

WORLD of WORK

the magazine of the ILO
SPECIAL 2014 ISSUE



International
Labour
Organization



Migrant workers
are not a commodity



World of Work magazines are published by
the Department of Communication and Public Information
of the International Labour Organization (ILO)
in English, French and Spanish.

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Printed by ILO Turin

Cover: M. Crozet/ILO



Welcome!

This year's Special 2014 issue of the *World of Work* magazine reflects the themes of the ILO's International Labour Conference (ILC).

Recent tragedies involving migrant workers made ILO Director-General Guy Ryder choose migration as a subject for his Conference report. *World of Work* discusses what concrete measures could close the serious gaps in global migration governance. A *World of Work* team travelled to Albania to look at how that country is tackling the issue.

More features look at the other issues discussed at the ILC: Building a future with decent work after a major disaster, strengthening the fight against forced labour, promoting employment strategies that work, moving workers from the informal to the formal economy and ending child labour through the ILO's Red Card Campaign.

Last but not least, you will find the latest ILO publications in this magazine.

The pressing issues discussed by our world parliament of labour in June highlight the ILO's role in setting the global world of work agenda and finding possible solutions to the social and economic problems we face today.

Hans von Rohland

Editor, *World of Work* magazine



ILO photos



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MEDIASHELF

PHILIPPINES



Typhoon Haiyan – which devastated parts of the Philippines – not only killed thousands of people but also brought severe economic disruption. Almost six million workers lost their livelihoods. One key priority for the ILO has been to help them to recover and to build back better.

*By Jean-Luc Martinage
Photos: Marcel Crozet and ILO Manila Office Staff*

Building a future with decent work



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We meet Cheche Ferreras in a small makeshift house that miraculously still stands amid hundreds of destroyed homes on the outskirts of Basey, the main city on Samar Island, one of the areas most affected by typhoon Haiyan (locally known as Yolanda).

Until Haiyan, the 41-year-old mother of three had been making a living by selling her mats at the local market. There is a very long tradition of mat weaving in Basey mostly handled by women.

Locals claim that weaving was already part of the tradition in the area even before the Spaniards came to the Philippines. Skills are transmitted from mothers to daughters.

However, for the first time in decades, the production of mats has almost stopped, as weavers can no longer find tikog – an aquatic plant found in fresh-water swamps and rice paddies. It is the basic material used for weaving in Basey.



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“Weaving has been always the source of income for my family,” explains Ferreras. “But the typhoon took everything from us,” she says sadly.

To avoid losing hope, the weavers still hold regular town hall meetings to exchange information and cheer up over a chat. They not only lack tikog, but, like other survivors, also face higher prices for food.

WHAT TIKOG AND TRANSPORT HAVE IN COMMON

Traditional weaving is just one example of economic disruption that has also hit many other businesses in the affected areas.

In the centre of Tacloban – the city that came to symbolize the tragedy – we meet with Judy Torres, a 46-year-old tricycle owner and labour organizer. Like many tricycle owners and drivers in Tacloban, Torres saw his activity severely affected by the typhoon which damaged most vehicles, in many cases destroying them completely.

However, many of the damaged tricycles have been repaired. Torres and his fellow drivers have started again to drive their customers along the busy streets of Tacloban – jammed with public transport minibuses known as jeepneys, relief agency vans and trucks carrying humanitarian aid.



Judy Torres and his tricycle

Torres insists that the lack of jobs is a priority which needs to be quickly addressed. He even decided to put a sign calling for more jobs at the back of his tricycle.

ON THE GROUND SINCE DAY ONE

Building on a long experience of disaster response in the Philippines, ILO teams have been on the ground since day one, helping stricken communities build back better.

The ILO supported the Department of Labor and Employment (DOLE) in creating temporary jobs under “emergency employment programmes” to help improve living and working conditions for affected communities.

“The ILO has been on the ground since day one by providing emergency employment, making sure that there are also decent work opportunities.”



Lawrence Jeff Johnson,
Director, ILO Country Office
for the Philippines



The two-week programmes provide not just a job, but a decent work opportunity, with a minimum wage guarantee, protective gear and clothing, as well as health and social security contributions. Some of the programme participants are then offered skills training or advice to enable them to set up an enterprise.

Lilibeth Planas Sevilla is one of the survivors who benefited from the programme. The 37-year-old lost three of her four children as well as her husband to the typhoon. She is now left alone with her only surviving son.

“Our life was good before Haiyan. Then the typhoon came and devastated our lives. My house has also been destroyed and now I have to live with my sister-in-law,” she recalls, bursting into tears.

“I was told about the ILO emergency employment programme. I must say it was really helpful as I could

make some money to buy food. I am still thankful that my son and I survived. All we need now is for my child to go to school, for me to get a new job and a house to live in.”

CLEARING THE RUBBLE

Sevilla’s job consisted in clearing debris left by the typhoon in her neighbourhood. Under the ILO programme, she received a pair of gloves, a mask, a hat, and a long-sleeved shirt as well as boots to avoid injuries.

Emergency employment programmes also allowed survivors to stay in the affected areas instead of moving to the big cities, such as the capital Manila, or even abroad. They thus avoided doing unregulated work, or, in the case of the most vulnerable, becoming victims of human trafficking.

“We are doing our best to provide access to safe and decent work that ensures minimum wages, sound occupational safety, skills development and social



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Lilibeth Planas Sevilla benefited from the ILO programme

protection in line with national laws,” explains ILO Country Office Director Lawrence Jeff Johnson.

“By doing so, we want to ensure that survivors of typhoon Haiyan are not forgotten in the recovery. They have been through trauma and pain of loss so it is crucial to ensure that they are not left vulnerable and exploited. They must not fall victims again as they start to rebuild their communities. Emergency employment should be as safe and decent as any other job.”



