

**INTERNATIONAL
INSTITUTE FOR
LABOUR STUDIES**

Discussion paper

DP/139/2002

Education and
Outreach
Programme

**Decent work: Concepts, models
and indicators**

Dharam Ghai

P.O. Box 6
CH-1211 Geneva 22
Tel. 00 41 22 / 799 6128
Fax. 00 41 22 / 799 8542
E-mail: INST@ilo.org
<http://www.ilo.org/inst>

The *International Institute for Labour Studies* was established in 1960 as an autonomous facility of the International Labour Organization (ILO). Its mandate is to promote policy research and public discussion on emerging issues of concern to the ILO and its constituents — government, business and labour.

The *Discussion Paper Series* presents the preliminary results of research undertaken by the ILS. The documents are intended for limited dissemination with a view to eliciting reactions and comments before they are published in their final form in the *Research Series* or as special publications.

Decent work: Concepts, models and indicators

Dharam Ghai

International Institute for Labour Studies Geneva

Copyright © International Labour Organization (International Institute for Labour Studies) 2002.

Short excerpts from this publication may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the Editor, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

ISBN 92-9014-660-5

First published 2002

The responsibility for opinions expressed in this paper rests solely with its author, and its publication does not constitute an endorsement by the International Institute for Labour Studies of the opinions expressed.

Requests for this publication should be sent to: IILS Publications, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

TABLE OF CONTENTS

1. The concept and components of decent work	1
2. Three models of decent work	3
i) The classical model of decent work	4
ii) The transition model	5
iii) The development model	6
3. Does decent work have universal validity?	9
4. Uses and limitations of indicators	9
5. Indicators of decent work: The employment dimension	10
i) Employment opportunities	10
ii) Remunerative employment	14
iii) Conditions of work	16
6. Indicators of social security	17
7. Rights of working people	19
i) Forced and child labour	19
ii) Discrimination at work	21
iii) Freedom of association	23
8. Social dialogue	27
i) Collective bargaining	28
ii) Economic democracy	29
iii) Participation at national level	29
9. Concluding remarks	30
References	31
Annex: Decent work in industrial countries	33

LIST OF TABLES AND FIGURES

Tables

Table I:	GDP, government expenditure and employment Selected OECD countries: 1996.....	4
Table II:	GDP, government expenditure and employment Selected transition countries: 1996	6
Table III:	GDP, government expenditure and employment Selected developing countries: 1996.....	7
Table IV:	Urban informal sector employment (% of urban employment: mid 1990s)	8
Table V:	Employment-to-population ratio (around 1997)	12
Table VI:	Unemployment rate (% of labour force – around 1997)	13
Table VII:	Poverty in selected industrial countries (around 1990).....	14
Table VIII:	Working poor as a proportion of the employed population (around 1997).....	15
Table IX:	Human development indicators: Selected developing countries.....	16
Table X:	Public social security expenditure (% of GDP- 1996)	18
Table XI:	Child labour (% of children aged between 10-14, 1995)	21
Table XII:	Gender disparities (around 1992).....	23
Table XIII:	Civil liberties index (1997)	25
Table XIV:	Union density and collective bargaining (late 1990s).....	27

Figures

Figure 1:	Poverty rates in selected OECD countries	5
-----------	--	---

Decent work: Concept, models and indicators[♦]

The main purpose of this paper is to consider and evaluate indicators of decent work. The Director-General of the International Labour Office (ILO) first proposed decent work as a unifying framework and a central priority for the organization in his Report to the 87th Session of the International Labour Conference in June 1999 (ILO, 1999a). Since then, while some work has been done on the concept, strategies and policies for decent work, relatively less attention has been given to the question of indicators.¹ Information on indicators is needed to assess country performance on decent work and to evaluate progress over time. It is also needed to make inter-country comparisons regarding performance on decent work and its individual components. The discussion of indicators is thus intimately linked to the objectives and the meaning of decent work in different institutional and structural contexts.

This paper first discusses the concept and components of decent work. It considers their relevance to countries with different institutional frameworks and at different stages of development. This is done through a discussion of three models of decent work – classical, transition and development – applicable respectively to market industrial economies, transition countries and developing nations. After a general discussion of indicators, the paper examines the suitability of a range of indicators on the four major components of decent work – employment, social security, workers’ rights and social dialogue – illustrated with country level data. The annex illustrates the use of selected indicators to assess decent work performance in industrial countries.

1. The concept and components of decent work

In his 1999 Report to the International Labour Conference, the ILO Director-General stated:

The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity (ILO, 1999a).

The notion of decent work, as elaborated in the above report, emphasizes four elements: employment, social security, workers’ rights and social dialogue. Employment refers to work of all kinds and has both quantitative and qualitative dimensions. Thus the notion of decent work is applicable not just to workers in the formal economy but also to “unregulated wage workers, the self-employed, and home workers”. Further, it refers to both adequate opportunities and remuneration for work (in cash or kind). Decent work also embraces safety at work and healthy working conditions. The social security component of decent work is intended to protect against the risk of losing income. As stated in the Director-General’s 1999 Report:

[♦] An earlier version of this paper was presented at a seminar in Shanghai on Research Methodologies for Decent Work, organized by the Institute and the Chinese Ministry of Labour and Social Security. The paper was subsequently presented at an Institute seminar in ILO. I am grateful to seminar participants for their comments. For comments and assistance with material, I thank A.V. Jose, Lucio Baccaro, Phillipe Egger, Jose Figueiredo, Wouter van Ginneken, David Kucera, Majid Nomaan, Stephen Pursey and Hamid Tabatabai. I am indebted to Yoshika Hirata for assistance with the annex.

¹ Currently work is underway in ILO on developing indicators for decent work, (see Anker et al., 2002). For strategies and policies, see ILO, 2001b.

Everybody - regardless of where they live - needs a minimum level of social security and income security, defined according to the society's capacity and level of development (ILO, 1999a).

While the first two components of decent work refer to opportunities, remuneration, security and conditions of work, the last two emphasize the "social relations of workers". The notion of decent work incorporates fundamental rights of workers - "All those who work have rights at work" (ILO, 1999a). The basic rights relate to freedom of association, non-discrimination in work, and the absence of forced labour and child labour in abusive conditions. Social dialogue refers to the right of workers to engage in discussions with employers and authorities over matters bearing on work.

Social dialogue requires participation and freedom of association and is therefore an end in itself. It is also a means of ensuring conflict resolution, social equity and effective policy implementation. It is the means by which rights are defended, employment promoted and work secured. It is a source of stability at all levels, from the enterprise to society at large (ILO, 1999a).

The above description of the concept of decent work immediately raises a number of questions. How does decent work differ from earlier discussions on the subject? Are all the elements of decent work of a similar nature and status? Is the concept of decent work of universal validity and applicable to countries in all situations? It is useful to address these questions briefly before turning to a discussion of indicators.

Since its inception, the ILO has been concerned with the four components that define decent work. These themes have been treated in various reports and discussions over the past 80 years. They have been the subject of numerous Conventions and Recommendations that have served as guidelines for governments, the social partners and international agencies. Despite this "ancient" tradition, the notion of decent work represents an advance over earlier discussions on this topic. In practical terms, decent work is a convenient and attractive way to highlight ILO's traditional concerns. It has greater resonance with the public than the conventional way of formulating the organization's central objectives.

Substantively, decent work constitutes an effort to view the different dimensions of work within a single framework. In the past, both within and to a large extent outside ILO, the themes of employment, remuneration, working conditions, social security, workers' rights, participation and collective bargaining, tended to be treated separately and in isolation. Few attempts were made to see how the different dimensions of work related to each other. The notion of decent work not only forces us to view work along all its different dimensions but also invites us to explore the relationships between these dimensions. Hopefully this should help bring out the complementarities and conflicts among the components of decent work more clearly than in the past. Organizationally, the decent work framework should help to promote greater consistency and coherence in ILO's substantive work.

A consideration of decent work also raises the question of the nature and priority of its different components. For some purposes, it is convenient to group the different components of decent work into two categories: employment and social security in one, and workers' rights and social dialogue in the other. Work opportunities, remuneration levels, working conditions and social security are determined primarily by the level of economic development. On the other hand, workers' rights and social dialogue are more a matter of legislation and administration. It will be going too far to argue that while the items in the first category require real resources, those in the second can be handled merely by passing laws. Workers' rights cannot be enforced without resources, and social dialogue mechanisms depend upon institutional arrangements in organizing work. Nevertheless, it remains true that the first category components of decent work ultimately depend more upon "material forces" while the second category are more influenced by ethics, values and legislation.

The question of prioritizing the different elements of decent work raises difficult and complex issues. First, there are complications arising from the relationships among its various components. As argued above, one of the virtues of the decent work approach is that it exposes these more clearly than before. While few dispute the existence of such relationships, their nature, direction and extent are less explored and they generate much debate and controversy. The existence and uncertainty of the relationships between the different components of decent work complicate any attempt to prioritize them. Indeed, it may be argued that they render such attempts invalid.

Even if such objections are dismissed, the question of priorities must depend upon societal values, socio-economic institutions and levels of prosperity and wealth. To take the last point first, it is often argued that in the early stages of development, the creation of work opportunities should take precedence over the provision of social security, the implicit assumption being that the two are in conflict. A similar argument is sometimes used regarding certain labour rights, especially the right to form unions and engage in collective bargaining.

Institutions have a clear bearing on work opportunities, income distribution and social security. For instance, an agrarian regime characterized by a relatively equal distribution of land generally provides greater livelihood security and more even income distribution than one featuring a few large landowners and widespread landlessness and tenancy. Similarly, the presence of communal and cooperative institutions in some societies can provide an important cushion against insecurity and risks before the development of insurance schemes and social security financed by the state and employers.

The dominant societal values, which usually reflect the distribution of power among different socio-economic groups, influence the priorities among various components of decent work. This influence is exerted through national institutions and policies. The different priorities attached to values such as equality, solidarity, democratic participation, individual opportunities, incentives, community and family cohesion, will in turn influence the priorities accorded by public policy to work opportunities, remuneration, social security, freedom of association and social dialogue. The issues of relevance and priorities among decent work components are therefore best illustrated through a consideration of institutional and structural diversity among countries.

2. Three models of decent work

Many aspects of economic structure have implications for the attainment of decent work objectives. The most important of them relate to income per head, sectoral distribution and employment status of the labour force, government revenue and expenditure as a proportion of GDP, and the share of the public sector in productive assets and total output. Associated with some of these structural differences are differences in labour institutions that characterize the different models of decent work. The different structural and institutional features are generally interrelated but there are many exceptions.

