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TENTH ITEM ON THE AGENDA

The International Institute for Labour Studies

Report of the 54th Session of the Board

1. The Board of the International Institute for Labour Studies held its 54th Session on 9 November 2012 in Geneva. The Director-General of the ILO chaired the meeting.
2. The Director-General emphasized the importance of strengthening the analytical capacity of the ILO as a means of influencing the policy debate in areas concerning the world of work. The success of the ILO in those areas would depend on its ability to produce excellent research and statistical work. The Institute and its Board were essential to securing that success. The Institute was unique in that it had its own Board and related statutes which gave it the requisite degree of distance when performing high-quality research. The challenge would be how best to leverage those specificities in order to ensure that the Organization's overall objective was achieved. One of the Institute's strengths was its ability to stand back from the immediate concerns of the ILO's technical work and to take a longer view of the world of work. Yet it was incumbent upon the ILO to make sure that the Institute was not detached from the main thrust of the organization's research and knowledge efforts. One of the issues that the reform process was seeking to address was the institutional problem of the fragmentation of research in different parts of the Organization. Indeed one of the main objectives of that process was how to overcome that fragmentation and improve the overall coherence of the ILO's work.
3. In the field of publications, he applauded the Institute for producing some of the most well known, key publications of the ILO. The *World of Work Report* and other research publications were highly acclaimed. He therefore congratulated the Director of the Institute and his team on their excellent work. Looking ahead, he said that the ILO needed to undertake a review of its publications policy by examining their success and their impact on their intended audience.
4. In conclusion, he highlighted the participatory and inclusive nature of the current reform process, which included consultations with the Board of the Institute. Lastly, he underscored the importance of the Board's views and welcomed input from all its members.

Report of the Director (INS.B.LIV/1)

5. In presenting his report to the Board, the Director first thanked the Director-General for his comments on the Institute's important role in helping the Organization to achieve its goals.
6. In line with the Board's guidance, much of the work carried out over the previous year had focused on evidence-based analysis of how countries could bring about a sustainable recovery from the global crisis. The work had continued to be cross-cutting in nature – one of the comparative advantages of the Institute. The findings of that research pointed to the need for a major transformation as a result of the crisis.
7. In advanced economies, that meant avoiding a prolonged labour market recession and boosting balanced growth. The specific macroeconomic requirements of such a strategy and their links with sound labour and social policies had been analysed in the *World of Work Report 2012*. As part of the *Studies on growth with equity* series, the Eurozone study had made a detailed examination of the nature of the jobs crisis in Europe and had provided a thorough assessment of policy options.
8. The challenges confronting emerging and developing countries were partly a result of the lacklustre recovery among advanced economies. In particular, for developing countries that relied on trade with advanced economies, the Institute had attempted to assess strategies for growth that shifted the thrust of the contribution that the Decent Work Agenda could make in that respect. The *World of Work Report 2012*, therefore, looked at how addressing underemployment and job quality could help to achieve a more balanced growth pattern. In addition, the *Studies on growth with equity* had continued to explore the challenges facing developing and emerging economies. The Institute was in the process of launching a new study on North Africa and Arab countries, in cooperation with other organizations. Research reviews of Argentina, Bangladesh and Kenya were ongoing. Their goal was to identify effective policy packages. The *World of Work Report 2011* had also looked at the issue of food price volatility and what it meant for agricultural jobs and incomes.
9. The Institute had made substantial progress in building the global economic linkages model, which was used to ascertain the effectiveness of different policy interventions in both advanced and developing economies. The purpose of the model was to facilitate forward-looking analysis and projections. The Institute was in the process of assessing the internal and external validity of the model by submitting the papers to outside publications and researchers.
10. A special issue of the *International Labour Review* on low-paid work in emerging economies had been published in September that year. The *Review* had significantly improved its circulation, thanks to partnership with an external publisher. The dissemination efforts had paid off by exposing the *Review* to a wider audience and enhancing its quality and policy relevance. The result had also been a steep increase in the number of paper submissions.
11. Turning to the Institute's role in terms of coordinating the ILO's Global Research Agenda, the Director said that the objective of that effort was to address the fragmentation of research at the ILO by conducting a mapping exercise of the research, currently being undertaken in four priority areas. A dedicated ILO research website and portal highlighting new publications and reports on those four themes had been created. A single "ILO research paper" series had been launched.