Typhoon survivors join the ILO emergency employment programme

Fighting bonded labour in Nepal

Though it is banned by the Nepalese Government and has all but disappeared from certain locations, bonded labour persists in some parts of the country. Bonded labourers are forced to work to repay debts their employer says they owe, and often the debts are passed on to next generations.

*By Hans von Rohland
Photos ILO Nepal*

Ram Lakha, 14, gets up at 5 a.m. to clean the house, yard and animal shed. He then milks the cows, collects fodder and takes the cattle to the fields. He has dinner once the landowner and his family have finished eating and then does the dishes. It is often 9 p.m. before he goes to bed.

Children in Nepal are an integral part of the age-old bonded labour system known as Haruwa-Charuwa, found in the Tarai, the flat agricultural area that spans the length of Nepal, along its border with the Indian states of Bihar, Uttar Pradesh and Uttarakhand.

Parents report different reasons for allowing their children to work, including the extra money it brings in, the need to pay off the family debt, or to temporarily replace the labour of an adult family member who cannot work.

Haruwa are adult labourers who plough mid-sized and large plots of land for high-caste landowners in certain

districts of the eastern Tarai, while Charuwa – normally their children – are employed for herding cattle.

There is a third group, called Haliya: landless agricultural labourers in the far western hills. The Haliyas were officially declared “free” in 2008, but some of them still depend on their landowners since they don’t have any other ways of making a living.

A recent ILO report that examines conditions in the 12 districts where these systems of bonded labour are most prevalent found that 12 per cent of the estimated 942,000 households were affected by forced labour. That means that at least one member of the family – whether it was an adult or child – was working under forced labour conditions. However, when looking only at the Haruwa-Charuwa and Haliya households, the proportion was a lot higher, at 94 per cent.

CONTRACTS AND WAGES

According to the study, Haruwa-Charuwa received wages that were far lower than the prevailing rates in the labour market. Almost half of them were paid daily with three kilograms of paddy, amounting to 40 to 50 Nepalese rupees (NPR) (up to 50 US cents, while 30 per cent of them were paid annually in cash or kind, at a rate equivalent to NPR 10,000 and 12,000 (roughly US\$ 100-130) per year.

There are different types of oral and written contractual agreements between the Haruwa-Charuwa and their employers, especially among those in forced labour. Some have contracts called “Laguwa”, in which the worker receives a piece of land or a share of the harvest, or works for an annual payment or to pay off interest on a loan. In these cases, the male worker’s wife and children are forced to work for the landowner under pressure and threats of losing their house, of being refused further loans and of violence.

More than 45 per cent of the Haruwa-Charuwa do not have any contracts at all and continue to work for their



ILC TO DISCUSS STRENGTHENING OF ILO FORCED LABOUR CONVENTION

Forced labour, contemporary forms of slavery and human trafficking make the headlines of the media on a regular basis.

In adopting the milestone Forced Labour Convention (No. 29) in 1930, the International Labour Conference (ILC) called upon ILO member States to suppress the use of forced labour within the shortest possible period, and to criminalize the offence.

Yet, over 80 years later, and despite almost universal ratification of the Convention, the practice still exists, albeit in different forms from those that provoked such concern in the early twentieth century.

The liberalization of trade and heightened global competition, challenges to the governance of domestic labour markets and international labour migration, and long-standing patterns of discrimination and social exclusion, are among the many factors underpinning current-day forced labour.

ILO research shows that, alongside a decline in certain traditional forms of forced labour, which include bonded labour, new practices have emerged. Forced labour imposed by state authorities remains a concern in certain countries, but its scale nowadays is dwarfed by the use of forced labour at the hands of private individuals and enterprises operating outside the rule of law.

Many countries have adopted laws and other measures to combat forced labour and related practices, some dating back many years, while others are more recent. But violations of Convention No. 29 persist on an alarming scale, while significant implementation gaps exist at the global level.

This is why the Governing Body of the ILO decided in March 2013 to discuss at the June 2014 session of the ILC how to strengthen ILO Convention No. 29 through prevention, protection and compensation measures.

Forced labour is the antithesis of decent work. With the Conference discussion, the ILO takes another step towards achieving the elimination of forced labour around the globe.

FACTS AND FIGURES

According to the most recent ILO estimates:

- At least 20.9 million people are victims of forced labour globally.
- While the Asia and Pacific region has the highest absolute number of victims – 11.7 million – all world regions, and probably all countries, are affected.
- The number of forced labour victims per 1,000 inhabitants ranges from 1.5 per 1,000 in the developed economies and the European Union (EU), to approximately four per 1,000 in Central and South-eastern Europe, the Commonwealth of Independent States (CIS) and Africa.
- Women and girls are more affected (11.4 million), but men and boys are not far behind (9.5 million victims).
- One quarter (5.5 million) of all victims are under 18 years old.
- 90 per cent of forced labour today occurs in the “private economy”. Three-quarters of this is in productive activities such as agriculture, domestic work, construction, fisheries and manufacturing, while the remainder involves commercial sexual exploitation.
- Some 44 per cent of victims (9.1 million) have migrated within a country or between countries prior to their exploitation.

landlords under different systems of payment. But they suffer from exploitation in various forms, including wage deductions if they are sick and cannot work, as well as physical or verbal abuse.

Some Haliyas face similar circumstances. While many released families have escaped their forced labour situation, the ILO study shows that despite their “liberation” some have no alternative livelihood options or simply cannot repay their loans. They have to pay back the initial amount of the loan plus any accumulated interest on it, which perpetuates their debt bondage. The remaining Haliyas are nearly all working in forced labour.

In the past there was another form of bonded labour in rural western Nepal, known as Kamaiya; this was officially banned by the Nepalese Government in 2002.

announced their liberation in September 2008 and has taken initiatives for the rehabilitation of freed Haliyas. The National Plan of Action for Rehabilitation of Freed Haliyas has been recently approved by the Government of Nepal and the Ministry of Land Reform and Management. It is now in the planning process and will be implemented in collaboration with development agencies.

