Since its creation in 1919, the ILO applied the principle of universality in dealing with different countries at different levels of development. The preamble of the constitution emphasized that universal and lasting peace can be established only if it is based upon social justice.

The Declaration of Philadelphia (1944) provided a special treatment for the less developed countries. It stated that “Confident that the fuller and broader utilization of the World’s productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action, including measures to expand production and consumption, to avoid severe economic fluctuations, to promote the economic and social advancement of the less developed regions of the World, to ensure greater stability in World prices of primary products, and to promote a high and steady volume of international trade, the Conference pledges the full cooperation of the ILO with such international bodies as
may be entrusted with a share of the responsibility for this great task and for the promotion of the health, education and well-being of all peoples.”

More recently, decent work has been advanced as the organizing concept for the work of the ILO, in order to provide an overall framework for action in economic and social development.

The contribution of the ILO is demand-driven in the sense that it responds to the real needs of LDCs. While these countries cover a wide spectrum of economic and social situations, they have three major characteristics in common. First, their growth performance has been sluggish, and in many cases negative. Sub-Saharan Africa in particular has been experiencing a long-term decline in growth over the last two decades. A major challenge is how to mobilize resources, domestic and external, to achieve a sustained growth regime over the next ten years. Secondly, the structure of employment is characterized by the prevalence of rural and informal activities. In most cases, the majority of the labour force (as much as 80 per cent) are engaged in low productivity activities. The challenge is to enhance the skill of the labour force through effective programmes for human resources development. Thirdly, the institutional set-up in most of these countries is fragile. A concerted effort is required to assist in building up their institutional capacity.

Seen from this perspective, assistance to LDCs will focus on the following areas:

**VI.1 Strengthening national capacity**

A major obstacle facing LDCs is the lack of technical capacity to analyse the impact of global forces on their economies, and to design and implement policies and institutions that enable them to respond to such changes. This is particularly apparent in issues related to poverty reduction. The ILO, drawing on its long experience and expertise, can provide assistance by acting as a clearing house for best practice in countries where poverty reduction strategies had been successful. This will include advice on human resources development, labour market institutions and policies, direct intervention programmes especially those targeted to women and youth, eradication of child labour, social finance institutions and project design and evaluation.

**VI.2 Designing decent work strategies**

Employment and good quality employment are the key to poverty reduction. A major lacuna in multilateral policy advice has been the definition of the role of employment and decent work in poverty reduction. While there has been a notable convergence on the necessity of growth for poverty reduction, most approaches tend to neglect the role of employment and the importance of labour market behaviour in such a process. The concept of decent work now provides the strategic framework for organizing all of the ILO’s activities. The strategy of achieving decent work for all involves the simultaneous pursuit of four key objectives —employment growth, respect for fundamental principles and rights at work, promoting social dialogue and strengthening and extending social protection.

The basic rationale for this strategy lies in positive interrelationships between the four components of decent work. Policies to promote the highest possible rate of high productivity employment, through an enabling environment for enterprise creation, are vital for ensuring greater equity in the distribution of the benefits of globalization and economic growth, as well as any poverty reduction strategy. Income from employment, in its wider sense including self-
employment and sustainable livelihood, is the predominant determinant of the economic welfare of most of the population. Ensuring full respect for fundamental principles and rights at work supports this goal since it empowers working men and women to exert influence within the enterprise and within society to enhance the quality of work. Policies to extend the coverage of social protection contribute greatly to the reduction of poverty and to attaining a higher degree of socio-economic security. They also contribute to improved economic performance and to fostering more positive attitudes in workers towards economic and technological change. Social dialogue among employers and organized workers has proven to be characteristic of many successful enterprises, facilitating the distribution of the benefits of wealth creation in the good times and the way of dealing with many negative market outcomes, in the bad times.

The ILO can provide advice by introducing employment as an integral part of economic and social policy-making. As the present paper has shown, four sets of policy issues need to be addressed: (i) how to achieve a growth regime that is employment-intensive through consistent macro and sectoral policies; (ii) how to design policies and institutions to maximize labour productivity both through human resources development and promotion of enterprise; (iii) how to extend social protection to workers especially in the informal sector; and (iv) how to set-up institutions to promote social dialogue.

Two cross-cutting issues require special attention: (a) the role of small and medium enterprise in employment creation and productivity improvement; and (b) the need for policies and institutions to enhance the skill endowment of the labour force. Here again, the ILO will draw on its comparative advantage to provide advice based on best practice around the world.

VI.3 Harnessing migration as a force for poverty reduction

As noted in Section II, migration is an important aspect of the employment situation in LDCs. The ILO will work more closely with IOM to better harness the diaspora resources of LDCs to assist specific development and poverty reduction programmes in the home country. Many migrants in the diaspora are committed to maintaining links with their countries of origin and contributing to their development through financial, social and cultural resources. Many have acquired new skills and experience which can be useful for training, or upgrading the skills of, nationals in the home country, particularly in sectors relevant for poverty reduction programmes.

The ILO and IOM will therefore work with governments of LDCs to promote and strengthen sustainable partnerships between LDC countries and their respective migrants in the diaspora. Such partnerships can take the form of transfers of know-how and expertise by actual or “virtual” return of professionals from abroad.

VI.4 Data on employment and poverty

Lack of data on employment profiles and the incidence of poverty of LDCs represent a serious constraint on policy-making. This is particularly evident in the case of the informal sector which is the main depository of employment in these countries. The ILO can provide assistance in the design of data systems and their analysis.
VI.5 Creating partnership for social progress

The ILO, with its unique tripartite structure of governments, employers and workers, provides a platform for dialogue among LDCs and the donor community to support programmes for social progress. These will focus on crossing the decent work deficit reflected in the shortfall in employment, rights at work, social protection and social dialogue. The package of deliverables submitted to LDC III can serve as a basis for such a partnership.