Income per head affects decent work through its impact on remuneration and on the ability of the government to raise revenue to address social security needs. High per capita incomes facilitate remunerative employment opportunities and the provision of social security to meet contingencies. Low per capita incomes are often associated with a high incidence of absolute poverty. The distribution of the labour force by status – employees, self-employed, family members – is a major determinant of the nature of problems faced by workers in the domains of employment, social security, and rights at work or social dialogue. The share of public taxation and expenditure in total output has an important influence on the scope of government policy relating to social security, poverty reduction and overall employment. The share of the public sector in total production affects several dimensions of employment, social security and labour

institutions. The relevance of these features for decent work becomes clear when we consider the characteristics of the three models of decent work.

i) The classical model of decent work

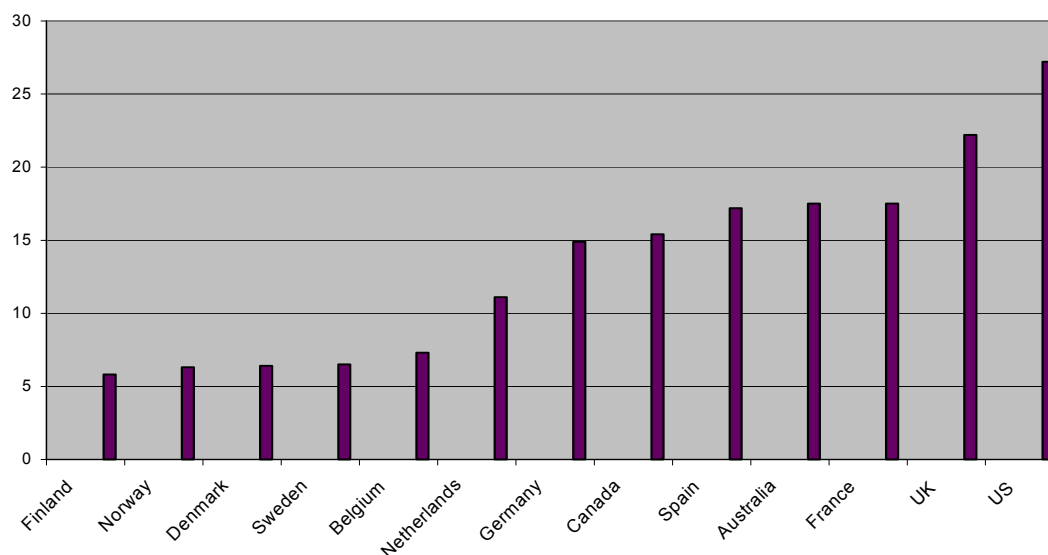
Countries in this category are characterized by high per capita income, high share of the labour force in wage employment and high proportion of GDP allocated to government and social security expenditure. These features are brought out in table I. In the mid-1990s, GDP per capita (in purchasing power parity) in these countries ranged between US\$12,000 and US\$30,000. The share of wage employees was in the region of 70 to 90 per cent. Government expenditure as a proportion of GDP varied from 25 to about 50 per cent and public social security expenditure from around 15 to over 33 per cent.

Table I: GDP, government expenditure and employment
Selected OECD countries: 1996

Country	GDP (ppp) US\$	Total govt. exp. (% of GDP)	Govt. soc. Sec. exp. (% of GDP)	Wage employment (% labour force)
USA	28023	23	16.5	91.6
Norway	23464	39	28.5	91.3
Japan	23158		14.1	82.1
Denmark	22695	44	33.0	90.6
France	21585	37	30.1	88.6
Australia	21434	29	15.7	84.6
Netherlands	20503	51	26.7	88.0
UK	19917	44	22.8	86.9
Ireland	18684	43	17.8	80.0
New Zealand	17758	36	19.2	78.8
Spain	15499	39	22.0	76.1
Portugal	13535	38	19.0	71.7

Source: ILO, 2000c
Total government expenditure (UNDP, 1998).

Note: Social security expenditure covers pensions, health care, employment, injury, sickness, family, housing and social assistance funds.

Figure 1: Poverty rates in selected OECD countries

Source: ILO, 2000c.

Note: Poverty is defined as the percentage of people with incomes below 50 per cent of median income.

With a few exceptions (mostly countries with relatively low per capita income), agriculture accounts for less than 5 per cent of the labour force, while the service sector employs between 60 and 80 per cent of the labour force. Extreme destitution in the form of hunger, malnutrition, lack of access to clean drinking water and shelter, is negligible, although relative poverty defined as the percentage of people with incomes below 50 per cent of median income is more substantial, varying from around 5-7 per cent in Scandinavian countries to 22 per cent or more in the United Kingdom and the United States (figure I).

Trade unions constitute the most important and representative form of workers' organization. Although the proportion of workers enrolled as trade union members has declined in most countries over the past two to three decades, it continues to be significant, varying mostly between 25 and 50 per cent (excluding countries at the two extremes). Collective bargaining at enterprise, industry or national level is the most important means of determining remuneration and other terms of employment in most countries. Again leaving out the extremes, collective bargaining coverage varies between 25 and 90 per cent of wage employees.

ii) The transition model

The transition countries from the former Soviet bloc are moving from centrally planned to market economies. They still bear the marks of their earlier existence. The key feature of communist economies was state ownership of most productive assets and property. Practically the entire working population was employed in government, in state enterprises or on collective farms. Full employment and compulsory work for all male adults and most women were an integral part of their social and economic policy. The state provided comprehensive social security to all its citizens. All workers were members of trade unions, which were, however, controlled by the state and the communist party.

The transition countries that emerged from the collapse of communism display considerable diversity in their level of development, economic performance and social policy. In particular, clear

differences have emerged between the Central European states on the one hand, which have performed relatively well, and the East and South East European states on the other. The situation is even worse in the Caucasian and Asian states. This section focuses mostly on the first group of countries.

Most Central and East European transition countries fall into the middle income category with GDP per capita ranging between \$4000 and \$8000 (table II). In relation to per capita income, a surprisingly high proportion of the labour force is found in wage employment – well in excess of 80 per cent. However, the relative importance of the informal economy has increased considerably. Similarly, government expenditure and tax revenue constitute a relatively high proportion of GDP – between 25 and 50 per cent. The social security system has undergone quite radical changes in line with the overall economy. It has become less comprehensive and generous, more targeted and means-tested and more privatized (Standing, 1996). Nevertheless, public social security expenditure continues to account for a high proportion of GDP for middle income countries – between 10 and 25 per cent of GDP. Trade union membership has fallen but the unions have become independent of the state and political parties. These features, a reflection of the communist past, place these countries much closer to market industrial countries than to middle-income developing countries.

Table II: GDP, government expenditure and employment
Selected transition countries: 1996

Country	GDP (ppp) US\$	Total govt. exp. (% of GDP)	Govt. soc. sec. exp. (% of GDP)	Wage employment (% labour force)
Czech Republic	11006	42	18.8	86.1
Hungary	6952	43 (1998)	22.3	85.3
Poland	6016	43	25.1	70.5
Romania	4632	32	12.4	62.4
Russian Federation	4269	27	10.4	90.0
Latvia	3649	30	19.2	84.8

Source: GDP, government social security expenditure, wage employment (ILO, 2000c)
Total government expenditure (UNDP, 1998).

Note: Social security expenditure covers expenditure on pensions, health care, employment, injury, sickness, family, housing and social assistance funds.

iii) The development model

The developing countries display far greater diversity in their economic structures than the countries in the two groups discussed above. The economic differences among developing countries are recognized in the various classifications employed by international agencies, such as middle income (upper and lower), low income and least developed countries. Despite these differences, the great majority of these countries share the characteristics of widespread absolute poverty, extensive under- or unemployment, limited industrialization and dualistic economic structures.

Table III gives data on some structural features of 14 developing countries, selected to illustrate the diversity among them. Per capita GDP varies from around \$1500 (ppp) or less for low-income countries such as Ethiopia, Kenya and India, all the way to around \$10,000 or more for countries such as Malaysia, Chile and South Korea, bringing them close to the levels found in Portugal and Greece and well above those in most transition countries. In low-income countries, between 60 to 80 per cent of the labour force is employed in agriculture. Even in most middle income countries, it varies between 20 and 40 per cent – substantially higher than in most transition countries.

There is similar diversity with regard to the share of the labour force in wage employment, which varies from less than 15 per cent in many low-income countries to between 60 and 70 per cent in middle-income countries. Once again the ratios for the latter group are not much below those found in market industrial and transition countries. However, the category of wage employees covers both the formal and informal economies. Typically, informal sector employment tends to be far more important in developing countries than in the other two categories, as shown in table IV. There does not appear to be a correlation with income per capita. In Sub-Saharan countries, the share of urban informal employment is especially high, exceeding 70 per cent in Ghana and Mali. It is close to half in some Latin American countries such as Honduras and Colombia.

Table III: GDP, government expenditure and employment
Selected developing countries: 1996

Country	GDP (ppp) US\$	Total govt. exp. (% of GDP)	Govt. soc. sec. exp. (% of GDP)	Wage employment (% labour force)
South Korea	13193	18	5.6	62.8
Chile	12013	20	11.3	70.1
Malaysia	10905	23	2.9	71.4 (93)
Mauritius	9109	23	6.0	80.9 (95)
Mexico	7983	14	3.7	58.9
Botswana	7663	38	2.7	62.5 (91)
Brazil	6491	39	12.2	62.3
Costa Rica	6479	28	13.0	71.2
Indonesia	3456	16	1.7	28.7 (92)
Egypt	2853	43	5.4	50.0 (92)
Sri Lanka	2324	29	4.7	59.9
India	1606	16	1.8	
Kenya	1162	27	2.0	20.8 (94)
Ethiopia	504		3.7	6.6 (94)

Source: GDP, government social security expenditure, wage employment (ILO, 2000c)
Total government expenditure (UNDP, 1998).

Note: Social security expenditure covers pensions, health care, employment, injury, sickness, family, housing and social assistance funds.

Table IV: Urban informal sector employment
(% of urban employment: mid 1990s)

Country	Proportion of urban informal employment
Poland	12.8
Lithuania	8.5
Kyrgyzstan	17.3
India	44.2
Pakistan	67.1
Myanmar	54.2
Philippines	17.0
Indonesia	20.6
Argentina	39.6
Brazil	25.0
Honduras	49.0
Colombia	51.5
Peru	48.3
Kenya	44.9
Cameroon	57.3
Ghana	78.5
Mali	71.0
Tunisia	38.6
Morocco	28.2

Source: ILO, 1999b.

Government expenditure as a share of GDP seems less related to GDP per capita in developing countries. A number of factors such as revenues from mineral exports, the share of the public sector in production and foreign aid affect the levels of government expenditure. These factors explain the extremely high ratios in countries like Botswana, Egypt and Brazil – around 40 per cent of GDP. They also account for the relatively high ratios in some low-income countries such as Kenya and Sri Lanka – ratios often higher than those found in much richer countries such as Chile, Malaysia or Mauritius.

The ratio of public social security expenditure is much lower in developing countries than in industrial or transition countries. This is even the case for countries with relatively high per capita incomes such as the Republic of Korea, Malaysia or Mauritius. Except for the high-income Latin American countries, these ratios for most developing countries tend to be under 6 per cent. Chile, Costa Rica, Brazil, Argentina and Uruguay allocate 10 to 13 per cent of their GDP to social security expenditure – a relatively high proportion in comparison with other middle-income countries in Asia.

Extensive absolute poverty and low human development indicators are a distinguishing feature of most developing countries. The working poor, defined as families with earnings of less than one dollar per person per day, form between 20 and 50 per cent of the employed population in most countries. For most middle income countries, the proportion is less than 10 per cent. Indicators such as malnutrition, infant mortality, access to clean drinking water and adult literacy also bring out the existence of widespread poverty in most developing countries.

Trade union density – the proportion of the working population enrolled in trade unions – tends, as expected, to be relatively low in most developing countries, seldom exceeding 10 to 15 per cent. Only a few countries such as Argentina, Costa Rica and South Africa have union density rates around 40-50 per cent, comparable to the average rates found in industrial and transition countries.

3. Does decent work have universal validity?

The preceding section has highlighted substantial structural and institutional diversity among different groups of countries, and indeed within these groupings. It is often argued that the concept of decent work is applicable only to countries with characteristics similar to those in market industrial countries. Those who take this position argue that since its establishment in 1919, the ILO has advocated norms and standards that reflect the conditions in industrial countries. At least until the late 1950s, ILO's work – studies, reports, standards, technical cooperation, conferences and workshops – related to experience in these countries.² For instance, its work on employment focused on creating jobs for employees and improving their remuneration and conditions of work. Social security likewise dealt with problems that arise for employees from unemployment, work accidents, and interruption or cessation of work due to sickness, maternity, old age or disability. The approaches to workers' rights and social dialogue were also generally based on the employer-employee model, whether they relate to discrimination, freedom of association, child labour, collective bargaining or participation in decision making at the enterprise or industry level.