The rehabilitation programme includes land and housing support and vocational skills training. It will ensure access to basic public services, including health and education.

According to José Assalino, Director of the ILO Country Office for Nepal, much more needs to be done, especially regarding the Haruwa-Charuwa system.

With technical support from the ILO Country Office in Nepal, the Ministry of Land Reform and Management (MoLRM) has drafted a Bonded Labour Bill that addresses the elimination of all forms of bonded labour in agriculture, including the Haruwa and Charuwa system.

“The traditional systems of bonded labour have been eroding in the villages due to the opening up of other local and foreign employment opportunities, the commercialization of agriculture and the activities of human rights groups. But as long as landlessness, lack of tenancy rights, mass illiteracy, lack of skills and training, caste discrimination and other related problems persist, so will bonded labour,” says Assalino.

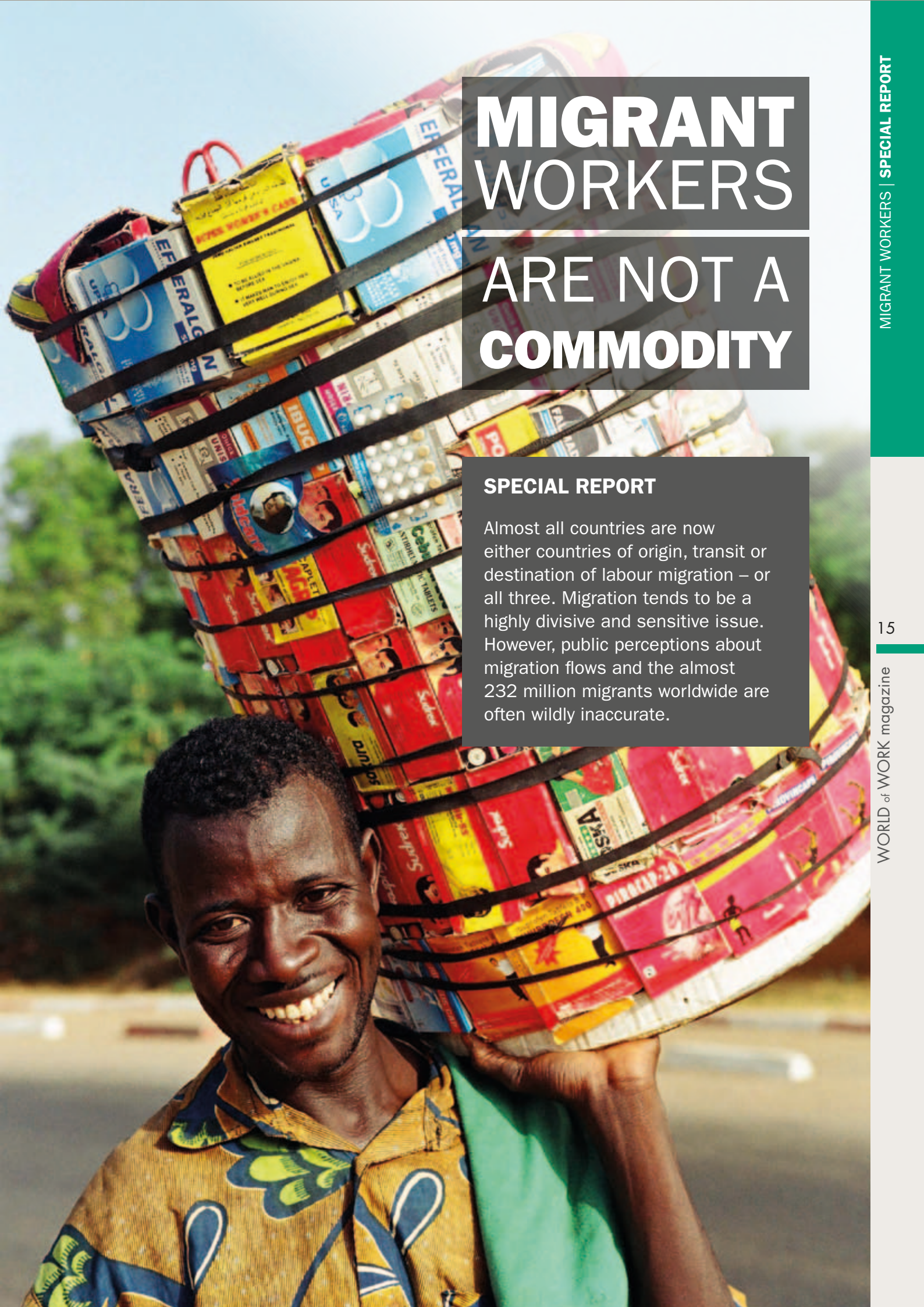
The International Labour Organization’s two Conventions on forced labour, the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105) are among its most widely ratified instruments.

Yet these problems still persist on an alarming scale, affecting all regions of the world in different forms and to varying extents (see box).



SOME PROGRESS MADE, BUT STILL A LONG WAY TO GO

The Government of Nepal has taken important steps to tackle bonded labour. Following the liberation of the Kamaiyas, the Haliyas organized themselves and put up similar demands to be freed. As a result, the Government



MIGRANT WORKERS

ARE NOT A COMMODITY

SPECIAL REPORT

Almost all countries are now either countries of origin, transit or destination of labour migration – or all three. Migration tends to be a highly divisive and sensitive issue. However, public perceptions about migration flows and the almost 232 million migrants worldwide are often wildly inaccurate.



Beyond perceptions, the actual situation of migrant workers, and not least respect for their rights, often gives cause for great concern. Reports of serious abuses and discrimination against migrant workers are all too frequent – from unethical recruitment practices and unpaid wages, to violence and unacceptable working conditions. In certain instances labour migration merges with practices of trafficking and forced labour.

