge is to provide incentives for greater formalisation of enterprises and promote the formalisation of working arrangements for waged workers.

- **When designing employment-related programmes that operate within the informal economy, donors should consider how broader aspects of the Decent Work Agenda that reflect employment quality and security may be addressed.**

Support for social dialogue and better industrial relations

The case studies show that social dialogue is one of the least understood and most neglected aspects of the Decent Work Agenda in terms of bilateral donor programmes, yet it is critical to ensuring that workers' voices are heard in the processes of development planning and policy dialogue, particularly the voices of those of the most marginalised and vulnerable, such as women workers and workers in the informal economy. In this context, there is a general ongoing need to bolster the capacity of labour ministries and social partners to engage in processes of social dialogue. Providing capacity-building for representative organisations in development planning, including NGOs, supports both the legitimacy of the consultative process and strengthens civil

society. At the same time, support for stronger industrial relations processes at an enterprise level and for labour market institutions will enhance efforts to improve the private sector environment.

- **DFID and other donors should ensure programmes that relate to private sector development and social compliance include a strong element that supports the development of a self-sustaining culture of industrial relations. This should include capacity-building for representative organisations for informal workers and women workers and help to support the establishment of avenues to enable their better participation in national policy forums.**
- **DFID and other donors should support the capabilities of Labour Ministries to participate fully in national planning processes.**
- **DFID and other donors should support programmes that enhance the development of effective industrial relations and social dialogue at enterprise level such as training for worker committees, union representatives and managers on basic labour law, management skills, negotiating skills, and HR practices.**
- **DFID specifically should ensure that decent work themes, particularly respect for core labour standards, are promoted in all DFID's collaboration with companies.**

Support for regulatory reform and implementation

As is evident in the case studies, national labour laws may be in need of reform, and are often unenforced. Outdated labour laws and lack of capacity within labour inspectorates in developing countries not only undermine the rule of law, but also create the need for buyer-based social compliance programmes which are inefficient (in terms of duplication) and piecemeal.

- **Donors should see labour law reform and institutional capacity-building as part of the agenda of governance reform, and the provision of access to justice for the poor.**
- **Donors should support programmes that aim to reform labour law and institutions to extend the coverage, effectiveness and relevance of labour laws to wider groups of workers.**

Relations with DFIs

Some donors are represented on the boards of multilateral development finance institutions or sponsor bilateral lending agencies. Loans and technical assistance programmes provided by development finance institutions (DFIs) are often the largest components of development assistance. These often involve the construction of transport and energy infrastructure as well as business development. Most DFIs have policies that promote social and environmental standards within lending projects, but there is often a need for compliance monitoring to be strengthened. These policies could also be reviewed with a view to achieving stronger decent work outcomes, for example by promoting more employment-intensive delivery of projects.

- **Where donors are represented on DFIs, they should ensure that lending programmes have regard to the Decent Work Agenda, e.g. that construction and infrastructure projects are carried out with respect for core labour standards and that lending to financial intermediaries is in compliance with basic policies.**

Multilateral organisations

Detailed analysis of each country's roadmap towards decent work is in theory addressed by the ILO through its Decent Work Country Programmes (DWCPs). However, the case studies show that these can lack overall coherence and do not necessarily provide a tool that can be used by the donor

community to identify key areas for programming and/or interlinkages between different aspects of the Decent Work Agenda. There can also be a disconnect between the different planning processes used by multilateral donors (e.g. PRSPs, UNDAFs, DWCPs).

- **The ILO should consider how the methodology and structure behind DWCPs can be developed to better address the needs of multilateral and bilateral donors in terms of information to underpin strategic programming.**
- **The ILO should consider developing tools to enable donor organisations to draw attention to interlinkages.**

Trade unions and NGOs

Trade unions and NGOs in developed countries play a vital role in supporting their counterparts in partner countries in participating in national development planning, and in promoting improved conditions at enterprise and community level. Improving the representation of informal sector workers must be an ongoing priority. Trade union activity is also crucial in raising awareness of working conditions in developing countries amongst consumers in developed countries. However, these programmes are often under-resourced and ability to engage with international brands limited.