Do the structural and institutional differences in developing and transition countries render the concept of decent work inapplicable to them? If the key feature underlying the decent work paradigm is the employee-employer relationship in the formal economy, this should make the paradigm of only marginal relevance for the great majority of developing countries. Likewise, if the voluntary and independent status of workers' and employers' organizations is cardinal to the decent work model, its applicability to some countries with predominantly state economies may be called into question. But these aspects relate to mechanisms and instruments for the attainment of decent work objectives. When it comes to the objectives themselves, it can plausibly be argued that decent work is indeed a universal aspiration.

All workers, whether in state enterprises, the formal or informal economy or self-employment, desire levels of remuneration in cash or kind that provide at least a minimum standard of living for their families. They also wish to work in safe and healthy conditions and to have a secure livelihood. Like other citizens, workers in all categories also seek the right to form their own organizations to defend and promote their interests and to participate in decisions that affect them as workers.

These goals and rights are not just desired by the workers themselves; their fulfilment has been recognized as a societal and governmental responsibility. These rights have been incorporated in such international documents as the Universal Declaration of Human Rights and the Covenants on Civil and Political and Economic, Social and Cultural Rights. There are also many UN and ILO Conventions that bind participating countries to respect the fundamental rights of people and workers and to promote their social and economic well-being. While the objectives behind decent work thus retain their universal validity, their content and the mechanisms for attainment must be adapted to countries' structural and institutional characteristics. This becomes clear in the discussion that follows on indicators of decent work.

4. Uses and limitations of indicators

Indicators are used to measure the extent to which a specified objective or outcome has been achieved. They can thus be used to assess performance and evaluate progress over time in the achievement of specified objectives.³ They can also be helpful in making comparisons across countries. Indicators are also used extensively to test alternative hypotheses concerning the

² Of course the industrial countries themselves displayed considerable diversity with regard to features that are relevant for decent work. But on the whole, these differences were modest as compared with the situation in most developing countries.

³ For a recent attempt at the evaluation of decent work in Denmark, see ILO, 2001a.

relationships among different components of decent work.⁴ Ideally indicators should provide a direct measure of the specified objective. For instance, if the objective is a healthy population, the indicator should give information on the number or proportion of people suffering from ailments. Often it is difficult to give a precise meaning to a general objective. For instance, one of the attributes of decent work is remunerative employment. It is necessary first to interpret the term “remunerative” before developing a suitable indicator to measure it. Often it is more difficult or costly to obtain a direct measure. It may thus prove necessary to have recourse to an indirect measure. For instance, the nutritional status of children may be measured directly by their intake of various food nutrients. Or it may be measured indirectly, and more easily and cheaply, through weight or height for age.

There is rarely a single or unique measure of the desired outcome, and a combination of several indicators will probably give a more accurate measure of a specified objective. For instance, the objective of gender non-discrimination in employment may be captured by wage differentials, opportunities for training, prospects for promotion and allocation of work responsibilities. Furthermore, the indicators may be quantitative or qualitative. For instance, quantitative indicators of social security may relate to the proportion of people receiving different types of benefit, while qualitative indicators concern the standard and effectiveness of services. Thus, it may be necessary to combine several indicators into an overall indicator or index, in order to give an accurate picture.

The construction of an index raises questions of the weight to be given to different indicators and also the formula to be used for combining qualitative and quantitative indicators. Similar problems, but in an even more acute form, arise when synthesis measures are derived from a combination of indicators from different domains. The human development index developed by the United Nations Development Programme is an example of a synthetic indicator that combines indicators of health, education and income. Gross Domestic Product, used widely to measure the level of production and economic growth, is also a composite indicator calculated by summing up value added in monetary terms from a myriad of activities.

It is possible to develop overall indices of decent work performance. This involves deciding on whether to include quantitative and qualitative indicators, determining the weight to be given to different indicators and choosing how to combine them into an overall index. The ILO’s Programme on Socio-Economic Security is collecting information to develop an index of decent work, based on indicators at household, enterprise and macro-level. The annex to this paper illustrates a rough attempt to develop and apply an index of decent work performance in 22 OECD countries.

Other issues which must be considered when selecting and using indicators include their accuracy and comparability. The first point concerns the accuracy of the measure. It is well-known that there are wide differences in the accuracy of even some of the most commonly used social statistics such as infant mortality, literacy and life expectancy (McGranahan et al, 1985; Murray, 1993). This is perhaps even more the case with data relating to work. The definitions used in collecting data vary not only across countries but also within a country over time, so that comparisons of data over time and across countries may be subject to measurement errors. It is thus unrealistic to assume that indicators for decent work can give an accurate picture of performance in individual countries, much less across countries. The indicators used here for different components of decent work should therefore be regarded as giving an approximate measure of performance.

5. Indicators of decent work: The employment dimension

i) Employment opportunities

As noted above, three aspects of employment are integral constituents of decent work: employment opportunities, remuneration and working conditions. A number of indicators have traditionally been

⁴ For some recent econometric work along these lines relating to decent work, see Kucera, 2001 and Majid, 2001b.

used to measure employment opportunities. The three most commonly used measures are: **labour force participation rates (lfpr)**, **employment-to-population ratios (epr)** and **unemployment rates (ur)**.⁵ The **lfpr** expresses the ratio of the total number of people employed and the unemployed to the population of working age. The indicator is broken down by male and female as well as by selected age groups – 15 years old and over, 15 to 24, 55 to 64, and 65 and over.

As the lfpr is equal to the sum of epr and ur, we discuss here the two constituent measures since these give a better picture of work opportunities, with separate measures of the number employed and unemployed. Both lfpr and epr are generally derived from household surveys of the labour force. The sample surveys may be conducted monthly, annually or every few years. While lfpr data are available for 180 countries, epr data are published by ILO for only 76 countries. Country data on epr vary according to definitions of the lower and upper age limits, the inclusion of the armed forces and the prison population and definitions of employment. Employment is defined as follows:

..... as persons who performed any work at all, in the reference period, for pay or profit (or pay in kind), or were temporarily absent from a job, for such reasons as illness, holidays or industrial dispute.persons working without pay in family business or farm for at least one hour should be included in the count of employment (although many utilize a higher hours cut-off for this group of workers) (ILO, 1999a).

The advantage of the epr measure is that it gives information on the number and proportion of persons in the working age population who are engaged in the production of goods and services, and on the breakdown of the employed by age and gender. It covers all categories of workers. Thus it can reveal whether the numbers and proportion of people working in the economy are rising or falling and the changing patterns of participation by age and gender. With qualifications relating to definitions, the epr measure can also show inter-country differences in these respects.

The major shortcoming of this indicator as a measure of work opportunities is that it does not give information on hours worked. As seen above, in most situations, working for more than one hour a day constitutes employment. At the same time, work in different employment categories can vary quite sharply. An 8-hour work-day in large enterprises comprising hundreds of employees is quite different from the sporadic bursts of work in some self-employed and informal activities. Likewise, working in agriculture according to the requirements of the weather and the season has its own rhythms.

Table V gives data on epr in selected countries. The figures show considerable inter-country variation, especially within different income categories. In industrial countries, for instance, epr in Sweden and Italy are 63 and 42 per cent respectively. Among low-income countries, there is a big contrast between Bangladesh and Pakistan with epr at over 63 and less than 40 per cent respectively. In the transition economies, epr tend to be high at around 60. The highest epr in the world is in China at 76 per cent. In practically all countries, the male epr are higher than female but, as shown below, this may reflect a bias in the definition of “economically active labour force.” The differences in male and female epr are quite considerable in most countries. Some industrial countries like Sweden, the transition economies and a few developing countries such as Thailand constitute the exceptions. The differences seem quite marked in most Latin American and Muslim countries.

⁵ This part of the discussion on decent work indicators draws heavily upon ILO 1999b, which is the main source of country data on the labour force, employment and wages.

Table V: Employment-to-population ratio
(around 1997)

Country	Employment-to-population ratio		
	Total	Male	Female
Sweden	62.9	65.6	60.1
Italy	41.6	55.3	28.9
Ireland	49.0	60.8	37.7
Japan	61.5	75.1	48.7
Romania	60.9	68.3	54.0
Russian Federation	56.7	66.0	48.8
Uzbekistan	59.6	69.0	50.6
China	75.6	-	-
Bangladesh	63.2	76.2	49.5
Indonesia	62.0	78.9	47.4
Pakistan	39.0	66.5	9.8
Thailand	70.9	77.9	63.9
Chile	51.5	71.1	32.8
Venezuela	55.1	74.4	35.7
Honduras	51.4	70.3	33.9
Trinidad & Tobago	50.7	64.3	37.0
Egypt	42.3	67.3	16.6

Source: ILO, 1999b.

The epr can vary over time within one country and between countries for a number of reasons. First, changes in the rate of unemployment can affect the ratio; it can also change if people decide to retire early. An increase in secondary and tertiary education enrolments can lower the ratio. A major source of variation between countries is differences in the participation of women in the labour force. In many developing countries female labour force participation tends to be low, but this is partly a matter of the way “participation” is defined. Women working at home, whether looking after the children and the aged or engaged in food preparation, manufacturing, transporting water and wood, or doing repairs, are not counted as members of the labour force. If the definition of labour force participation were widened to include such activities, the big gender differences in epr would certainly disappear.

A complementary measure of employment opportunities, or rather the lack of them, is the **unemployment rate (ur)**. An unemployed person is defined as one “who does not have a job but is available and actively looking for work” (ILO, 1999b). Thus, other things being equal, the higher the ur, the fewer the work opportunities. The ILO publishes ur data for a total of 111 countries, with data on the number of unemployed persons for an additional 25 countries. For some countries, there is a breakdown of ur by gender and age groups. Table VI shows ur for selected countries for around 1997.

There is considerable variation in ur in all categories of countries. Among the industrial economies, the rates vary between 4-5 per cent in Switzerland and the United States to 10-12 per cent in Canada and France. There is similar diversity in transition countries with very low rates in Tajikistan and China (around 3 per cent) to over 11 per cent in Poland and Slovakia. Similarly among developing nations, ur are quite low in Thailand and Indonesia (1 and 4 per cent respectively), and very high in countries such as Botswana, Algeria and Morocco (around 18-25 per cent). The female ur are higher in most countries but the gap is smaller than with respect to epr. Furthermore, in some countries, female unemployment rates are lower or equal to those of men e.g. in the United Kingdom, Switzerland, the United States, Canada, and Thailand.

Table VI: Unemployment rate
(% of labour force — around 1997)

Country	Unemployment rate		
	Total	Male	Female
France	12.3	10.8	14.2
United Kingdom	7.1	8.1	5.8
Canada	9.2	9.2	9.2
United States	4.9	4.9	5.0
Switzerland	4.1	4.3	3.9
Slovakia	11.6	10.8	12.5
Tajikistan	2.7	2.4	2.9
Poland	11.2	9.5	13.2
China	3.0	-	-
Sri Lanka	11.3	8.0	17.6
Indonesia	4.0	3.3	5.1
Thailand	0.9	0.9	0.9
Jamaica	16.0	9.9	23.0
Brazil	6.9	5.7	8.8
Colombia	12.1	9.8	15.1
Uruguay	10.2	8.0	13.2
Botswana	21.5	19.4	23.9
Mauritius	9.8	7.8	13.9
Algeria	26.4	26.9	24.0
Morocco	17.8	15.8	23.0

Source: ILO, 1999b.