Migrant workers, like all workers, are entitled to decent work: The ILO's mandate on social justice and its Decent Work Agenda concerns all workers. The principle of the Organization that "labour is not a commodity" speaks powerfully and applies equally to the situation of migrant workers worldwide. It is time to assess what it will take to translate this principle into relevant policies.

Clearly migration has an impact on a country's workforce. Yet there is commonly a disconnect between labour market concerns and migration policy. This lack of coherence prevents a sound understanding of the labour market issues at stake as well as the effective protection of migrant workers. Governments and employers' and workers' organizations, among others, have a key

contribution to make in developing new coherent policy approaches.

As our story on the first modern Albanian employment centre shows, the gap between employment and migration policies can be bridged. When both types of policies are combined and properly implemented, there can be positive and tangible results in the lives of migrant workers.

The ILO Director-General's report to the International Labour Conference 2014 puts the spotlight on migration and on the issues that need to be confronted if there is to be a change in the approach to labour migration guided by principles of equity.

This year the ILO holds the chair of the Global Migration Group – an inter-agency initiative bringing together heads of agencies to promote wider application of all international and regional instruments relating to migration.

Backed by appropriate policies and practices, migration can be an enabler of development and growth in all countries.

Managing global migration flows has been attracting increasing attention from the international community. In this process, migrant workers and their rights must not be lost sight of.

All photos M. Crozet/ILO



ALBANIA

The double challenge of employment and migration



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WORLD of WORK magazine

Nearly 135,000 migrant workers, a substantial proportion of the country's 2.8 million population – have returned to Albania between 2009 and 2013. Built with ILO support, the first modern employment offices in Albania show that a proper mix of employment and migration policies can bring tangible results in the lives of migrant workers.

By Jean-Luc Martinage and Marcel Crozet (photos)



The first modern employment office in Tirana

The concrete and glass pyramid in the centre of Tirana, once a museum in honour of former dictator Enver Hoxha, is crumbling and abandoned.

The decrepit vestige of times past stands in sharp contrast with the bustle of construction activity across the Albanian capital.

In every corner of the city, there is evidence of economic and commercial dynamism. Yet this belies the fact that Albania is facing a major jobs' deficit, exacerbated by the return of numerous migrants, driven back from EU countries by economic crisis.

"The employment situation in Albania is a real challenge," says Maria do Carmo Gomes, head of the EU-financed ILO project "Human Resources Development" in Albania.

"According to new international criteria for calculating labour statistics that the ILO helped compile, more than 21 per cent of the population are unemployed. Young people are particularly affected. Nearly 40 per cent of youth under 25 are unemployed, according to these criteria," she says.

A CHALLENGE AND AN OPPORTUNITY

We meet Eriselda Sherifi, 33, at the employment office in Tirana, which only recently played a key role in

"Albania is currently undertaking major reforms. If employment policies take into account the enormous training needs and new migration, then this challenge can also become an opportunity for the country"

Maria do Carmo Gomes,
head of the ILO/EU project in Albania

determining her professional future. She first visited the government-run office a few months ago, after graduating in pharmacy at the University of Bologna, Italy.

While at university, she worked up to 11 hours a day to finance her studies. "I was happy to get my degree after so much effort, but with the economic crisis in Italy, the employment prospects were weak and so I decided to go home."

"I thought I would also struggle to find work in Tirana, given the high unemployment rate in Albania." But



Eriselda Sherifi graduated in pharmacy in Italy. She is now back in Tirana and quickly found a job thanks to the employment office.

she says she was pleasantly surprised after visiting the employment office.

“A few days after meeting with a counsellor at the office, I was put in contact with a potential employer, and I now have a stable job.”

Sherifi was among the first to benefit from the services of the new employment office, which opened its doors in January 2014. Support from the ILO and the European Union and other international donors made it possible to transform what was essentially a hole-in-the-wall office in a back street of Tirana to a modern and easily accessible office whose staff has been trained to assist all categories of jobseekers, from unskilled workers to academics, as well as employers trying to find right workers for vacancies.

The office’s role is all the more relevant at a time when large numbers of Albanian migrants are returning home from European countries still affected by the crisis, particularly Greece and Italy.

Nearly 135,000 migrant workers – a substantial proportion of the country’s 2.8 million population – have returned to Albania between 2009 and 2013. This has resulted in a significant decline in remittances, which had been crucial in enabling migrants’ families at home to make ends meet.

Vasil Varfi lived for ten years with his family in Athens, where he worked as a construction worker, until he lost his job to the crisis.

At 42, Varfi was forced to start from scratch and return to Tirana, where he now works as a maintenance employee, a job he found through the employment office. If he does feel a tinge of nostalgia when he speaks of his days in Greece, there is no question of going back: Upon leaving, he lost his residence permit.

In addition to returning migrants, the employment offices are seeing a growing number of applications from citizens of EU countries.

DO YOU SPEAK ITALIAN?

Rolando Sorrentino, 25, says that after his studies he could not find work in his native Italy. Through friends he learned that call centres in Albania were looking for Italian speakers.

“That’s how I got my job,” says Sorrentino, who also coaches his Albanian colleagues. “The wages are lower than in Italy, but the cost of living in Albania is much cheaper. At the end of the month, I can even save money.”



Vasil Varfi lived for 10 years in Athens. The economic crisis in Greece forced him to come back to Albania.

Rolando Sorrentino was jobless in Italy. He now works in an Italian call centre in Tirana.





Levent Yurtsever comes from Turkey. He successfully opened a pastry shop in the centre of Tirana.



Anisa Alla is a student at Tirana University. Many young people in Albania are worried about the employment situation.

While it remains marginal, the number of EU citizens seeking work in Albania is increasing, says Fatjon Dhuli, director of the employment office in Tirana. “In January and February 2014 alone, we had 110 people from the EU – mainly Greece and Italy – seeking authorization to work in Albania.”

Levent Yurtsever, 29, arrived from Turkey two years ago to work at a pastry shop. Today he runs his own highly popular oriental pastry store. For him, the “Albanian dream” has come true. But for many, particularly young people, it remains a remote, seemingly unattainable dream.