- **Trade unions should enhance assistance to trade unions in partner countries to develop their capacity to actively participate in national dialogue on development issues, including their ability to provide technical inputs in relation to the drafting, implementation and monitoring of national development plans and to keep employment and decent work issues on the national development agenda.**
- **Trade unions and NGOs should increase the level of their engagement with buyers on corporate social responsibility issues (e.g. responsible purchasing practices) that can impact on workers in international supply chains.**

Business

Business has an important role as a social partner in the local context, and a key responsibility for implementing the principles of decent work in terms of adhering to the law and to international standards. For the Forum, the most relevant element of the private sector is international companies with supply chains in developing countries. The case studies demonstrate that, in the absence of effective implementation of national law, buyer codes have been important in raising standards in export-oriented industries, particularly on issues such as the working environment and worker health. However, codes can be inconsistent between brands, and efforts to harmonise them of limited impact. In terms of the Decent Work Agenda, buyer codes all too often fail to prioritise freedom of association, and do not include elements related to social protection or responsible downsizing.

- **International companies and brands should ensure that their audit programmes have a fuller understanding of freedom of association/collective bargaining and should prioritise communications with their suppliers to promote wider acceptance of the need for effective industrial relations.**
- **International companies and brands should support programmes that build the capacity of their suppliers to develop effective human resource structures.**
- **Buyer codes should be widened to encompass social protection requirements (health/unemployment insurance, pensions) and responsible approaches to retrenchment.**

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Annex 2: List of meetings

Meetings – DFID UK

Unit	Name
Equity and Rights team, Policy Division	Miranda Munro, Team Leader Karen Johnson, Social Development Advisor
Growth and Investment Group, Policy Division	Paul Healey, Team Leader, Growth
Civil Society Department, Policy Division	Roy Trivedy, Head
Joint Trade Policy Unit (TPU)	Deborah McGurk, Strategic Policy Lead, Fair and Ethical Trade
UN and Commonwealth Division (UNCD), UN, Conflict and Humanitarian Division	Linda Stokes, Programme Officer for ILO relationship
Human Development Group, Policy Division	Gemma Wilson Clark, Education Advisor, Education and Skills Team

Meetings – ILO Geneva

Department	Person
INTEGRATION	Stephen Pursey, Director Moazam Mahmood, Senior Technical Specialist, Macro Policy
Country Employment Policy	Eléonore D'Achon

Meetings – Bangladesh

Government ministries

Ministry	Person
Ministry of Finance – Economic Relations Division	Mahmud Reza Khan, Deputy secretary
General Economic Division Planning Commission	Fakrul Ahsan, Chief

Trade unions

Organisation	Person
Bangladesh Textile and Garments Workers League	Z. M Kamrul Anam, President
Bangladesh Mukto Sramic Federation	Mojibur Rahman Bhuiyan, General Secretary

Employer organisations

Organisation	Person
Federation of Bangladesh Chambers of Commerce and Industry	Faridul Hassan, Secretary

Donors

Organisation	Person
DFID	Philippa Thomas, Social Development Adviser M Masrur Reaz, Private Sector Adviser Sayeeda Salim Tauhid, Economic Adviser
EU Delegation	Jenni Christensen, Attache, Trade Programme Manager
Dutch Embassy	Theo Oltheten, First Secretary

German Technical Co-operation (GTZ) [by phone/email]	Dr. Dietrich Stotz, Program Coordinator of 'PROGRESS' Khawaja Saifullah, Social Compliance Adviser, 'PROGRESS'
Danish Embassy	Morten Siem Lynge, Programme Co-ordinator, Business to Business programme

Multilaterals

Organisation	Person
International Labour Organisation (ILO)	Panudda Boonpala, Director T. I. M. Nurunnabi Khan, Programme Officer Hasina Begum, Programme Officer
UNDP	K. A. M. Morshed, Assistant Country Director
Asian Development Bank	M. Zahid Hossain, Head, Country Programming M.M. Zillur Rahman, Financial Management Officer

NGOs

Organisation	Person
Bangladesh Institute of Labour Studies (BILS)	Syed Sultan Uddin Ahmmed, Assistant Executive Director
Oxfam	Md. Manirul Islam, Campaign Officer
Bangladesh Occupational, Safety, Health and Environment Foundation (OSHE)	Saki Rezwana, Acting Executive Director

Meetings – Zambia

Government ministries

Ministry	Person
Ministry of Labour and Social Security	Owen Mgemezulu, Chief Planner
Ministry of Finance and National Planning	Belinda Lumbala, Principal Planner, National Planning Department
Ministry of Commerce, Trade and Industry	Viola Chipere, Senior Economist, Industry
Ministry of Agriculture and Cooperatives	Isaac Phiri, Permanent Secretary, Agriculture
Ministry of Community Development	Maud Kaoma, Planner

Trade unions

Organisation	Person
Zambia Congress of Trade Unions (ZCTU)	Martin Chembe, Director of Public and International Relations
Federation of Free Trade Unions of Zambia (FFTUZ)	Lyson Mando, National Executive Secretary
National Union of Plantation, Agriculture and Allied Workers (NUPAAW)	Beatrice Mutale Musowa, Deputy General Secretary Kunda Mutebele, Projects and Education Officer

