



Designing Effective Wage Policies

23 – 27 February 2009
Turin, Italy

Rationale

Wages are of fundamental importance for wage earners and their families, irrespective of the level of economic development. Wages influence the living conditions of workers and their families, so a decent wage is considered as part of human basic need. They are also important elements of economic progress and social peace. Therefore, wages constitute the key element of decent work.

At the same time, however, wages have been a “contested territory” between workers and employers. From the perspective of the enterprises, wages constitute major component of production cost and their market performances often depend on how to manage wages within an affordable range. As a result, quite often, workers’ demand for “adequate” wages may not always be compatible with the “affordable” level of wages for enterprises. Indeed, wage determination at the workplace is complex and uncertain, even involving psychological factors such as sentiments of justice and humanity.

Despite the much-recognized importance of wages, many countries (particularly developing and transition countries) have found it difficult to develop or strengthen wage policies which can meet newly emerging challenges in an effective manner. This is at least partly due to the lack of data and information, or inadequate knowledge of policy tools and good practices in the area of wage policies. In an increasingly globalizing world, it is however critical for policy makers to better understand the nature of wages policies that have been introduced in other countries and what are their impacts. Moreover, the need for solid policies for wages cannot be overestimated in the context of the on-going financial and economic turmoil.

It is in this context that the ILO offers a new training course on wages which will provide a unique opportunity for ILO experts and participants to discuss about new trends and developments in wage policies, share their experiences on wage policies, and identify the elements of coherent wage policies. A particular emphasis will be devoted on stressing the importance of sound policy design in improving wage outcomes.

Objectives

This new course on “wage policies” seeks to improve the capacity to develop more effective and coherent policy measures in the area of wages, notably by examining latest developments and new country experiences. It explores major policy issues, including minimum wages, wage bargaining, pay equity and public sector pay. Emphasis is placed on how to improve wage policies with clear and achievable goals, sound analysis and constructive social dialogue.

It is expected that at the end of the course,

participants will be able to better understand key issues concerning wage policies and to contribute to making their national wage policies more coherent and effective. A related objective is to help participants address the complexity of wage determination which involves not only market forces but also a broad range of institutional factors in the labour market and in the society in general.

The specific objectives are as follows:

- Improve understanding of new trends and developments in wage policies
- Strengthen technical capacity to assess wage developments and their implications for employment, working life, and the overall economy
- Enhance the ability to better identify country-specific effective policies to improve wage outcomes and address trade-offs in a more effective and equitable way.

Course Implementation

The course will be held in Turin, Italy, at the ILO International Training Center, which offers unique residential facilities in a site shared with other UN agencies. The course will be taught by experts from the ILO, as well as from other institutions. It will be conducted with a highly participatory approach, in order to ensure a ‘learning by doing’ process and encourage the sharing of knowledge among participants.

The course will build on research findings and tools by the ILO and academic institutions as well as practical lessons learned from country experiences. Participants will have an opportunity to present a policy challenge they face in their own country and work toward solutions with other participants and experts.

The training methodology will balance lectures by practitioners and trainers with practical participatory sessions. Trainees will be invited to participate actively during the sessions in order to support the sharing of experiences. Practical work will consist of analyzing several challenges for wage policies and trying to come up with proposals in terms of policy and programs.

Participants will be asked to prepare a short note identifying some of the major challenges encountered with the design and implementation of wage policies in their countries.

Target Audience

Officials from the ministries of labour and employment, experts affiliated with workers’ and employers’ organizations, researchers dealing with wage policies.

Language

The course will be conducted entirely in English and therefore a good command of English is essential to fully benefit from it. Literature will be made available in English.

Selection of Participants

Interested candidates will be selected by the organizing committee based on the following criteria:

- (i) proven work experience in relevant field (e.g., wage policies, labour market related issues);
- (ii) submission of a cover letter explaining how the course will help participants enhance their professional skills and suggesting country case studies for group work.

Costs

The fee for the one-week course is 2,000 euros per participant. The fee includes **tuition costs (1,040 euros)**, training materials, and other conference costs, as well as **subsistence costs (640)**, i.e. full board and lodging at the Turin Centre's Campus, transfer to and from airport, Also covered are laundry, minor medical care and insurance and occasional socio-cultural activities.

ITC-ILO will have a limited number of fellowships to award which may cover part of the participation costs. If eligible, early applicants will be given priority. Please enquire early!

The prices indicated above do not include the cost of international travel to and from Turin which remains under the responsibility of participants. In addition, participants are responsible for obtaining all necessary visas to enter Schengen area.

Application and Contacts

To apply, interested candidates should email or fax the attached application. **The deadline for applications is December 8, 2008.** Early application is strongly recommended since admission is competitive, space is limited, and the time taken to process Schengen visa applications can be long.

Acceptance is provisional pending approval by the organising committee.

Application and enquiry should be sent to:
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For information regarding the course content, please contact the following resource people from the organizing team:

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Course Description

The course will consist of the following four core sessions which reflect common challenges in wage policies around the world: minimum wages, collective wage negotiations, pay equity, and public sector pay.

1. **Minimum wages setting.** Minimum wages are the key element of wage policies which are being introduced in almost all the countries. At the same time, the impacts of minimum wages on employment and workers have been much debated. This module will discuss how to make best use of minimum wages by building proper institutions and setting the level of minimum wages at an adequate level.
2. **Collective bargaining and wages.** Collective bargaining is an important mechanism for wage determination. Yet, the way in which collective negotiation is undertaken (e.g., structure, procedure, frequency) varies considerably, often with different wage outcomes. A major issue is how to make collective wage bargaining mutually beneficial to both workers and employers. This module will take up this issue and discuss how to promote collective bargaining while ensuring a "win-win" outcome.
3. **Pay equity.** Persistent wage inequality world wide raises major concerns. This module will discuss the issue of pay equity. It will discuss the gender pay gap, its size, main causes, and it will present several policy tools which have played an important role in promoting pay equity.
4. **Public sector pay.** The final session of this course will introduce public sector pay, an issue of tremendous importance for countries embarked in large-scale privatization, liberalization and economic transition. This module will present common issues and regional- or country-specific experiences. Discussions will focus on how to set pay level for the public sector in a fair and efficient way, taking into account fiscal balance, the level of private sector pay, public sentiments, etc.