Anisa Alla, 21, for her part, believes she has a good chance of landing a job once she gets her degree as an engineer, a sought-after profession in Albania.

“But many of my student friends fear they will find themselves jobless once they finish university,” she says. “They can’t stop talking about it.”

Yet Albania is clearly moving on the right track, and plans to expand or renovate ten more employment offices around the country over the coming months as part of the strategy of modernization of the National Employment Services (NES) and of the employment public policies planned by the Ministry of Social Welfare and Youth. While no silver bullet, this should go a long way towards easing the double challenge of existing unemployment and returning migrants’ need for jobs.

AN EMPLOYMENT OFFICE THAT WORKS

The ILO is helping Albania build modern employment offices which provide services that until then had been sorely lacking. The employment office in Tirana and the one in nearby Durres play an important role in matching labour market supply with demand.

Centrally located, the offices offer a variety of services to jobseekers, from a self-service area where they can view job listings to the services of counsellors who can provide personalized advice.

They also propose profiles of jobseekers to employers. Similar offices are planned in other parts of Albania. The ILO’s work is part of a larger, EU-funded project entitled IPA 2010 – Human Resources Development (www.ipa-hrd.al).

The project aims at improving the functioning of the labour market, including by strengthening labour inspection capacities, occupational health and safety, vocational education and training opportunities and the National Employment Services (NES) capacities.



The lives and faces



of migrant workers

All photos M. Crozet/ILO



LET'S BE FORMAL ...

Making the transition *from the* informal economy

In Mexico, the ILO has launched a project to help move enterprises and jobs away from informality... and often poverty. A report prepared for the 103rd International Labour Conference points out that workers in the informal economy face higher risks of poverty than those in the formal sector.

*By Patrick Moser
ILO photos*

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Once a small fishing village and the backdrop to the 1964 movie “Night of the Iguana” – featuring Elizabeth Taylor and Richard Burton – Puerto Vallarta has grown into a major tourist resort, known for its white sand beaches and cobblestoned streets.

Every year, millions of tourists descend on the Mexican Pacific coast resort, which as a result also attracts many Mexicans seeking work in the tourism industry – in the luxury hotels and in less formal facilities that include numerous independent restaurants.

José Alberto Cervera, now 32, had once risked his life crossing illegally through the desert to the United States, but eventually decided to make his life in Puerto Vallarta.

Finding work as a waiter in a small restaurant was comparatively easy. But like millions of others across Mexico – and many more around the world – the only job he could get was an informal one, which left him with little or no security. “It’s been difficult because my job doesn’t give me the things I need, such as insurance or benefits,” he says.

“Obviously, informality is not good for the workers, because with informality you cannot move ahead. This has to change,” says Cervera.

And change is coming his way. His boss has agreed to make Cervera’s job a formal one, as part of FORLAC, a pilot project the ILO launched in 2013 with the aim to help move enterprises and jobs away from informality.



José Alberto Cervera and his family

MOVING AHEAD TOWARDS A “MORE DIGNIFIED LIFE”

Alberto Quintero, who owns the El Chivero restaurant, says he will likely do the same for his other informal employees. “This could be beneficial for all of us – having satisfied employees; employees who know their jobs are secure. This takes away the pressure from the workers, who always feel threatened that they could be fired. We are talking here of being formal, guaranteeing the workers can



“Obviously, informality is not good for the workers, because with informality you cannot move ahead. This has to change”.

José Alberto Cervera

move ahead, giving them social security so they can lead a more dignified life.”

But it's not always easy. “Registering employees with social security entails a cost for the company,” says Leonard Mertens, an ILO expert with the FORLAC project. “It means the companies have to improve operations to be able to carry the cost of formalization.”

Thomas Wissing, Director of the ILO Office for Mexico and Cuba, adds: “Our work in Mexico is part of the regional FORLAC project and of our efforts to complement the National Programme for Formalization of Employment initiated by President Enrique Peña Nieto in July 2013. We want to show that access to social security and productivity improvements are key elements of a formalization strategy that benefits workers, employers and governments. Formal enterprises are more eager to protect the rights of their workers, improve working conditions, invest in their workforce and share the benefits that result from sustainable operations.”

Close to half the working population – outside the agricultural sector – in Latin America and the Caribbean are in the informal economy. The numbers are even higher for young people: six in ten working youth aged 15 to 24 have an informal job.

The informal economy is the main source of employment in many developing countries, where it allows millions of people to escape extreme poverty. But the work is often badly paid, with no job security or social benefits.

INFORMALITY LINKED TO INEQUALITIES

The high incidence of informal employment explains why the Latin America and Caribbean region is the most unequal, as informality reduces workers' capacity to generate income and savings, perpetuating cycles of poverty.

A report prepared for the 103rd International Labour Conference points out that workers in the informal economy face higher risks of poverty than those in the formal sector.

“The informal economy thrives in a context of high unemployment, underemployment, poverty, gender inequality and precarious work,” it says, adding that “most people enter the informal economy not by choice, but out of a need to survive and to have access to basic income-generating activities.”

Women, young people, migrants and older workers are especially vulnerable to the most serious decent work deficits in the informal economy, where they face the risk of violence and other forms of exploitation, including child labour.



ME ENCONTREI

In Cuiabá, Brazil, the ILO supports the *Me Encontrei* (I found myself) project that provides young people with the skills they need to access a formal job and avert the risks of informal employment. Many of the beneficiaries were withdrawn from child labour.

When ILO Director-General Guy Ryder visited the project last year, he heard the grim reality of child labour from the mouth of some of its victims, who are now looking forward to a decent job.

“I used to work at a market. I worked a lot. I earned little money,” said 16-year-old Victor Hugo Oliveira, who is now studying to be an administrative assistant. “I hope for a better future, better opportunities.”

There is evidence that significant reductions in informality rates are possible.