Employer organisations

Organisation	Person
Zambia Federation of Employers (ZFE)	Harrington Chibanda, Executive Director Mwenya Kapasa, Economist
Zambian National Farmers Union (ZNFU)	Ellah Chembe, Deputy Executive Director
Zambian Export Growers Association (ZEGA) [by telephone]	Luke Mbewe, Chief Executive

Donors

Organisation	Person
DFID	Kelley Toole, Vulnerability and Food Security Adviser

EU Delegation	Eddy Delaunay-Belleville, Rural Development and Food Security Advisor, Economics, Rural Development and Private Sector Development Section
Dutch Embassy	Natalie den Breugom de Haas, First Secretary, Private Sector Development
USAID	Dann Griffiths, Economic Growth Team Leader

Multilaterals

Organisation	Person
International Labour Organisation (ILO)	Gerry Finnegan, Director Johanna Silvander, Programme Officer, Decent Work Country Programmes
World Bank	Marie Sheppard, Senior Private Sector Development Specialist

NGOs

Organisation	Person
Friedrich Ebert Stiftung	Kathy Sikombe, Programme Coordinator
Jesuit Centre for Theological Reflection (JCTR)	Miniva Chibuye, Coordinator, Social Conditions Programme
Afya Mzuri	Alison Cooke Matutu, Executive Director
Care International	Robby Mwiinga, Project Manager, COMACO / Social Protection

Annex 3: List of decent work related activities that are currently funded by DFID's Civil Society Challenge Fund

Organisation	Project
War on Want	Improving the Lives of Poor Small Farmers in Mozambique Improving Rural Livelihoods of Poor Small Farmers in Sri Lanka Improving Livelihoods of Poor Small Farmers in Brazil
Alternative for India Development (AID)	Chronic Child Poverty in India (relief for child labour / families in bonded labour in the silk industry)
Traidcraft	Sustainable Livelihoods for Indian Tea Workers Improving Livelihoods in the Smallholder Dairy Sector in Kenya From Field to Market: Sustainable Livelihoods for Small Cotton Farmers & Weavers
APT Enterprise Development	Building the Capacity of Disadvantaged People (SME creation in Sierra Leone)
Interact Worldwide	Increasing Social Cohesion and Equity to Address HIV/AIDS and Fragile Livelihoods among Fishing Communities (Africa regional)
Anti-Slavery International	Challenging Descent Based Slavery in West Africa: A Networking Approach
TUC Aid	Rebuilding Trade Union Capacity in Sierra Leone
Engineers against Poverty	Strengthening Workers Rights in the Construction Industry
Health Unlimited	Health Rights for Child and Adolescent Labourers, Departments of Quetzaltenango, Quiché, Totonicapán and Retalhuleu in Guatemala
UNITE	Promoting equality and tackling HIV/AIDS by union capacity (regional Africa)

Source: www.dfid.gov.uk/Documents/funding/ongoing-CSCF-projects-24-11-08.xls (consulted November 2009)

Annex 4: Mapping of decent work activities in Bangladesh and Zambia

Donor	Agency	Programme	Details	Decent Work theme ¹¹		
				Emp	Stds	SP SD
Netherlands	ILO	Elimination of Worst Forms of Child Labour - Urban Informal Economy (UIE)	€5.76m from 2007-2011 from Netherlands. Non-formal education, micro-credit, provision of community services, awareness-raising. Links with Time Bound Programme for Elimination of Child Labour funded by Norway. Partnership with Dhaka City Council and Ministry of Labour to raise awareness deliver field activities	x		
EU	ILO	Technical, Vocational Educational and Training (TVET) Reform training	2008-2012. Funded by EU (€14.5m), delivered by ILO. Reform of tertiary vocational training institutions, development of qualification framework, training for teachers, workplace learning.	x		
Japan, ILO	ILO	Construction sector OHS	Training and awareness raising for management, workers and trade unions. Training for MoL Inspectors. Delivered through Occupational Safety Health Environment Foundation.		x	
UNDP, DFID		Urban Partnership for Poverty Reduction (UPPR)	\$120 million from 2007-2015. Builds on earlier pilot. Aims to improve livelihoods of 3 million poor people, especially women and children, living in urban areas, through support local capacity for the development, provision of access to financial services by community groups, including housing improvements and business development support.	x		x
DFID, EU	IFC	Bangladesh Investment Climate Fund (BICF)	2005-09 funding for 60 advisers within Export Processing Zones (EPZs) to promote legal and social compliance	x	x	x
DFID, EU, Canada, Netherlands	IFC	South Asia Enterprise Development Fund (SEDF)	2002-. Multi-donor fund (including DFID) managed by IFC focused on SME development. In Bangladesh targeted RMG sector for technical assistance for business services (e.g. productivity) and enabling environment. Included social compliance element <ul style="list-style-type: none"> - Capacity building for employer associations to undertake audits - Support for buyer forum - Piloted grievance mechanisms to improve industrial relations - assistance with compliance at BKMEA member factories - environmental improvements - worker awareness raising 	x	x	x
Germany	GTZ	Promotion of Social, Environmental and Production Standards in the Readymade Garments Sector (PROGRESS)	€7.5m over 2007-2009. Social compliance programme to support RMG sector: <ul style="list-style-type: none"> - training for RMG middle managers and workers on workplace standards - worker awareness-raising - training inspectors (including Labour Inspectorate) - factory inspections by own staff 	x	x	x