The sources of unemployment data are household labour force surveys, employment office records and population censuses. Of these, household surveys are generally the most reliable source. Because of differences in sources, definitions and measurement errors, the ur in different countries are not strictly comparable. Unemployment rates can give a misleading picture of work opportunities. First they may show considerable seasonal and cyclical fluctuations. Thus averaging of ur to eliminate the impact of such fluctuations gives a better idea of long-term performance. In countries where labour hoarding or “overmanning” is a serious problem, especially in public services or public enterprises, ur can overestimate effective labour utilization.

More important, ur can give a seriously misleading picture of work opportunities in low-income countries. The ur are generally low in most developing countries because the people, in contrast to the rich countries, cannot afford to stay unemployed. Most of the “potentially” unemployed persons either do not “actively” search for employment, falling into the category of “discouraged workers”, or they seek out a living in the overcrowded informal economy, in a state often described as “disguised unemployment”. Furthermore, the differences in ur among developing countries with comparable levels of development may be due to factors such as gaps in the average unskilled wages in the formal economy and incomes in the rural sector. For these reasons, unemployed persons may not constitute the poorest sections of the population in developing countries. A better indicator of work opportunities in most developing countries, as argued below, is provided by the proportion of the working population earning incomes below the household poverty line. Work opportunities must be considered scarce in countries where a large proportion of the labour force has to hunt around for uncertain and miserable earnings inadequate to support a minimum standard of living for the family, even if lfpr are high and ur low.

ii) Remunerative employment

An important attribute of decent work is that workers should benefit from “remunerative” employment. This is one element in the “quality” of work. It is not possible to specify an absolute figure for “remunerative employment” in all countries. This must vary in accordance with the societal values and material prosperity of a country. In industrial countries, generally two measures are used to assess the adequacy of remuneration: a relative measure showing the proportion of workers earning an income less than half of the national median wage (figure I), and a measure of absolute poverty below \$14.40 (1985 PPP) per day per person. Table VII shows the latter measure for selected industrial countries. While absolute poverty is very low (4-6 per cent) in countries like Canada, Finland, Japan and Sweden, it is significant (12-14 per cent) in Belgium, Netherlands, the United Kingdom, the United States and Western Germany and remarkably high (21 per cent) in Spain.

Table VII: Poverty in selected industrial countries
(around 1990)

Country	% of population below \$14.40 (1985 PPP) a day per person
Belgium	12
Denmark	8
Finland	4
West Germany	12
Netherlands	14
Norway	3
Spain	21
Sweden	5
United Kingdom	13
Australia	8
Canada	6
Japan	4
United States	14

Source: ILO, 1999b.

For developing countries, as argued above, a good indicator of remunerative work is provided by data on absolute poverty. Many countries have developed their own national poverty lines and such data are published for 35 countries. The World Bank has employed a standard of one and two dollars per day per person (1985\$ PPP) to estimate the number and proportion of people in the absolute poverty category for 63 countries. Applying either of these sets of data to the employed population can generate the number and proportion of the “working poor” i.e. those bereft of remunerative employment.⁶ All such estimates of poverty are beset with well-known problems, especially when it comes to inter-country comparisons.⁷ Table VIII shows one set of estimates of the “working poor” as a proportion of the employed population (based on one dollar per day per family member).

⁶ For an attempt at such estimates, see Majid, 2001a.

⁷ For a discussion of such problems see ILO, 1999b; Tabatabai, 1996; World Bank, 1998.

**Table VIII: Working poor as a proportion of the employed population
(around 1997)**

Country	Proportion of working poor
Bangladesh	29.10
Brazil	5.1
Bulgaria	2.0
Burkina Faso	61.2
China	18.5
Columbia	11.0
Cote d'Ivoire	12.3
Chile	4.2
Ecuador	20.2
Ethiopia	31.3
India	44.2
Indonesia	15.2
Jordan	2.0
Kenya	26.5
Madagascar	60.2
Mali	72.8
Mauritius	3.8
Mongolia	13.9
Nepal	37.7
Nigeria	61.4
Russian Federation	7.1
Tanzania	19.9
Zambia	72.6

Source: Majid, 2001b.

For the reasons discussed earlier, these figures must be treated with a great deal of caution. They show a wide variation in the ratio of working poor to the employed population, generally displaying a negative relation with GDP per capita. At one end are countries with less than 10 per cent of the employed population in the working poor category. These include Brazil, Bulgaria, Chile, Jordan, Mauritius and the Russian Federation. The other end is represented by countries where 60 per cent or more of the employed population fall into the working poor category. These include Burkina Faso, Madagascar, Mali, Nigeria and Zambia.

Human development indicators provide complementary or alternative measures of poverty. Selected indicators for some countries are given in table IX.

Table IX: Human development indicators: Selected developing countries

Country	Under five mortality rate:1999 per 1000	Under-nourished people: % pop. 1996-98	Adult illiteracy rate: (%) 1999	Pop. not using improved water supplies: (%) 1999	Net secondary school enrolment (%) 1997
Mexico	33	5	9	14	66
Malaysia	9	-	13	5	64
Thailand	30	21	5	20	48
Brazil	40	10	15	17	66
Peru	52	18	10	23	84
Sri Lanka	19	25	9	17	76
China	41	11	17	25	70
Iran	46	6	24	5	81
S.Africa	69	-	15	14	95
Vietnam	40	22	7	44	55
Indonesia	52	6	14	24	56
Egypt	52	4	45	5	75
India	98	21	44	12	60
Ghana	101	10	30	36	-
Pakistan	112	20	55	12	-
Bangladesh	89	38	59	3	22
Nigeria	187	8	37	43	-
Sudan	109	18	43	25	-
Mozambique	203	58	57	40	22
Ethiopia	176	49	63	76	25
Niger	275	46	85	41	9
Chad	198	38	59	73	18

Source: UNDP, 2001; World Bank, 2000/2001 (secondary school enrolment)

The table brings out the wide gap in human development indicators among developing nations. The more advanced countries – Brazil, Malaysia, Mexico, Thailand – have indicators that are closer to the industrial country average than to the least developed countries such as Mozambique, Ethiopia, Chad and Niger. The extremely high levels of deprivation point to the serious poverty situation among low-income countries and provide indirect evidence of the paucity of remunerative employment opportunities in these countries.

iii) Conditions of work

Conditions of work can include a variety of topics such as night work, hours of work, weekly rest and paid leave, but in the context of this discussion, the reference is to occupational safety and health. Every year about 250 million workers suffer accidents in the course of their work and 300,000 are killed (ILO, 1999a). ILO has done an enormous amount of work over the years to improve occupational safety and health through international norms and technical assistance. A large number of Conventions and Recommendations have been adopted and ratified by member States. These instruments contain general guidelines on occupational safety and health, the best known being Convention No. 155 on Occupational Safety and Health, 1981. There are also Conventions against specific risks such as toxic substances and agents, and

instruments designed to provide protection in specific branches of industry such as building (ILO, 1992).

While a complex set of indicators can be developed for different types of accident and health hazard, a widely used indicator is the number of **accidents and deaths at work** in relation to the employed population. Few developing countries have comprehensive data on such indicators. It is even more difficult to obtain information on the adverse health effects of undesirable working environments. It is well-known that certain work processes and the use of some types of equipment and materials can lead over time to serious health hazards and diseases. There is also growing evidence of ailments associated with stress and strain caused by certain types of work (Gabriel and Liimatainen, 2000).

While most of the data and much of the attention on occupational safety and health has focused on the formal economy, working environments in developing countries tend to be much worse for other types of work – on farms, in overcrowded slums and in smoke-filled and insanitary hovels where women spend most of their time. While a limited amount of research has been done on safety and health hazards in such working environments, this question has received very little attention in policy discussions. Certainly, there is little systematic information that could provide indicators to guide action in this area.

6. Indicators of social security

Social security as an aspect of decent work is designed to meet urgent needs for subsistence and to provide against contingencies. The social security systems in industrial countries were developed over the past century and are designed to protect workers against contingencies such as unemployment, sickness, maternity, disability and destitution in old age. The Social Security (Minimum Standards) Convention, 1952 (No. 102) establishes nine classes of benefit (medical care, benefits in respect of sickness, old age, unemployment, occupational injury, family, maternity, invalidity and survivors). In addition, these industrial countries seek to reduce destitution among the population, especially the vulnerable groups, through a variety of social assistance programmes.

National social security systems have been designed essentially to meet the needs of wage employees. Where the bulk of workers comprise wage employees in the formal economy, a well-designed system can play a vital role in providing security to the working population. In most developing countries where, as seen earlier, wage employees in the formal economy form a small proportion of the total working population, such a system of social security will fail to meet the urgent needs of the bulk of the people. It is necessary for these countries to develop social security arrangements that can meet the basic needs of vulnerable groups and protect the working poor against contingencies.

Two types of indicator are generally used to assess the adequacy of social security in the classical model: public expenditure on social security as a proportion of GDP, and adequacy of coverage of workers in respect of the contingencies outlined above. The first indicator measures the public resources that go into social provisioning. It says nothing about the effectiveness with which these resources are used. Nor does it take into account private schemes for social protection. Nevertheless, it gives an approximate picture of the coverage of social security. Table X gives information on this measure for selected countries.

In most industrial countries, the share of social security in GDP varies between 20 and 35 per cent. Sweden at around 35 and Japan at 14 per cent constitute two ends of the continuum in the high-income category. It is interesting to note that some transition economies like Croatia and Hungary commit a high proportion of their resources to social security – over 22 per cent of GDP. Middle income countries in Latin America allocate around 10-12 per cent of their GDP to social security. Most other developing countries, including the middle income countries in Asia, devote less than 5 per cent of GDP to social security.

Table X: Public social security expenditure
(% of GDP- 1996)

Country	Total	Pensions	Health care
Botswana	2.7	-	2.3
Benin	2.2	0.2	1.7
Ethiopia	3.7	0.9	1.0
Egypt	5.4	-	0.9
Mauritius	6.0	1.8	1.9
China	3.6	1.5	2.1
Indonesia	1.7	0.0	0.6
Israel	24.1	5.9	7.6
Japan	14.1	6.8	5.6
Jordan	8.9	0.5	2.9
Korea R.	5.6	1.4	2.1
Singapore	3.3	1.4	1.3
Sri Lanka	4.7	2.4	1.5
Bulgaria	13.2	7.1	3.3
Hungary	22.3	9.3	5.4
Croatia	22.3	8.2	7.2
Sweden	34.7	13.8	6.1
United Kingdom	22.8	10.2	5.7
United States	16.5	7.2	7.6
Chile	11.3	5.9	2.3
Brazil	12.2	2.4	2.1
Nicaragua	9.1	1.4	4.3

Source: ILO, 2000c.

The second measure of social security gives information on the proportion of relevant categories of workers protected against different contingencies such as unemployment, sickness, maternity, injury and destitution in old age. A more complex measure can also include information on the level of benefits and the effectiveness of the social security system.⁸ While most industrial and transition countries provide protection against these risks for the majority of their working population, in most developing countries the coverage is limited to workers in the formal economy except for health services. In the industrial and transition countries, there is a great deal of variation in the level and duration of benefits provided. In general, the ratio of public social security expenditure to GDP gives a good indication of both the coverage and level of benefits provided by different countries.

The figures point to enormous gaps in social security coverage in developing countries. ILO has estimated that only 20 per cent of the world's workers and their dependents have truly adequate social protection. In Sub-Saharan Africa and South Asia, formal social security personal coverage is estimated at 5 to 10 per cent of the working population, while it varies between 10 and 80 per cent in Latin America and 10 and 100 per cent in South East and East Asia (ILO, 2001c).

⁸ ILO is working on developing a data bank and a system of indicators to assess the adequacy of social security schemes.