In Brazil, for example, informal employment among young people was under 42 per cent in 2011, an 11 percentage point drop from 2007. This was in part due to measures such as the adoption of the SIMPLES law that simplified the registry and cut taxes for small and medium enterprises, thereby facilitating the formalization of these businesses and their workers, the MEI which allows self-employed workers to contribute to the social security system at little cost, as well as policies to improve labour inspection. There has also been an increase in awareness among workers, and particularly domestic workers, of the importance of legal formalization.

The global financial crisis has added urgency, and decision-makers are showing renewed interest in the issue. Tackling the informal economy is one of the key development challenges of our time.

MOVING TO THE FORMAL ECONOMY: WHAT WORKS

Policy initiatives around the world show that a set of approaches can be combined and adapted to country-specific contexts. The policies adopted most often target the following objectives:

- ✎ Establishing a pro-employment macroeconomic framework and effective sectoral policies.
- ✎ Creating an enabling environment for sustainable enterprises that lower cost and increase the benefits of transitions to formality without undermining workers' protection.
- ✎ Extending to all workers in the informal economy protection in respect of social security, occupational safety and health and a minimum wage in a way that facilitates transitions to formality.
- ✎ Ensuring compliance with national laws and regulations so as to facilitate transitions from the informal economy to the formal economy
- ✎ Creating the enabling environment for employers and workers to exercise their right to organize and to collective bargaining.

Source: *Transitioning from the informal to the formal economy* – a report prepared for the 103rd International Labour Conference, June 2014.

The first and crucial step is to make quality employment a central concern of economic and social policy. This would help raise productivity, promote decent jobs and facilitate transformation of informal jobs to formal and decent employment.

Employment *and* social strategies

WHAT WORKS?

Though consensus grows over the kind of policies that may help improve labour market performance in both advanced economies and developing countries, evidence shows that good policy design is critical to achieving success.



Raymond Torres

Good policy design requires, first and foremost, coherence between economic and

employment strategies. Even the most effective labour market institutions will make little difference in terms of jobs if the economy stagnates. By contrast, a virtuous circle can be put in motion if financial and fiscal policies are supportive of growth and employment, in turn facilitating the ability to meet macroeconomic targets.

The immediate response to the global financial crisis is a case in point. Coordinated action in 2009 and part of 2010 successfully put a floor on the recession and prevented a collapse in the financial system. Later on, financial reform lagged behind, thereby contributing to explain the slow and uneven recovery in the world economy.

Tackling excessive inequalities would also improve global coherence. The Pope, the heads of the IMF and the ILO all agree that excessive income inequalities deprive the world economy from much-needed demand and business opportunities. Wages should grow again in line with productivity in countries that do well economically. Indeed, we are starting to see some catch-up in wages in China and Germany.

POLICY DESIGN MAKES THE DIFFERENCE

Of course, a well-designed macroeconomic framework is not enough. Employment and social policies should also be carefully crafted. Help for jobseekers in finding new employment, for example, is regarded as a key policy goal. And yet much depends on how the measures are designed. For instance, training should be provided to those who

really need it and the courses for new skills have to be long enough to actually improve employment prospects.

Ensuring that jobseekers' support is channelled through well-resourced public employment services has proven to be of paramount importance, as the German experience suggests. Each counsellor in public employment services should serve no more than 80 to 120 candidates.

Introduced in 2005, the Mahatma Gandhi National Rural Employment Guarantee Scheme in India is another

*By Raymond Torres,
Director, ILO Research Department*

KEY FACTS AND FIGURES

- The number of unemployed worldwide rose by 5 million in 2013 to almost 202 million, a 6 per cent unemployment rate.
- Some 23 million workers have dropped out of the labour market.
- The number of jobseekers is expected to rise by more than 13 million by 2018.
- Some 74.5 million people in the 15 to 24 age group were unemployed in 2013, a 13.1 per cent youth unemployment rate.
- Around 839 million workers lived with their families on less than US\$2 a day in 2013.
- Some 375 million workers lived with their families on less than \$1.25 a day in 2013.



Photo K. Cassidy/ILO

example. Regarded as one of the largest employment and social protection initiatives in the world, it reaches close to 50 million rural households.

Another programme in rural Bangladesh successfully combined employment, social and growth objectives.

Rural households in Bangladesh face traditional problems due to seasonal employment shortages before the harvest seasons. Since 2008, the programme has employed on average 630,000 rural poor every year.

Likewise, legislation on employment contracts has to respond to the twin needs of providing workers with adequate security while facilitating recruitment. Multiplying short-term contractual arrangements is not the answer. Such an approach has been shown to have little

positive effect on aggregate employment, while fuelling perceptions of job insecurity.

Instead, through social dialogue between the government and the social partners, countries such as Austria have launched adequate legal systems which broadly meet the twin objectives.

CAREFUL CRAFTING OF SOCIAL PROTECTION

It has sometimes been argued that social protection and minimum wages can affect employment. Here too, however, design matters.

Social protection, such as unemployment benefits, can be shaped in a manner which reinforces labour market



participation and the incentive to take up a job. And minimum wages, if set at an appropriate level and updated regularly through social dialogue, will boost incomes of low-paid workers, avoid a race to the bottom in working conditions and enhance labour market participation.

In Ghana, poverty was reduced through extended and targeted social protection. Between 2005 and 2007, the coverage rates of the national health insurance programme more than doubled, and one-quarter of the new signups consisted of informal workers.

Uruguay is one of the countries where there was a minimal impact of the economic crisis on the labour market. Indeed, the urban unemployment rate in Uruguay decreased by 3 percentage points between 2007 and 2013.

There are at least two reasons for this success. One is that well-designed unemployment benefits mitigated job losses and stimulated growth via income generation.

The other one may be even more important. Reforms were undertaken through social dialogue between government, employers and workers which made them more effective. It was the National Dialogue on Social Security which made the reform of the unemployment insurance system possible.