				- promotion of worker committees for social dialogue - improved factory environmental impact - improve productivity					
EU	GTZ	BEST		Programme to support quality standards with strong emphasis on fisheries. From 2010 will contain a garment sector element representing a continuation of GTZ PROGRESS. Aims to improve social compliance status of about 2000 factories; improve productivity and product quality/market response. Seen as EU's key Decent Work intervention. Strong focus on dialogue and worker education about rights and negotiation skills.	x	x	x	x	x
EU, (UNIDO, Norway)		Quality Support Programme		2006-2010. Euro13.5m. Focused on fisheries (shrimps) and garments. Main element is support for export diversification through development of local quality standards, with small element of support for working standards by promoting literacy. New Programme from 2010 will include BEST project (above) designed to boost work on labour standards.	x	x	x	x	x
DFID, Switzerland, Sweden, Canada, Netherlands	GTZ	Developing Business Service Markets (Katalyst)		2008-2013. £12m from DFID (50% of project). To increase the competitiveness of micro, small and medium sized enterprises in key urban and rural sectors thereby supporting an increase in income and employment for men and women in these areas. Aims to support for 600,000 jobs by end 2013 directly estimated, contribution to 10% increase in incomes in selected sectors.	x				
DFID	Various	Rights & Governance Challenge Fund		Partnership with Manusher Jonno Foundation (NGO). Its programme has included funding for fair wage for RMG workers through BILS (2006). Also Child Labour work in brick and other industries Also focus on shrimp industry and agriculture	x	x	x	x	x
DFID, Sweden, USA	Multi	MFA Forum		Multi-stakeholder initiative established in 2005. Working groups in Bangladesh (Morocco and Lesotho) to address labour conditions and competitiveness. Recent development of Sustainable Apparel and Footwear Initiative (SAFI) to address response to global crisis	x	x	x	x	x
Denmark	Civil	LO-FTF		Capacity building for trade unions delivered through BILS					x
DFID	BRAC	Challenging the Frontiers of Poverty Reduction		Asset transfer programme targeted at the poorest women who receive land, money, training and livestock to set up their own business. Also access to essential health care, free legal services as well as training to educate them about their rights.	x	x	x	x	x
Netherlands	FNV	Ship recycling		Training on OHS and support for union development. Delivered through OSHE NGO					x
ADB	Various	SME development		Low conditionality loans through financial intermediaries. Strengthened capacity for organizations supporting SME development.				x	
ADB, Switzerland	Govt	TVET project		Loan (\$50m) plus grant (\$6m from Swiss) to strengthen capacity of the TVET system to provide market-responsive, short-term, relevant skills training to more Bangladeshis	x				
USA	ILO	Improving working conditions in the RMG industry		\$1.44m from 2001-2006. Focused on eradication of child labour using inspections					x
Denmark	Danida	Business to Business programme		Support for joint ventures between Danish and Bangladeshi companies to promote employment and technology transfer					x