Social security needs in developing countries can be classified into three categories (Ghai, 2003). The first comprises basic needs such as access to adequate nutrition, primary health care, primary education, clean water, sanitation and shelter. The second category concerns contingencies such as sickness, accident, death of the principal breadwinner, disability, old age and the needs of vulnerable groups such as abandoned children and widows. The third category includes calamities such as floods, droughts, earthquakes, riots and conflicts that can result in massive destruction of property, livelihood and sources of support. Despite the increasing frequency of such calamities, very little attention has been given to ways and means of awarding compensation for loss of property and ensuring livelihood for the victims.

Two sorts of indicator can give information on the adequacy of social security systems to meet such needs. The first type, already discussed above, concerns general measures of poverty. Working poor as a proportion of the employed population is one such measure. Other measures seek to identify the proportion of the population deprived of specific basic services such as health care and primary schools, and without access to clean water, sanitation and reasonable shelter (table VIII). These data are available for most of the developing countries and are published regularly in the World Development Reports of the World Bank and the Human Development Reports of the UNDP.

7. Rights of working people

The concern here is with **forced labour, child labour under abusive conditions, discrimination at work and freedom of association**. These rights have been of central concern to ILO since its inception. The organization has developed a series of international norms defining these rights and their violation, and elaborating on conditions and guidelines to protect and promote them.

i) Forced and child labour

The first ILO Convention on **Forced Labour**, No. 29, was adopted in 1930. It defined forced labour and carefully laid down the circumstances under which obligatory labour demanded of citizens or members of a community might be acceptable. Forced labour at present can take many forms including slavery-type situations, bonded labour, serfdom and prison labour. It can also take the form of compulsory work required for educational, community and state projects. However, provided such labour is imposed with the consent of the people following democratic procedures, it is generally considered acceptable and is quite common. The Abolition of Forced Labour Convention, 1957 (No. 105), prohibits all forms of forced labour for certain purposes, including political coercion, economic development and as a means of racial, social or religious discrimination. Conventions No. 29 and No. 105 both apply to workers in all categories.

Given the paucity of information and the variety of forms that forced labour can take, there are few general indicators of forced labour. Nevertheless, it is possible to construct qualitative indicators of forced labour based on studies, ILO publications and reports on human rights issued by various organizations.⁹

Child labour has recently attracted a great deal of attention on the part of governments, international agencies, civil society organizations and the media. ILO's concern with this problem goes back a long time. One of its very first Conventions on the subject, Convention No. 5: Minimum Age (Industry) was adopted in 1919, the first year of its operation. The minimum age for work was defined at 14 years and the use of child labour was prohibited in all industrial

⁹ For one such attempt, see Kucera, 2001.

enterprises. The Minimum Age Convention, No. 138, adopted in 1973, which built on the ten instruments adopted before the Second World War, continued to link the minimum age for entering the labour force with the minimum school leaving age.

In subsequent years, other Conventions were adopted which applied to other branches of the economy and to work under undesirable conditions. In 1999, the member States adopted the Worst Forms of Child Labour Convention, No 182, which calls for the prohibition and elimination “as a matter of urgency” of abuse of children in slavery, prostitution, pornography, illicit drug trafficking and in work endangering their health, safety and morals.

Child labour is quite widespread in developing countries. ILO has estimated their number at 206 millions in 2000 (ILO, 2002 a). A good deal of it takes the form of work on family farms or enterprises. Except when it assumes arduous proportions or is carried out under dangerous and unhealthy conditions, such work is not the primary target of international norms on child labour. There are, however, other circumstances where child labour is harmful to the health and well-being of children and to their future prospects. These include hiring of children for work on farms and in factories and mines. Particularly harmful is work in dangerous and unhealthy environments. Worst of all is the exploitation of children in sexual commerce, forced or bonded labour, in armed conflict and human trafficking. The ILO refers to these as the “unconditional worst forms of child labour” and estimated their number at 8.4 million in 2000 (ILO, 2002a).

Data on child labour (10 to 14 years) in “normal” situations, broken down by gender, is available from the ILO publication on Economically Active Population 1950-2010 (ILO, 2001d). Non-enrolment in secondary school has also been suggested as a complementary measure of children’s participation in the labour force (Mehran, 2000; Kucera, 2001). Table XI gives information on the proportion of children between the ages of 10 and 14 engaged in economic activities in selected countries. The proportion of child labour generally varies with the level of per capita income. For the poorest countries, more than a quarter of children form part of the labour force. But there are exceptions such as Ghana, India or Vietnam. The proportion in some African countries such as Burkina Faso, Eritrea, Ethiopia and Malawi rises to between 35 and 51 per cent. For most middle income countries, the proportion is around 15 per cent and less.

Table XI: Child labour
(% of children aged between 10-14, 1995)

Country	Proportion of child labour
Afghanistan	25.3
Angola	27.1
Bangladesh	30.1
Benin	27.5
Bolivia	14.4
Brazil	16.2
Burkina Faso	51.1
Cambodia	24.7
China	11.6
Colombia	6.6
Costa Rica	5.5
Dominican Republic	16.1
Egypt	11.2
Eritrea	40.0
Ethiopia	42.3
Ghana	13.3
India	14.4
Iran	4.7
Libya	18.6
Malawi	35.2
Nigeria	25.6
Vietnam	1.0
Thailand	16.2

Source: Majid, 2001b.

ii) Discrimination at work

Discrimination at work implies the denial of equality of treatment and opportunity. It can be directed against individuals in their own right or as members of social groups. ILO Convention No. 111 on Discrimination in Respect of Employment and Occupation (1958), identifies the possible basis of discrimination in the following terms:

Any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation (ILO, 1992).

Discrimination at work on these and other bases exists in all countries. Gender discrimination is ubiquitous, as is that based on ethnicity, religion and race. Such discrimination is often deeply rooted in cultural prejudices and inequalities in access to health, education and other amenities. Thus the disadvantages are passed on from one generation to the next. Affirmative policies in favour of underrepresented groups or those that have suffered and continue to suffer from various kinds of discrimination are an attempt to offset the effects of accumulated discriminatory practices. These are generally excluded from the ambit of Conventions and laws forbidding discrimination at work. Countries have devised a wide variety

of laws and mechanisms to combat discrimination at work. While widespread, such discrimination is extremely difficult to prove in practice.

Information on discrimination at work based on religion, race, colour, national or social origin is scarce in most countries. The focus here is on **gender discrimination** but in principle the same kinds of indicator can be used in the case of other groups. Four indicators may be used to measure gender discrimination: labour force participation rates or employment-to-female working age population ratio; unemployment rates; difference in earnings (and other benefits); and distribution of skilled jobs. These indicators show disparities between women and men. Such disparities can arise from any number of reasons including discrimination, poor educational background, low skills and productivity (Anker, 1998). Thus they must be regarded as indirect and approximate indicators of discrimination at work.

Employment-to-working population ratios show disparities in work opportunities by gender. But, as discussed earlier, these give a misleading picture, as women who work at and from home are excluded by definition from the labour force statistics. The situation is usually the reverse of what is shown by official data on labour force participation: in practically all countries, the total amount of work done by women exceeds that of men (UNDP, 1995). However, in terms of paid work, the opportunities for men are much greater than for women.

Unemployment rates for men and women are another indicator of gender disparities in work opportunities. For developing countries, one should bear in mind the qualifications made earlier on the use of unemployment rates. With regard to data on wage differences, according to ILO, just over half the industrial countries and less than one-third of transition and developing countries compile and publish separate wage data for males and females (ILO, 1999b).

As for disparities in skilled jobs, data are available for a large number of countries on the proportion of administrative and managerial, and professional and technical jobs held by men and women.¹⁰ Table XII shows gender disparities in selected countries with respect to quality of jobs and differences in earnings. The gender disparities in labour force participation and in unemployment rates are shown in tables V and VI.

In some industrial countries such as Sweden, Australia and Italy, women occupy around 40 per cent of the posts classified as administrators and managers, but the ratio in some other countries such as Japan, Greece and Spain is remarkably low – 10 per cent or less. For middle income countries like Thailand, Ecuador, Trinidad and Tobago, and Mexico, the proportion revolves around 20 to 25 per cent, though with exceptions such as Turkey. It is distinctly lower – less than 10 per cent – in most low-income countries such as Sri Lanka, India, Nigeria and Zambia. On the other hand, the proportion of professional and technical posts held by women is above 40 per cent in most countries, except the poorest where it varies between 20 and 35 per cent. This is surely due to the inclusion in this category of such occupations as nurses, teachers and technicians. A more finely graded classification will no doubt reveal the predominance of men in the higher echelons of professional and technical jobs.

The earned income share indicator shows a figure of over 40 per cent for a few countries such as Sweden and Bulgaria, with most other countries clustering around the 20-30 per cent figure. But the data are too crude to draw any worthwhile conclusions on disparities in earnings.

¹⁰ However, the problems created by different definitions make inter-country comparisons hazardous, as confirmed by a cursory look at the data.

Table XII: Gender disparities
(around 1992)

Country	Administrators & managers (% women)	Professional & technical (% women)	Earned income share ^a (% women)
Sweden	38.9	63.3	41.6
Australia	41.1	23.8	36.0
Italy	37.6	46.3	27.6
Trinidad and Tobago	22.5	54.7	24.7 ^b
Cuba	18.5	47.8	27.2 ^b
Costa Rica	23.1	44.9	19.0
China	11.6	45.1	31.2
Bulgaria	28.9	57.0	41.1 ^b
Spain	9.5	47.0	18.6
Japan	8.0	42.0	33.5 ^b
Mexico	19.4	43.2	22.3
Ecuador	26.0	44.2	13.3
Thailand	22.2	52.7	34.6
Brazil	17.3	57.2	22.9
Bolivia	16.8	41.9	17.1
Greece	10.1	43.2	22.2
Sri Lanka	6.9	49.6	25.1
India	2.3	20.5	19.2
Ethiopia	11.2	23.9	29.4 ^b
Turkey	4.3	31.9	30.2
Nigeria	5.5	26.0	28.5 ^b
Zambia	6.1	31.9	25.3

Source: UNDP, 1995.

Notes:

(a) Calculated according to share in economically active labour force and non-agriculture wage differences.

(b) Based on estimate of 75 per cent for female-male non-agriculture wage.

iii) Freedom of association

Freedom of association as a fundamental human right is enshrined in key UN documents such as the Charter of the United Nations and the Universal Declaration of Human Rights. ILO has long been concerned with the rights of workers and employers to form their independent organizations. Freedom of association is necessary for workers and employers to defend their interests, to organize joint activities and to participate in negotiations and discussions affecting their interests (ILO, 2000a; ILO, 2000b). Convention No. 11 on the Right of Association (Agriculture) dates from 1921. Other important instruments in this area are Convention No. 87: Freedom of Association and Protection of the Right to Organize, 1948; Convention No. 98: Right to Organize and Collective Bargaining, 1949; and Convention No. 141: Rural Workers' Organizations, 1975. These Conventions lay down the conditions for the formation and functioning of organizations of workers' and employers' choosing without interference from public authorities or other agencies.

A number of indicators have been suggested to assess achievement of freedom of association. It is convenient to make a distinction between two types of indicator – those measuring freedom of association directly and those that rely on the results or outcome of such freedom. Three measures illustrate the first type of indicator. One relates to the number of countries that have ratified Conventions Nos. 87 and 98. As of February 2001, a total of 132 and 146 countries had signed the two Conventions respectively. This is, however, a *de jure* rather than a *de facto* measure. Ratification of a Convention does not necessarily imply that the necessary conditions for freedom of association actually exist.