BEEFING UP INVESTMENT

We need more investment in order to create more and better jobs. Less investment means less employment and this is what we are seeing in developing and advanced economies which are in crisis.

Many large companies are profitable again. In most cases, profits are close to normal or even, in the case of large companies, reaching all-time highs. But those profits are not producing new jobs because companies are not investing – instead they are holding onto cash. They are investing in their financial system instead of investing in the real economy.

One way to boost productive investment is to make it more attractive than financial investment when it comes to taxes. Another is to give small companies better access to credit. Big companies have direct access to financial markets. They can borrow directly from the financial system.

Investment in infrastructure is another case in point. In many developing countries, lack of proper infrastructure represents a major obstacle to growth and job creation. By tackling infrastructure bottlenecks and ensuring that the limited fiscal revenues available are effectively spent on what people really need, countries like Mozambique and Viet Nam have opened up important growth and employment opportunities.

In sum, macroeconomic and labour market policies need to be mutually supportive in order to tackle the significant employment challenges of today. This is not an easy task. Indeed experience shows that the measures need to be well-designed and adapted to the specific situation of each country. Badly-designed approaches have proved counter-productive, despite the good intentions. It is therefore essential to go beyond generalities or over-simplified solutions and learn from innovative experiences which have proved successful.

One hundred AND SIXTY EIGHT MILLION REASONS



to end child labour



Photo M.Crozet/ILO

The ILO re-launches its Red Card to Child Labour Campaign on 12 June 2014, to give impetus to the commitment to end child labour, made at the Third Global Conference on Child Labour in Brazil in October last year.

An estimated 168 million children are in child labour worldwide, doing work that affects their health and personal development and which denies many of them the opportunity to go to school. Nearly 60 per cent of them are working in agriculture.

Almost 85 million children are in the worst forms of child labour, mostly in hazardous work on small farms run by their families or in other family work – such as on fishing boats, market stalls and in wildcat mines. Millions are also in child labour in domestic work, or in factories and eateries. Some are forcibly recruited as child soldiers, abused in commercial sexual exploitation, involved in begging or drug trafficking.

Child labour is a worldwide problem, present in the Global North as well as in the South. South Asia has the largest numbers – and is making the greatest progress. Latin America has also made significant strides in reducing numbers but the pace has slowed, while sub-Saharan Africa has the highest incidence and some of the toughest challenges.

To date, 179 countries have ratified the ILO Worst Forms of Child Labour Convention, 1999 (No. 182) and 166 have ratified the Minimum Age Convention, 1973 (No. 138). That is testimony to a global movement against child labour and to the determination of governments, employers' organizations and trade unions to work together to make national policies that have helped reduce the numbers of children in child labour by one-third since 2000, including a 47 million reduction between 2008 and 2012. However, more needs to be done.

The ILO's International Programme on the Elimination of Child Labour (IPEC), the world's largest programme of its kind, has been working since 1992 to help governments

CHILD LABOUR – QUICK FACTS

- 168 million children are in child labour globally.
- 85 million children are in hazardous work.
- 59 per cent of child labourers are working in agriculture.
- Child labour exists in every region of the world.
- 78 million children are in child labour in the Asia and the Pacific region – the largest number of any region.
- Sub-Saharan Africa has the highest incidence – over 21 per cent (59 million).



Photo M.Crozet/ILO

and employers' and workers' organizations worldwide eradicate child labour.

It first launched the Red Card to Child Labour Campaign in 2002, to raise public awareness of the issue. The symbol of the red card was chosen for its association with football, signifying the need to eliminate something that is unacceptable. It also links to the idea that children have a right to play and enjoy their childhood, rather than having to work.

"The Red Card Campaign originated in the campaign against child labour in football stitching, a global issue at the time of the 1996 European Cup tournament," explains Corinne Vargha, Director of the ILO's Fundamental Principles and Rights at Work Branch, which encompasses the IPEC programme.

"It was linked to improving access to sports' education, including for girls, because we knew that sports, like arts

and music education, is a great way to encourage families to send their kids to school and to encourage kids to stay in school until they are old enough to start work," she adds.

The campaign is being re-launched on 12 June 2014 – World Day Against Child Labour – which is also the opening day of the World Cup football tournament.

"We have this unique opportunity with the two biggest sporting events in the world, starting with the 2014 FIFA Football World Cup and going right through to the 2016 summer Olympics, to build on the success of the first campaign and to rally people," says Marcia Poole, ILO's Director of Communications.

"The Red Card Campaign will involve sport, the arts, young people, families, employers, trade unions, policy-makers, community organizations, teachers, youth workers and many others who are committed to improving

the lives of millions of children around the world. We hope that the campaign will encourage people to take concrete action that will help change the situation on the ground.”

One of its aims is to spur people to be active in their communities, businesses and workplaces and to use their voices to remind governments of their responsibilities.

“We have learnt that there is no one simple response to child labour,” explains Vargha. “Combating child labour means ensuring decent work for adults and youth; quality education and social protection for all; and it means making sure all public policies and business decisions consider their effect on child labour.”

Employers, for instance, can improve the way they run their businesses, to make sure they are contributing to eliminating child labour. Workers can use their trade unions and collective bargaining to combat child labour and to help unorganized workers organize themselves. In communities, people can take part in child labour monitoring and other outreach activities. In rich countries, everyone can press their governments to support the global movement against child labour by increasing their assistance to countries that need it.

One of the launch events on 12 June will be a massive social media event called the *Thunderclap* – where thousands of “tweets” will be launched at the same time

from different parts of the world, all delivering the same message, calling for everyone to work together to help end child labour.

Under the umbrella of the Red Card Campaign, the ILO will be expanding its use of innovative communication approaches. Other awareness-raising and advocacy initiatives, such as the Music against Child Labour Initiative, are already adding weight to the overall effort to meet the goal of ending child labour once and for all.