Zambia

Donor	Programme	Issues / detail	Decent work theme			
			Emp	Stds	SP	SD
Denmark	Civil soc	LO-FTF – Decent Work, Democracy and Poverty Alleviation in Southern Africa	Regional programme to <i>inter alia</i> build trade union capacity; includes work on the formal sector. Coordinated by ZCTU in Zambia. 2 billion kwacha, 2008-2011.			
	Bi	Private Sector Development Reform Programme	Support to national government to provide enabling business environment in Zambia, including component on labour law reform.	x		
Finland	ILO	Broad-based Wealth and Job Creation in Zambia Economic Empowerment through MSME Development	Economic empowerment through MSME development. Includes work on promoting linkages between informal and formal economy enterprises. \$1.5 m.			
	Civil soc	SASK – trade union capacity building	Regional programme on public sector unions in Southern Africa; support for the African Labour Research network to undertake research on Chinese investment in Africa (including Zambia); regional project to improve shop steward system in the mining, energy, chemical, and oil industries			x
Germany	Civil soc	Friedrich Ebert Stiftung	Work with ZCTU to improve engagement with government on economic and social policy issues, also helping to build trade union capacity to engage with foreign investors			x
	Bi	Private Sector Development Reform Programme	Support to national government to provide enabling business environment in Zambia, including component on labour law reform	x		
Netherlands	Civil soc	FNV Mondiaal	Trade union capacity building, including on OHS training.			
	Civil soc	Dutch Employers' Cooperation Programme	Support to ZFE to improve service delivery to its members.			
Sweden	ILO	Business Development Services for Micro and Small Enterprise in Zambia	Aims to develop models and concepts on business support services. Aimed at rolling out effective solutions for MSEs, at a price and quality they can afford. US\$2.6m			
	Civil soc	LO-TCO	Trade union capacity building			
UK	Bi	Private Sector Development Reform Programme	Aims to provide enabling business environment in Zambia, including component on labour law reform	x		
		Social cash transfers programme	Provides regular cash transfers to 'incapacitated households' (those without labour – ie those headed by children, grandparents, people unable to work). Operating in five districts.		x	
		Child grants programme	Provides grants to poorest 10% of children in poorest districts			x
		Social pension scheme	DFID working with Ministry of Labour to develop national social pension scheme.			x
ILO	ILO Global Campaign for Social Security and Coverage	ILO Global Campaign for Social Security and Coverage for all as a means to reducing poverty in Africa and Asia. Aims to explore the feasibility of providing a basic set of social security benefits in concrete countries. \$0.5m			x	
WB	Jobs and Prosperity Through Competitiveness (JPC)	Analytical work on creating jobs through economic growth and diversification by improving the competitiveness of the Zambian economy. £332,500				x
Civil	UNISON	Support for Zambian public sector unions' work on HIV/AIDS and capacity building.				

soc				
US	Bi	Agricultural Inputs scheme	Working with private sector on improving horizontal value chain in agriculture	x
		Zambian Agricultural Commodity Exchange	Working on addressing market imbalances for farmers	x
		Voucher system for Fertiliser Input scheme	Improving the targeting of subsidy for smallholders	x
EU	ILO	Time bound programme on child labour	Funding for ILO. \$3.4m	x
	Bi	Support for Diversification and Food Security programme	Providing extension services to small holders to improve productivity and health and safety (pesticide use)	x
		Capacity Building for Private Sector Development	Support to Ministry of Commerce, Trade and Industry to improve service delivery. €15m	X
		Small Grants Facility – private sector organizations	Aims to raise service delivery to the private sector. Social partners eligible for grants, but were not awarded funding. Recipients have included Tourism Office and the Honey Organisation. €3m	X
		Small Grants Facility – civil society organizations	Available to civil society organizations who interact with the private sector (including employer associations and trade unions). No funding awarded to social partners. €0.4m	x
	ILO	ACP TACKLE	Funding for ILO to fight child labour in a number of ACP countries, including Zambia.	x
	Trafficking programme	Funding for ILO	x	
	OHS through the Decent Work Agenda programme (pipeline)	Funding for ILO – global programme with Zambia component	x	

Annex 5: Terms of reference and key research questions

This study aimed to capture the emerging body of evidence on both the increased activity and coordination on Decent Work and to analyse its relevance to the work of DFID, partner governments, other bilateral and multilateral donors and social partners, including private sector firms and trade unions.

The key research question was: what does the Decent Work Agenda add to the UK government's commitment to eliminating world poverty. Subsidiary questions included:

- a. What is the evidence on the effectiveness of Decent Work? How can it be measured? Whose perspectives are taken into account in measuring effectiveness (governments, donors, trade unions, employers)? What impact is it having on the different categories of the poor and vulnerable?
- b. What are the most effective ways of working for donors, national governments, the ILO and social partners to deliver Decent Work objectives? What is the relative emphasis on employment generation, on social protection, on standards and dialogue?
- c. What evidence is available on the ways in which the Decent Work agenda affects recovery from the global crisis at country level? How is Decent Work taken up by governments, donors, trade unions and private sector firms?
- d. What is DFID's distinctive added value in contributing towards the realisation of Decent Work as an entire concept and of the different elements of Decent Work (employment creation and enterprise development, social protection, standards and rights at work, governance and social dialogue)?