12. Lastly, he said that the *World of Work Report 2013* would be devoted to the crisis, as agreed at the previous board meeting and it would take a more structural angle by assessing the conditions required to ensure a meaningful jobs recovery in terms of both quantity and quality. The scientific expert group that peer reviewed the report would meet in Geneva to discuss and comment on the findings. He proposed that a side meeting should be held during the 2013 International Labour Conference to further disseminate the report.
13. The Employer Vice-Chairperson welcomed the Director's report, praised the quality of the work performed over the past few years by the Institute, and expressed his appreciation of the fact that the workplan had been successfully delivered in line with the guidelines set out by the Board. He noted, however, that in future it would be advisable to receive the Director's report in a more timely manner and to ensure that the high-quality reports and studies reached Board members as soon as possible after their publication. It was crucial to strengthen the role of Board members as key advocates of the Institute's work.
14. In light of the comments made by the Director-General and the Director, the Employers' group agreed that it was necessary to further enhance the Institute's capacity and the calibre of its work. In the context of the reform process, the danger was that the Institute might become directly or indirectly embroiled in political discussions that could damage its analytical credibility and reputation. It was vital to maintain the Institute's autonomous character so as to ensure authoritative research of a high intellectual quality. The Institute must refrain from using value-laden terms such as "job precariousness" and "business uncertainty". When politics and ideology entered into research and analysis, it undermined their credibility. The Institute could safeguard its credibility only by maintaining its independence.
15. In terms of the ILO's broader research agenda, the Employers' group agreed that engaging the Institute in the work undertaken elsewhere in the organization would add rigour, quality, peer review and generally heighten the ILO's relevance and influence. On the other hand, there was a risk that the Institute would become involved in short-term advocacy work and lose its autonomy and independence. As the Director-General had pointed out, the Institute needed to strengthen its credibility as an independent source of excellent technical analysis. The ILO research agenda, as currently envisaged, could not be supported by the Employers' group. A more meaningful debate on the research agenda and the role of the Institute in that regard would be possible only once the proposals had been better defined.
16. Broadly speaking, while the goal of boosting the Institute's research and analytical capacity was welcomed by the Employers' group, it considered that the Institute needed to remain an independent and unbiased entity. Efforts to involve the Institute in the advocacy of a particular set of policy objectives and positions would only harm its credibility and was not consistent with its character as a professional research body.
17. The Worker Vice-Chairperson commended the work of the Institute and pointed out that the latter had continued to provide much needed research on critical issues. The *World of Work Report* had become a major flagship publication that elicited interest from media circles, the research community and ILO constituents. It was one of the few publications that provided an alternative, policy-relevant analysis of the global crisis. More importantly, the *World of Work Report* had been ahead of the curve in spelling out the implications of a premature shift to austerity. Two years after the Institute had discussed the pitfalls of premature austerity, organizations such as the International Monetary Fund and the Organisation for Economic Co-operation and Development were slowly arriving at similar conclusions. Similarly, the recent findings of the World Bank's *World Development Report* on the various employment impacts of labour market regulations was consistent with the Institute's analysis some years earlier. Meanwhile, the ideas put forward by the Institute –

such as the need to link real wages to productivity, to address income inequality, to boost demand through well-designed strategies, to ensure that financial markets served the interests of the real economy and to meet fiscal goals in a socially responsible manner – were all key policy messages that were gradually making their way into mainstream policy-making.

18. The Workers' group encouraged the Institute to continue to deepen its knowledge and work in those areas in the coming *World of Work Reports*, particularly in the area of equitable growth. Other areas of research the Institute could consider included: policy options to reduce inequalities; drivers of productive investment; structural transformation for productive jobs; the respective roles of foreign and domestic investment in development; and the role of labour standards in providing regulatory frameworks that put people before markets. The Workers' group had taken due note of the global economic linkages model and encouraged building further capacity in the area of macroeconomic modelling.
19. In terms of collaboration with the rest of the Office, the Workers' group welcomed the leadership provided by the Institute with respect to the ILO Global Research Agenda. It agreed with the four clusters that had been created and supported the initiative to leverage better the existing research capacity.
20. The Worker Vice-Chairperson raised the question of the Institute's independence within the new structure of the Office. The Workers' group believed that the independence of the Institute was an asset to enhancing research at the ILO, and thus while deeper cooperation with other parts of the Office was welcomed, it should not endanger the autonomy of the Institute itself. The Workers' group also wanted the Institute to better inform the overall policy work of the Office and to see greater impact of its work at country level. The Institute should continue working with other research institutes around the world and coordinate further with United Nations agencies and international organizations, particularly with the United Nations Conference on Trade and Development (UNCTAD) on investment and its impact on employment outcomes. In conclusion, the Worker Vice-Chairperson stressed that it would be important to strike the right balance between the autonomy of the Institute and its role in the ILO's wider research agenda.
21. A representative of the Government of the Islamic Republic of Iran thanked the Director and his staff for the Institute's high-quality autonomous research. He pointed out that the Institute's publications had rightly captured the nature and depth of the global crisis. The Institute's report *Working towards sustainable development: Opportunities for decent work and social inclusion in a green economy*, prepared in collaboration with other members of the Green Jobs Initiative, had been an important contribution to the Rio +20 Summit. In addition, the Institute's ongoing collaboration with the United Nations Department of Economic and Social Affairs (UN DESA) on the *Studies on growth with equity* was a welcome endeavour and it should continue undertaking such collaborative research efforts. The role played by the Institute in the development of the Knowledge Management Strategy was also a step in the right direction. The ILO Global Research Agenda was addressing the right issues.
22. A representative of the Government of France praised the quality of the work of the Institute. The *World of Work Report*, in particular, had become a major publication and a repository of innovative thinking on crisis responses. Such a publication was crucial for boosting the reputation of the ILO. He expressed interest in seeing the continued visibility of the Institute's research.
23. He added that it was encouraging to see the Director-General recognize the vital role of research and statistics in converting the Organization into a centre of expertise with a