To find out how you can get involved, please visit: ilo.org/redcard.

The pin wheel is the emblem of the International Programme on the Elimination of Child Labour (IPEC).



JOIN THE THUNDERCLAP
AGAINST CHILD LABOUR



Donate a tweet
Create a wave

Go to ilo.org/thunderclap

Brazilian actor Wagner Moura joins the Red Card Campaign



Photo C. Vidal



Global Employment Trends 2014: Risk of a jobless recovery

ILO, Geneva, 2014

The annual *Global Employment Trends* provide the latest global and regional estimates of employment and unemployment, employment by sector, vulnerable employment, labour productivity and working poverty. They also analyse country-level issues and project trends in the labour market up to 2019. The 2014 report highlights the factors preventing a broad-based recovery in labour markets.

“What is urgently needed is a policy re-think. Stronger efforts are needed to accelerate employment creation and to support enterprises that create jobs.”

ILO Director-General Guy Ryder, presenting the report at a press conference in Geneva in January 2014

ISBN 978-92-2-127485-8
CHF 30; USD 35; EUR 25



Domestic Workers Across the World: Global and regional statistics and the extent of legal protection

ILO, Geneva, 2012

The adoption of new international labour standards on domestic work (Convention No. 189 and its accompanying Recommendation No. 201) by the ILO at its 100th International Labour Conference in June 2011 represents a key milestone on the path to the realization of decent work for domestic workers. This publication sheds light on the magnitude of domestic work, a sector often “invisible” behind the doors of private households and unprotected by national legislation.

ISBN 978-92-125273-3
CHF 35; USD 40; EUR 30



Social Dimensions of Free Trade Agreements

Studies in Growth with Equity

International Institute of Labour Studies

ILO, Geneva, 2014

This new study comprehensively reviews all existing trade agreements that include social provisions, discusses impacts for enterprises and workers, and assesses the challenges arising from the multiplication of trade agreements that include different social provisions.

ISBN 978-92-2-9251-027-5
CHF 30; USD 30; EUR 25



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Iyanatul Islam and David Kucera, eds

ILO/Palgrave Macmillan, Geneva/Basingstoke, 2014

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Marc Lavoie and Engelbert Stockhammer, eds

ILO/Palgrave Macmillan, Geneva/Basingstoke, 2014

This original and extensive study examines the causes and consequences associated with the falling wage share and rising inequality in income distribution, relating to both aggregate demand and labour productivity. It presents new empirical and econometric evidence regarding the economic causes and potential impact of changing income distribution.

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Creative Labour Regulation: Indeterminacy and protection in an uncertain world

Deirdre McCann, Sangheon Lee, Patrick Belser, Colin Fenwick, John Howe and Malte Luebker, eds

ILO/Palgrave Macmillan, Geneva/Basingstoke, 2014

Creative Labour Regulation is an interdisciplinary response to the central contemporary challenges to effective labour regulation. Drawing on contributions by leading experts from the Regulating for Decent Work Network, it offers new ideas for research and policy. The book identifies three central challenges to contemporary labour regulation: intensifying labour market fragmentation; complex interactions between labour market institutions; and obstacles to effective enforcement.



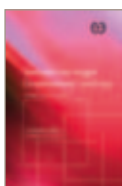
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Towards Better Work: Understanding labour in apparel global value chains

Arianna Rossi, Amy Luinstra and John Pickles, eds

ILO/Palgrave Macmillan, Geneva/Basingstoke, 2014

This new volume analyses how workers, governments and business can collaborate in order to confront the key opportunities and challenges affecting labour in apparel global value chains. It provides new empirical insights into the garment sector in Asia (Cambodia, India, Lao People's Democratic Republic), Europe (Romania), Africa (Lesotho, Morocco) and the Americas (Haiti, Nicaragua), with a focus on wages, worker empowerment and the institutional contexts facilitating or hampering the attainment of improved working conditions.



ISBN 978-92-2-127491-9
CHF 33; USD 33; EUR 25

Towards the Single Employment Contract: Comparative reflections

Giuseppe Casale and Adalberto Perulli

ILO/Hart Publishing, Geneva/Oxford, 2014

While the challenge of flexibility continues to act as a powerful driver for change in European labour markets, many countries are experiencing an increasing dualism or segmentation between workers with stable employment relationships and those with temporary contracts. This has led governments and social partners to open a debate on the introduction of a single employment contract. This book examines the concept of the single employment contract in a comparative perspective, presenting its pros and cons, highlighting its virtues and revealing its inherent contradictions.



ISBN 978-92-2-126962-5
CHF 70; USD 70; EUR 55

The Informal Economy and Decent Work: A policy resource guide supporting transitions to formality

ILO, Geneva, 2013

This practical policy resource brings together knowledge, policy innovations and good practices in addressing the informal economy and facilitating the transition to formality. Comprising 28 briefs in a range of technical areas, the guide illustrates the multiple policy pathways towards formality and the range of approaches that can be adopted for different groups and sectors within the informal economy.



ISBN 978-92-2-127489-6
CHF 45; USD 45; EUR 37

Labour Administration in Uncertain Times: Policy, practice and institutions

Jayson Heyes and Ludek Rychly, eds

ILO/Edward Elgar, Geneva/Cheltenham, 2013

Difficult economic conditions are encouraging a reevaluation of established policies and institutions in the areas of labour, employment, social protection and industrial relations. This book analyses recent reforms in labour administration and national labour policies, charting their development and discussing the challenges and opportunities faced by governments, ministries of labour, labour inspectors, employer organizations and trade unions.

There are 168 million reasons to eradicate child labour

The number of child labourers worldwide has declined by one third since 2000, from 246 million to 168 million.

We're on the right track but we need to do more.

Be part of the change:
Join the Red Card to
Child Labour campaign
on 12th June.

ilo.org/redcard



Join the Thunderclap against child labour:

Donate a tweet and create a wave

ilo.org/thunderclap