A second measure, building on the ILO Conventions, is based on a large number of evaluation criteria pertaining to freedom of association. Information on the criteria is derived from several sources such as the Annual Survey of Violations of Trade Union Rights published by the International Confederation of Free Trade Unions, ILO's Reports of the Committee on Freedom of Association and the US State Department's Country Reports on Human Rights Practices (Kucera, 2001). An index of this nature is likely to yield a more accurate assessment of freedom of association as it is based on information collected from each country on a large number of evaluative criteria.

A third measure in this category is some sort of index of civil rights. Several writers and organizations have attempted to construct such indices. One of the most commonly cited is the civil liberties index prepared by a US non-profit organization known as Freedom House. This index has several components including "association and organization rights", "freedom of expression and belief", "rule of law and human rights" and "personal autonomy and economic rights" (Freedom House, 1999). Thus the civil liberties index goes well beyond the right to freedom of association. It is based on subjective evaluations of evidence collected at the country level. Table XIII gives information on the civil liberties index in selected countries constructed by Freedom House.

**Table XIII: Civil liberties index
(1997)**

Country	Index
Afghanistan	7.0
Algeria	6.0
Argentina	3.0
Armenia	4.0
Australia	1.0
Bangladesh	4.0
Belgium	2.0
Bolivia	3.0
Benin	2.0
Brazil	4.0
Cambodia	6.0
China	7.0
Colombia	4.0
Cuba	7.0
Czech republic	2.0
Egypt	6.0
Finland	1.0
Hungary	1.0
India	4.0
Iran	7.0
Israel	3.0
Malaysia	5.0
Nepal	4.0
Nigeria	6.0
Saudi Arabia	7.0
South Africa	2.0
Sri Lanka	4.0
Tunisia	5.0
United States	1.0

Source: Majid, 2001b (from Freedom House).

The highest ratings (1-2) are given to countries such as Australia, Belgium, Finland and the United States. It is interesting to find some developing countries such as Benin and South Africa in the same category, as also some transition countries such as Hungary and the Czech Republic. Other countries such as Argentina, Bangladesh, Bolivia, Colombia, India, and Nepal get middling scores.

The second category of indicators is based on the outcome of freedom of association in terms of the number or proportion of workers that belong to organizations concerned with matters relating to work. In the classical decent work model, the most commonly used indicator is the proportion of the labour force or wage employees who are members of trade unions (union density). This is a useful measure of workers' voice and representation: in general the higher the union density, the stronger the defense of workers' interests in negotiations with employers and the government, and the greater the participation by workers in matters affecting their work. However, union density is not a direct reflection of freedom of association. The

extent of trade unionism depends upon historical traditions, political systems and industrial structures and relations (Jose, 2002). Countries that enjoy more or less equal freedom of association still have big differences in trade union density (table XIV).

The relevance of union density as an indicator of freedom of association is even more limited in developing countries because of the small size of the labour force in the formal economy. The majority of workers in most of these countries, as shown above, are farmers, self-employed and employees in the informal economy, domestic employees and unpaid family workers. For the most part, their incomes are lower and less secure and their voice and influence weaker than other segments of the working population. Thus they have a greater need for organizations of their own for representation, negotiation and promotion of joint activities. Most ILO standards apply to all categories of workers. For instance, the Freedom of Association and Protection of the Right to Organize Convention, No. 87, applies to “workers and employers, without distinction whatsoever”. Likewise, the Rural Workers’ Organizations Convention, No. 141, applies to all workers whether wage earners or self-employed persons such as tenants, sharecroppers, or small owner-occupiers (ILO, 2002b).

A large variety of organizations have sprung up to defend the interests of workers not yet organized in trade unions. These include peasant groups, community organizations, neighbourhood associations, women’s groups, homeworkers’ associations and organizations of informal sector workers (Baccaro, 2001). The information on the number and membership of such associations is patchy in most countries. A more realistic indicator of freedom of association in developing countries must be based on membership of the working people in all such organizations.

As shown in table XIV, union density varies quite considerably within and between countries in different income groups. Among the industrial countries, for example, union density ranges from 88 per cent in Sweden to 10 per cent in France. This also points to the need for care in interpreting the data on union density. In France, while only a tiny minority of workers are formal union members, any agreements reached by them are automatically extended to all workers in that sector. Hence, paradoxically, over 90 per cent of all workers are covered by collective agreements in France. Most transition countries like Hungary have high rates of unionization. Among developing countries, a few such as Argentina, Philippines and South Africa have relatively high union density, ranging from 30 to 54 per cent. But most developing countries have union density rates (union members as a proportion of all employees) well below 10 per cent, in most cases less than 5 per cent.

Table XIV: Union density and collective bargaining
(late 1990s)

Country	Union density (% of labour force)	Collective bargaining (coverage rate)
Ghana ^a	25.9	25.0
Kenya ^a	16.9	35.0
Nigeria ^a	17.2	40.0
South Africa	54.1	49.0
Argentina	38.7	72.9
Chile ^a	15.9	12.7
Guyana	25.2	27.0
Nicaragua ^a	23.4	38.3
Bolivia ^a	16.4	11.1
Zimbabwe ^a	13.9	25.0
India	15.2	2.2
Japan	22.5	21.0
Malaysia ^a	13.4	2.6
Philippines	30.2	18.8
Thailand	4.2	26.7
Austria	38.5	98.0
France	10.0	90.0
Hungary	60.0	45.0
Sweden	88.0	85.0

Source: ILO, 2000b.

Notes: (a) % age of non-agricultural labour force.

8. Social dialogue

Social dialogue among different social and economic groups and between these groups and the public authorities is an essential attribute of a democratic society. It is also a means of resolving inevitable conflicts of interest over economic and social policies in a cooperative framework. Social dialogue can promote equity, efficiency and adjustment and hence sustain economic progress. In the words of a recent ILO report:

Processes of bipartite and tripartite social dialogue and information exchange can promote pro-equity and pro-efficiency incentives in the institutional environment. Tripartite social dialogue can play an important role in support of broader macroeconomic coordination and the enlargement of consensus over economic and social strategies (ILO, 2000b).

Social dialogue on issues relating to work may take place at three levels: between employers and employees in relation to the terms and conditions of employment; between management and workers over the functioning of an enterprise; and between social partners and public authorities on social and economic policy. In principle, such dialogue can make a valuable contribution in countries across a wide spectrum of institutional diversity and income divide, although its content and form must vary in different contexts. For any kind of dialogue to take place, it is necessary that economic agents be organized in associations of their choice. Hence the right to freedom of association is intimately linked to social dialogue.

j) Collective bargaining

For most economic agents, the social dialogue closest to them takes place in their immediate working environment – among the workers and between them and the groups for whom they work. In the classical decent work model, this of course concerns collective bargaining between the unions and the employers' organization, whether at the enterprise, industrial or national level, irrespective of whether the enterprise is private, cooperative or state-owned. But issues relating to the terms and conditions of employment are also relevant in other employment relationships. A few examples are given below. Tenants' associations can negotiate with landlords over the terms of tenancy. A farmers' association can negotiate with traders or marketing bodies concerning the prices for their products, or with banks over the terms of credit. An organization of home-based workers can negotiate with suppliers over the conditions for the supply of equipment and raw materials and remuneration rates. Informal economy employees can enter into collective bargaining with the enterprise owners on terms of employment, just like their counterparts in the formal economy. An organization of self-employed workers can likewise engage in negotiations with municipal authorities or their suppliers over issues relating to premises, rents and prices. In short, the scope of dialogue at this level can go far beyond employment relations in the formal economy.

As with freedom of association, two types of indicator can be used to measure the right to collective bargaining: the first relates to legal and administrative requirements and the second to outcomes in terms of collective bargaining. With regard to the first, the two instruments discussed above, namely, Convention No. 87 on Freedom of Association and Protection of the Right to Organize and Convention No. 98 on the Right to Organize and Collective Bargaining spell out the international norms on the principles and procedures of collective bargaining. Convention No. 163 on Collective Bargaining (1981) supplements the older conventions.¹¹ Article 4 of Convention No. 98 provides that:

measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiation between employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

Thus, as in the earlier discussion on freedom of association, ratification of the relevant ILO Conventions can provide one indicator on collective bargaining. A more effective indicator would be based on an examination of the national legislation and evaluation of the various criteria pertinent to collective bargaining. Reports by ILO and other organizations such as ICFTU and human rights bodies could be additional sources of information.

A second type of indicator is based on the extent of collective bargaining that takes place. It is generally measured by the proportion of employees covered by collective bargaining agreements. Table XIV provides this information for selected countries. The data presented here need to be interpreted carefully in light of the situation in each country. While the figures given relate to collective bargaining in the formal economy, similar information should be gathered on collective bargaining in other types of employment relations discussed above.

In some industrial countries such as Austria, France and Sweden, practically all the employees are covered by collective agreements. At the other extreme are countries like Japan and the United States where the coverage rate is between 15 and 20 per cent. Among developing countries, Argentina and South Africa are exceptional in having a coverage rate of 73 per cent

¹¹ For more details on principles, procedures, obstacles and mechanisms relating to Conventions on freedom of association and the right to collective bargaining, see ILO, 1994.

and 49 per cent respectively. Malaysia and India are at the other extreme where coverage rates of employees are less than 3 per cent.

ii) Economic democracy

The second dimension of social dialogue relates to workers' participation in the functioning of their enterprise. Once again, there is no reason why such participation should be confined to workers in enterprises in the formal economy. In fact, participatory structures and processes are quite common in enterprises and activities with different employment relations. Confining our attention to the classical decent work model, workers' participation can cover a wide field ranging from representation on governing boards and management committees to playing an active role in the administration of training and human resource development programmes. It is also quite common in industrial countries for workers to be represented on occupational safety and health committees. In some Scandinavian countries, trade unions are responsible for administering social welfare and unemployment funds. There is also a great deal of diversity in the mechanisms for ensuring worker participation in enterprise functioning. Germany is famous for its works councils that play an important role in ensuring worker representation in a diverse range of functions. Other countries such as Finland, France, Italy and Norway have also devised arrangements for workers' participation in the running of enterprises but they seldom have the authority and power bestowed on works councils in Germany.

There are no simple measures of "economic democracy". ILO does not provide specific guidance on worker participation, although Recommendations No. 94 on Consultation and Cooperation between Employers and Workers at the Level of the Undertaking, 1952, and No. 113 on Consultation and Cooperation between Public Authorities and Employers' and Workers' Organizations at the Industrial and National Levels, 1960, sketch out a framework for this purpose. The best approach to developing indicators in this field should be through a detailed examination of national laws, institutions, procedures and practices relating to the various dimensions of workers' participation mentioned above. A similar approach, but even more difficult to implement, would be needed to assess worker participation in economic undertakings in developing countries. This would examine not only the formal economy but also patterns and mechanisms of participation in other types of employment relation.

iii) Participation at national level

This dimension of social dialogue concerns the participation of trade unions, employers' organizations, other associations of economic agents and civil society bodies in the formulation and implementation of social and economic policies bearing on work and livelihood. It is clear that this can cover a huge array of issues such as macroeconomic management, government expenditure and taxation, interest rates, foreign trade and exchange, minimum wages, employment policies, credit, training and so on. Although people participate indirectly in these matters by voting in government elections, most countries provide for more direct participation in policy formulation and implementation through a variety of arrangements. These can consist of the representation of different social and economic groups on ministerial committees, planning commissions or national economic and social councils.

There is a great deal of variation in the groups represented on such bodies, and also in their role. Where the bulk of economic agents are in the formal sector, it may suffice to ensure representation by workers' and employers' organizations. Indeed this is quite common in industrial countries and many developing nations. But where these represent only a minority of economic agents, it is necessary to provide for the participation of wider groups. The role of such national bodies may also vary a good deal from one country to another. In some, the role may be merely advisory and consultative; in others such bodies may also have decision-making

power. And in some situations they may not only play a role in policy formulation but also in its implementation.