broad international reputation. He stressed that the current situation was characterized by a dispersion of research and statistical work across the Organization, affecting critical mass and coordination of the various efforts. Therefore, bringing research together in a “centre of excellence” at the Institute would greatly help ILO constituents, while improving ILO visibility and credibility vis-à-vis other international organizations. The Government of France could support such a centre of excellence in various ways, including the enhancing of external partnerships. He reiterated the importance of ensuring the autonomy of the Institute as part of the reform process and requested further information from the Director-General in that respect.

24. A representative of the Government of Pakistan expressed strong concerns regarding the autonomy of the Institute in the reform and change process under way at the ILO. He appreciated the excellent work that the Institute had produced over the previous few years, notably the *World of Work Report*. In order to continue with that kind of high-quality research, it was important to recognize the specificity of the Institute and its Board in any reform effort. Indeed, while the International Labour Standards Department was the historic core of the ILO, the Institute was its “brain” and it needed an adequate degree of distance and autonomy to perform its work in a creative and credible manner, as had been the case so far.
25. A representative of the Government of Panama thanked the Director-General for his participation in the Board meeting. He congratulated the Institute on its high-quality publications and research record, which were especially important in times of crisis and had helped governments like his to come up with effective policies. He urged that such autonomous analytical work be continued, including further cooperation with the statistical platform available in Panama, which covered Latin America and the Caribbean countries.
26. A representative of the Government of Argentina praised the quality of the Institute’s research. The *World of Work Report* was a well-respected publication, which had gained credibility in his country and region. It covered cross-cutting topics of central importance to constituents, and it did so in a timely manner, taking the context created by the global crisis into account. He conveyed strong support by his authorities for that work to continue. Given the policy relevance of the findings and the nature of any credible research, it was also essential for the Institute to work in close association with the Director-General.
27. The Director of the Institute thanked Board members for their comments and encouraging words concerning the work being done at the Institute. Responding to the questions raised by the Employer Vice-Chairperson, he said that the Institute always tried to ensure coherence between research topics and evidence from the literature. He admitted, however, that the way of communicating the findings should better take into account the sensitive environment. He acknowledged the need to work on issues relating to the impact of globalization and sustainable development – and not on labour provisions available under existing arrangements – and said that the Institute planned to continue making efforts in that direction. He noted the Board’s interest in building wider partnerships with other institutes and research centres of key international organizations. He recalled, however, that the Institute only had nine researchers and that there would have to be a number of trade-offs to achieve all the objectives.
28. To improve the diffusion of the findings, the Director announced a new email alert system that would send publications to Board members and other key stakeholders following publication. In response to questions regarding quality control, he explained that the Institute followed a rigorous peer review process for its publications, particularly the *World of Work Reports*. The highly selective nature of the *International Labour Review* was testimony to that. In the ILO Global Research Agenda, the four thematic areas had in

fact been selected by the Governing Body to ensure coordination of research across the Office. Lastly, he recalled that in other organizations, such as the International Monetary Fund, centres of excellence for research had required a concentration of efforts for critical mass to be reached.

29. The Deputy Director-General for Policy said that the objective of the recent reform process to enhance research and statistics at the ILO was to increase the relevance of the ILO's knowledge products, ensure their coherence, build a critical mass and generally improve the impact of ILO work. In terms of the timetable, the broad structures of the policy portfolio would be reviewed by the end of 2012, options to enhance research and statistics would be presented to the Director-General by the end of February and a decision would be expected in March 2013. With regard to the fragmentation of research within the ILO, she said that while it would be easy to assemble all the researchers in one place, doing so would require the Board of the Institute and the ILO to grapple with the issue of the Institute's autonomy. There were no easy answers and input from Board members was vital for any kind of resolution.
30. The Director-General discussed the options for responding to the questions on research and statistics – namely centralization, continued decentralization or some intermediary approach. There was no question that putting all the ILO's cross-cutting research capacity in one place, such as the Institute, would be a significant step towards building a critical mass. That would of course raise the issue of the degree of autonomy of such a new structure.
31. In conclusion, the Director-General took good note of the concerns of Board members regarding the autonomy of the Institute and how that was essential for credible research. Those comments and suggestions were very useful and timely in view of the ongoing reform process.
32. On the proposal of the Director of the Institute, the Board agreed to meet in March 2013 to discuss further the issues raised in the meeting. A date would be communicated in due course.
33. *The Board took note of the document and agreed to meet in March 2013.*

Acceptance of contributions and gifts (INS.B.LIV/2)

34. The Director-General pointed out that there had been no new contributions or gifts.
35. *The Board took note of the document.*