As with participation at enterprise level, there are no simple indicators to capture the extent or effectiveness of social dialogue at national level. In each case, it is necessary to look at the laws, institutions, procedures, powers of national advisory or consultative bodies, their membership and actual functioning. Only an analysis along these lines can enable reasonably sound judgements to be made about the effectiveness of national dialogue on social and economic policies. Two interesting examples are provided by Ireland and South Africa. In each case, the partners in social dialogue include all key economic and social groups. The discussions cover critical areas affecting employment, remuneration, productivity, growth, price stability and social security.

9. Concluding remarks

Decent work is an attractive way to highlight ILO's traditional concerns and it resonates well with the general public. It also provides an integrating framework for different dimensions of work. It can promote greater coherence in ILO's substantive work. The objectives of decent work – remunerative and safe work opportunities, social security, workers' rights and social dialogue – are universally valid, but the institutions, mechanisms and policies to achieve these objectives must be adapted to the circumstances of different groups of countries. Historically, the decent work paradigm evolved in response to conditions in industrial market economies. This classical model may be contrasted with the transition and development models that capture the labour characteristics of countries with different institutional and structural profiles.

Indicators can be helpful in assessing the achievement of decent work objectives within countries over time and across countries. This paper evaluates the adequacy and appropriateness for different groups of countries of a series of indicators pertaining to the four components of decent work. The relevant indicators often vary for different groups of countries in accordance with their institutional and structural features. While for some dimensions of decent work reasonable indicators are already available, measurement of other aspects requires additional information. In particular, there is a need to collect data and information relating to decent work characteristics for workers in non-formal employment – in the informal economy, in the countryside and in their own homes. Information is needed on remuneration and working conditions, workers' and community organizations, social security arrangements and the nature and mechanisms of negotiation, representation and participation. A good deal of such information must necessarily be of a qualitative nature assessing the effectiveness of laws, institutions, procedures and practices in different domains of decent work.

References

- Anker, R.: *Gender and jobs* (Geneva, ILO, 1998).
- ; et al.: *Measuring decent work with statistical indicators* (Geneve, ILO, 2002).
- Baccaro, L.: *Civil society, NGOs, and decent work policies: Sorting out the issues*, Discussion Paper No. 127 (Geneva, ILO, International Institute of Labour Studies, 2001).
- Freedom House: *Freedom in the world: The annual survey of political rights and civil liberties, 1998-99* (New York, 1999).
- Gabriel, P.; Liimatainen, R.: *Mental health in the workplace* (Geneva, ILO, 2000).
- Ghai, D.: “Social security priorities and patterns: A global perspective”, in *Journal of Human Development* (forthcoming).
- ILO: *International Labour Conventions and Recommendations, 1919-1991*, Vols. I and II (Geneva, ILO, 1992).
- : *Freedom of association and collective bargaining* (Geneva, 1994).
- : *Decent work: Report of the Director-General* (Geneva, 1999a).
- : *Key indicators of the labour market* (Geneva 1999b).
- : *Your voice at work* (Geneva, 2000a).
- : *Organization, bargaining and dialogue in a globalizing world* (ILO, Geneva, 2000b).
- : *World labour report* (Geneva, 2000c).
- : *GDP, government social security expenditure, wage employment* (ILO, 2000).
- : *Decent work in a modern welfare state: The case of Denmark*, mimeographed document (Geneva, 2001a).
- : *Reducing the decent work deficit: Report of the Director-General* (Geneva, 2001b).
- : *Social security: Issues, challenges and prospects* (Geneva, 2001c).
- : *Economically active population 1950-2010* (Geneva, 2001d).
- : *A future without child labour* (Geneva, 2002a).
- : *Decent work and the informal economy* (Geneva, 2002b).
- Jose, A.V. (ed.): *Organized labour in the 21st century* (Geneva, ILO, 2002).
- Kucera, D.: *The effects of core workers' rights on labour costs and foreign direct investment: Evaluating the “conventional wisdom”*, Discussion Paper No. 130 (Geneva, ILO, Institute of Labour Studies, 2001).
- Majid, N.: *The size of the working poor population in developing countries*, Employment Paper 2001/16, Employment Sector (Geneva, ILO, 2001a).
- : *Economic growth, social policy and decent work*, Employment Paper 2001/9, Employment Sector (Geneva, ILO, 2001b).
- McGranahan, D; Pizarro, E.; Richard, C.: *Measurement and analysis of socio-economic development* (Geneva, UNRISD, 1985).

- Mehran, F.: "ILO labour force participation rates for 10-14 year olds versus UNESCO school enrolment ratios", in *ILO Bulletin of Labour Statistics*, 2000, No. 3.
- Murray, C.: "Development data constraints and the human development index", in Westendorff, D.G.; Ghai, D. (eds.): *Monitoring social progress in the 1990s* (Aldershot, Avebury), 1993.
- Standing, G.: "Social protection in Central and Eastern Europe: A tale of slipping anchors and torn safety nets", in Esping-Andersen, G. (ed.): *Welfare states in transition* (Geneva, UNRISD; London, Sage Publications, 1996).
- Tabatabai, H.: *Statistics on poverty and income distribution: An ILO compendium of data* (Geneva, ILO, 1996).
- United Nations Development Programme: *Human development report* (New York, Oxford University Press, 1995).
- : *Human development report* (New York, Oxford University Press, 1998).
- : *Human development report* (New York, Oxford University Press, 2001).
- World Bank: *World development report* (New York, Oxford University Press, 1998).
- : *World development report* (New York, Oxford University Press, 2000).

Annex

Decent work in industrial countries: Performance and patterns

I) Introduction

This annex develops an index to measure the performance and patterns of decent work in industrial countries in the 1990s. It seeks to:

- develop indicators on the four components of decent work;
- rank individual countries by their performance on decent work;
- group countries into categories based on their decent work profile;
- compare country rankings by decent work and economic performance.

II) Methodology

The first step is to develop measures of performance with regard to the components of decent work. Ideally the indicators should measure the achievement of decent work objectives as accurately as possible. Generally this involves examining both quantitative and qualitative indicators. In the present version, it was decided to rely exclusively on the quantitative indicators for which information was available for 22 OECD countries. Thus, inevitably, the indicators are imperfect measures of decent work performance.

Where more than one indicator is used, the values are averaged to yield a single figure for the decent work component, thus giving equal weight to each indicator. Likewise, the rankings on individual components are averaged to give overall rankings on decent work, with each component receiving equal weight. The same procedure is used in establishing rankings on economic performance and on overall decent work and economic performance. Of course it is open to the reader to use different weights for different indicators and for different components of decent work.

III) Indicators on decent work

Regarding **rights at work**, it is assumed that the three core rights relating to forced and child labour, freedom of association and collective bargaining, are largely realized in the industrial countries under study, although in varying degrees. The focus of the study is thus on the right to non-discrimination at work. Two aspects of discrimination are especially relevant - those relating to gender and ethnic minorities. It did not prove possible to obtain adequate data on discrimination at work against ethnic minorities. As for gender, the study uses three indicators: female labour force participation, the ratio of female/male unemployment rates, and female proportion of professional, technical, managerial and administrative workers. The first indicator gives some idea of work opportunities, while the other two provide information on gender disparities in employment and skills. It was also planned to include an indicator on wage disparities, but this information is not yet available for all countries.

With regard to the **employment** component of decent work, the study relies on three indicators: labour force participation, unemployment rates over the period 1990-98, and the gini coefficient of income or consumption distribution. The first two measure employment

opportunities for the working age population while the third gives an indication of equity in disposable incomes and adequacy of remuneration. An alternative measure of equity and adequacy of remuneration is the incidence of poverty. Unfortunately, this information is not available for all OECD countries.

For **social protection**, the indicator used is public social expenditure as a proportion of GDP. This measure of course excludes private expenditure on social security and tells us nothing about the effectiveness of social security expenditure in terms of coverage, benefits and qualifying conditions for major social expenditure programmes. The incidence of poverty would also be a useful indicator should this information become available for all countries.

The indicator used for **social dialogue** is the number of union members as a proportion of all employees, in other words the trade union density in a country. In addition, it was planned to use also an indicator of collective bargaining such as the proportion of workers covered by collective bargaining agreements, but it was not possible to obtain this information for all countries. As for qualitative indicators, the two most pertinent relate to tripartite participation in national social and economic policy formulation and worker participation at enterprise level.

The two indicators of **economic performance** chosen for this study comprise average GDP per capita growth and average inflation rate, both over the period 1990-98. The average figures are used to reduce the impact of cyclical fluctuations.

It is evident that the indicators for decent work used in this report suffer from various limitations. No doubt the use of additional quantitative and qualitative indicators should improve the measurement of performance of different components of decent work. Nevertheless, as a first step, the indicators used here should provide an illuminating country profile of decent work performance.

IV) Country performance on decent work

Country rankings on the different components of decent work are shown in tables 1 to 7. These may be summarized as follows:

On **gender disparities**, the best performers comprise Norway, Finland, Sweden, the United States, the United Kingdom, Canada and New Zealand. The lowest ranking performers include Luxembourg, Greece, Italy, Netherlands, France, Spain and Switzerland. The other countries occupy middle positions (table 1).

With regard to **employment**, the best performers include Sweden, Denmark, Japan, Norway, Austria, Switzerland and Luxembourg, while the poor performing category comprises Ireland, Spain, Greece, France, Italy, New Zealand and Belgium. Other countries come in the middle (table 2).

On **social protection**, the best performers comprise Sweden, Denmark, Finland, France, Germany, Norway, Belgium and Netherlands. The lowest ranking countries include Japan, Australia, the United States, Canada, Ireland, Portugal and New Zealand, with other countries coming in between (table 3).

On **social dialogue**, superior performers include Sweden, Denmark, Finland, Norway, Belgium, Ireland and Italy. Countries performing less well include France, United States, Spain, Switzerland, Japan, New Zealand, Greece and Portugal (table 4).

Bringing all four components together to obtain an overall ranking of **decent work** gives the following result: the best performers include Sweden, Denmark, Norway, Finland, Austria, Germany and Canada. The lowest ranking performers include Spain, Greece, France, Ireland, the United States, New Zealand, Japan and Italy (table 5).

With regard to **economic performance**, the top countries include Denmark, Australia, Norway, Ireland, Japan, Netherlands, Finland and the United States. The lowest ranking

performers comprise Italy, Sweden, Greece, the United Kingdom, Germany, Austria and Switzerland (table 6).

Combining **decent work and economic performance** rankings puts the following countries in the top category: Denmark, Norway, Finland, Australia, Netherlands, Canada, Japan and Luxembourg. The lowest ranking overall performers include Greece, Spain, Italy, France, the United Kingdom, Portugal, Switzerland and New Zealand, with other countries in the middle category (table 7).

V) Patterns of decent work performance

On the basis of the decent work profiles of industrial countries, it seems useful to group them in the following categories:

- Nordic (Denmark, Finland, Norway and Sweden)
- Anglo-Saxon (Australia, Canada, New Zealand, United Kingdom, United States)
- Continental (Austria, Belgium, France, Germany, Italy, Luxembourg, Netherlands, Switzerland)
- Industrializing (Greece, Ireland, Portugal, Spain)

Japan does not fit into any of the above categories.

The **Nordic countries** perform well on all indicators except the unemployment rate where Sweden and Denmark are average and Finland among the poor performers.

The **Anglo-Saxon countries** perform well on gender disparities and labour force participation but poorly on income distribution and social protection. They are average on unemployment rate (United States good) and social dialogue (United States and New Zealand among the poor performers).

There is somewhat greater diversity in the decent work profile of the **Continental countries**. In general, they perform poorly on gender disparities, labour force participation (Switzerland among the best) and unemployment rates (Luxembourg, Switzerland and Austria among the good, Netherlands average). They are in the middle category with regard to income distribution (Austria, Luxembourg and Belgium among the good), social protection (France, Germany, Belgium and Netherlands among the good) and social dialogue (France and Switzerland among the poor).

The **industrializing countries** are poor on all indicators. With reference to a few indicators there are some exceptions: gender disparities (Ireland and Portugal average), labour force participation (Portugal average), unemployment rate (Portugal good), inequality, social protection and social dialogue (Ireland good).

It is interesting to note that when it comes to economic performance, the above typology does not hold. For example, while Denmark and Norway are among the best performers, Sweden is among the poor performers. Likewise Australia and the United States are among the best, New Zealand and Canada in the middle and the United Kingdom among the lowest rankings. In the Continental group, Netherlands is among the best, France, Luxembourg and Belgium among the middle, and Switzerland, Austria, Germany and Italy among the lowest ranking. In the industrializing group, Ireland is among the best, Portugal and Spain among the middle and Greece among the poor performers.

Table 1: Gender ranking

Country	Female labour force participation (1)	Ranking 1	Female administrative & managerial worker (2)	Female professional & technical worker (2)	Average	Ranking 2	Female / male unemployment rate (3)	Ranking 3	Average ranking	Overall ranking
Australia	64.8	9	24.4	44.4	34.4	16	0.88	3	9.3	8
Austria	56.4	15	27.3	47.3	37.3	12	1.26	11	12.7	12
Belgium	50.3	17	30.2	47.1	38.7	8	1.67	18	14.3	14
Canada	70.4	5	37.3	52.2	44.8	2	1.07	10	5.7	6
Denmark	77.8	2	23.1	49.7	36.4	13	1.54	17	10.7	10
Finland	72.9	3	25.6	62.7	44.2	4	0.97	5	4.0	2
France *	59.9	13	9.4	41.4	25.4	21	1.45	15	16.3	18
Germany	62.0	11	26.6	49.0	37.8	11	1.32	13	11.7	11
Greece	45.0	19	22.0	44.9	33.5	18	2.23	22	19.7	21
Ireland	40.9	21	26.2	46.2	36.2	14	1.01	7	14.0	13
Italy	29.3	22	53.8	17.8	35.8	15	1.76	20	19.0	20
Japan	59.2	14	9.5	44.0	26.8	20	1.06	9	14.3	14
Luxembourg *	47.4	18	8.6	37.7	23.2	22	2.10	21	20.3	22
Netherlands	55.0	16	22.8	45.7	34.3	17	1.50	16	16.3	18
New Zealand	65.8	7	36.6	51.5	44.1	5	1.02	8	6.7	7
Norway	72.1	4	30.6	58.5	44.6	3	0.92	4	3.7	1
Portugal	60.6	12	32.2	51.1	41.7	6	1.26	11	9.7	9
Spain	44.6	20	32.4	43.8	38.1	9	1.71	19	16.0	17
Sweden	81.5	1	27.4	48.6	38.0	10	0.82	2	4.3	3
Switzerland	62.8	10	20.1	39.9	30.0	19	1.34	14	14.3	14
United Kingdom	65.6	8	33.0	44.7	38.9	7	0.67	1	5.3	5
United States	68.6	6	44.4	53.4	48.9	1	1.00	6	4.3	3

(1). Female labour force participation 15-64, 1995

Source: World Labour Report 2000, ILO

(2). Proportion of administrative, managerial, professional and technical posts held by women

Year: Data refers to the latest available year

Sources: Human Development Report 2000, UNDP

* : Calculated on the basis of data from UN 1994 and ILO Yearbook of Labour Statistics 1994, 1995

(3). Female-Male unemployment rate 1995

Source: Human Development Report 2000, UNDP

Table 2: Employment ranking

Country	Labour force participation (1)	Ranking1	Unemployment rate (2)	Ranking 2	Gini coefficient (3)	Year	Ranking 3	Average ranking	Overall ranking
Australia	74.8	9	9.1	14	35.2	1994	17	13.3	14
Austria	68.7	14	3.9	4	23.1	1987	1	6.3	5
Belgium	61.9	19	11.8	18	25.0	1992	5	14.0	16
Canada	77.5	3	9.8	16	31.5	1994	11	10.0	8
Denmark	82.2	2	7.9	10	24.7	1992	3	5.0	2
Finland	75.7	6	13.0	20	25.6	1991	7	11.0	10
France	67.7	16	11.4	17	32.7	1995	15	16.0	19
Germany	72.4	11	7.9	10	30.0	1994	10	10.3	9
Greece	61.3	21	9.3	15	32.7	1993	15	17.0	20
Ireland	60.5	22	13.1	21	35.9	1987	19	20.7	22
Italy	63.0	18	11.8	18	27.3	1995	9	15.0	18
Japan	71.8	12	2.9	2	24.9	1993	4	6.0	3
Luxembourg	63.3	17	1.9	1	23.9	1994	2	6.7	7
Netherlands	67.8	15	6.4	9	32.6	1994	14	12.7	13
New Zealand	74.3	10	8.0	12	43.9	1991	22	14.7	17
Norway	77.1	5	5.1	5	25.8	1995	8	6.0	3
Portugal	71.3	13	5.8	6	35.6	1994/95	18	12.3	12
Spain	61.9	19	20.3	22	32.5	1990	13	18.0	21
Sweden	83.4	1	6.3	8	25.0	1992	5	4.7	1
Switzerland	77.2	4	3.2	3	32.1	1992	12	6.3	5
United Kingdom	75.5	8	8.1	13	36.1	1991	20	13.7	15
United States	75.6	7	5.9	7	40.8	1997	21	11.7	11

(1). Labour force participation 15-64 1995

Source: World Labour Report 2000, ILO

(2). Unemployment rate 1990-1998

Source: World Economic Outlook 1999 and 2000, IMF

(3). Distribution of income or consumption

Source: World Development Report 2000/2001

Social protection

Table 3: Public social security expenditure as % of GDP 1996

Country	Pension	Health	Total	Ranking
Australia	4.6	5.7	15.7	21
Austria	14.9	5.3	26.2	9
Belgium	12.0	6.9	27.1	7
Canada	5.4	6.6	17.7	19
Denmark	9.6	5.2	33.0	2
Finland	13.2	5.4	32.3	3
France	13.3	8.0	30.1	4
Germany	12.4	8.3	29.7	5
Greece	11.7	4.5	22.7	14
Ireland	5.1	5.1	17.8	18
Italy	15.0	5.4	23.7	12
Japan	6.8	5.6	14.1	22
Luxembourg	12.6	6.5	25.2	11
Netherlands	11.4	6.8	26.7	8
New Zealand	6.5	5.4	19.2	16
Norway	8.9	7.0	28.5	6
Portugal	9.9	5.0	19.0	17
Spain	10.9	5.8	22.0	15
Sweden	13.8	6.1	34.7	1
Switzerland	12.8	6.6	25.9	10
United Kingdom	10.2	5.7	22.8	13
United States	7.2	7.6	16.5	20

Source: World Labour Report 2000, ILO

Social dialogue

Table 4: Union membership as proportion of employees 1995

Country	Density	Ranking
Australia	35.2	11
Austria	41.2	9
Belgium	51.9	5
Canada	37.4	10
Denmark	80.1	2
Finland	79.3	3
France	9.1	22
Germany	28.9	13
Greece	24.3	16
Ireland	48.9	6
Italy	44.1	7
Japan	24.0	18
Luxembourg	43.4	8
Netherlands	25.6	14
New Zealand	24.3	16
Norway	57.7	4
Portugal	25.6	14
Spain	18.6	20
Sweden	91.1	1
Switzerland	22.5	19
United Kingdom	32.9	12
United States	14.2	21

Source: World Labour Report 1997-1998, ILO

Decent work

Table 5: Decent work ranking *

Country	Gender disparities	Employment	Social dialogue	Social protection	Average ranking	Overall ranking
Australia	8	14	11	21	13.5	14
Austria	12	5	9	9	8.8	5
Belgium	16	16	5	7	11.0	8
Canada	5	8	10	19	10.5	7
Denmark	8	2	2	2	3.5	2
Finland	2	10	3	3	4.5	4
France	18	19	22	4	15.8	20
Germany	11	9	13	5	9.5	6
Greece	21	20	16	14	17.8	21
Ireland	14	22	6	18	15.0	19
Italy	19	18	7	12	14.0	15
Japan	13	3	18	22	14.0	15
Luxembourg	22	7	8	11	12.0	10
Netherlands	16	13	14	8	12.8	12
New Zealand	7	17	16	16	14.0	15
Norway	2	3	4	6	3.8	3
Portugal	10	12	14	17	13.3	13
Spain	20	21	20	15	19.0	22
Sweden	1	1	1	1	1.0	1
Switzerland	15	5	19	10	12.3	11
United Kingdom	5	15	12	13	11.3	9
United States	4	11	21	20	14.0	15

* Using labour force participation indicator

Table 6: Economic performance ranking

Country	Growth (1)	Ranking	Inflation (2)	Ranking	Average ranking	Overall ranking
Australia	2.7	3	1.7	5	4.0	2
Austria	1.6	11	2.5	17	14.0	17
Belgium	1.7	10	2.3	15	12.5	13
Canada	0.9	20	1.4	2	11.0	12
Denmark	2.5	4	1.6	3	3.5	1
Finland	1.2	14	1.7	5	9.5	8
France	1.2	14	1.7	5	9.5	8
Germany	1.1	16	2.2	13	14.5	18
Greece	1.4	13	11.0	22	17.5	20
Ireland	6.0	1	2.0	11	6.0	4
Italy	1.0	18	4.4	20	19.0	22
Japan	1.1	16	0.2	1	8.5	5
Luxembourg	1.9	7	2.2	13	10.0	10
Netherlands	2.1	6	2.1	12	9.0	6
New Zealand	1.0	18	1.6	3	10.5	11
Norway	3.4	2	1.8	9	5.5	3
Portugal	2.4	5	5.8	21	13.0	14
Spain	1.8	8	4.2	19	13.5	15
Sweden	0.5	21	2.4	16	18.5	21
Switzerland	-0.2	22	1.7	5	13.5	15
United Kingdom	1.6	11	3.0	18	14.5	18
United States	1.8	8	1.9	10	9.0	6

(1). Annual growth rate in GNP per capita 1990-1998
Source: Human Development Report 2000, UNDP

(2). Inflation rate 1990-1998
Source: Human Development Report 2000, UNDP

Table 7: Decent work and economic performance

Country	Decent work ranking	Economic performance ranking	Average ranking	Overall ranking
Australia	14	2	8.0	4
Austria	5	17	11.0	11
Belgium	8	13	10.5	9
Canada	7	12	9.5	6
Denmark	2	1	1.5	1
Finland	4	8	6.0	3
France	20	8	14.0	19
Germany	6	18	12.0	14
Greece	21	20	20.5	22
Ireland	19	4	11.5	13
Italy	15	22	18.5	20
Japan	15	5	10.0	7
Luxembourg	10	10	10.0	7
Netherlands	12	6	9.0	5
New Zealand	15	11	13.0	15
Norway	3	3	3.0	2
Portugal	13	14	13.5	17
Spain	22	15	18.5	20
Sweden	1	21	11.0	11
Switzerland	11	15	13.0	15
United Kingdom	9	18	13.5	17
United States	15	6	10.5	9