

# Core Labor Standards and ADB

ADB supports the Core Labor Standards, a set of four internationally recognized basic rights and principles regarding the work environment

The Asian Development Bank (ADB) is committed to working with its developing member countries (DMCs) to promote good labor and social protection practices in Asia and the Pacific. ADB believes that decent working conditions help reduce poverty, raise living standards, and enhance the quality of economic growth by increasing productivity.

Since the approval of its social protection strategy in September 2001, labor standards have been an integral part of ADB's development mission. ADB is guided by the internationally recognized core labor standards (CLS) in designing and implementing its projects.

CLS is a set of four internationally recognized basic rights and principles regarding the working environment. These are freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, and elimination of discrimination for employment and occupation.

There is international consensus that these four standards are applicable to all countries. However, they neither establish a particular level of conditions, wages, health, and safety standards in the workplace internationally, nor are they intended to alter the comparative advantage of any country.

In 1998, the International Labour Organization (ILO), a United Nations specialized agency, approved its Declaration on the Fundamental Principles and Rights at Work that calls upon ILO member countries to comply with the four principles, regardless of whether they have ratified the relevant conventions.

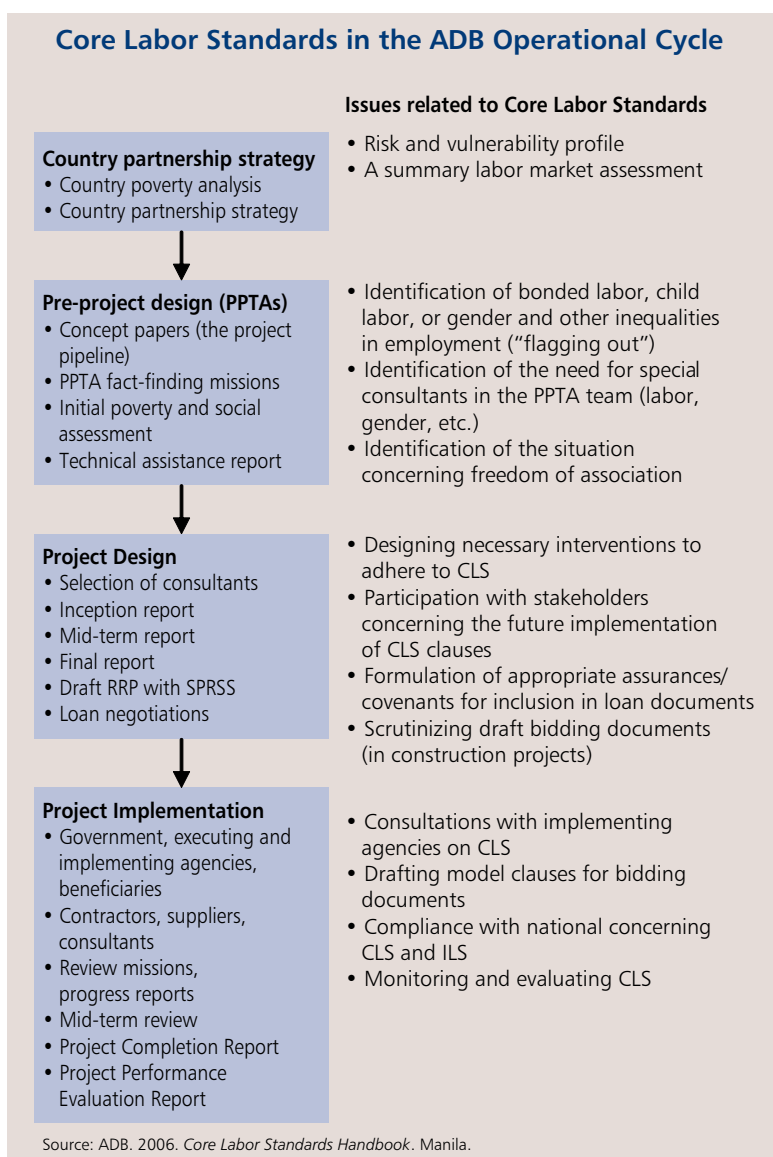
Progress in compliance with labor standards has been uneven in Asia and the Pacific. There are an estimated 127 million working children aged 5–14 years in the region. Discrimination in the workplace based on gender, race, caste, age, religious belief, and political opinion is widely reported, and many workers risk exposure to health hazards and accidents that could be easily avoided.

## How ADB Supports CLS

Between 1999 and 2004, ADB worked with the ILO on a regional technical assistance project to promote and improve labor standards among ADB's developing member countries. Efforts included regional studies analyzing labor standard issues in Bangladesh, Nepal, Philippines, and Thailand; national and regional workshops; preparation of the Core Labor Standards Handbook; and a regional framework and action plan for ADB and its DMCs that was incorporated into ADB's social protection strategy. In May 2002, ADB and ILO signed a memorandum of understanding (MOU) to guide their

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## Core Labor Standards in the ADB Operational Cycle



partnership. In December 2006, ADB and ILO launched the Core Labor Standards Handbook.

As ADB-funded projects utilize labor and generate employment in the region, labor questions are considered in analyzing the social and economic viability of all ADB-assisted projects. Likewise, ADB seeks to ensure that for ADB-financed procurement of goods and services, contractors, subcontractors, and consultants abide by a developing country’s expressed compliance with CLS. ADB is committed to establishing mitigation measures for those adversely affected by ADB interventions.

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ADB’s Core Labor Standards Handbook provides practical knowledge on how ADB operations can comply with CLS. It does not introduce any new policies or compliance requirements for ADB’s operational staff. Rather, it aims to provide information about CLS; explain the difference between core and other (noncore) labor standards; and present ideas, opportunities, and examples of good practices about CLS application in ADB’s operations. To give a comprehensive picture of CLS and ADB operations, the Handbook is not limited only to project-level interventions; it also covers the planning and design of the country partnership strategy.

In promoting CLS and seeking to build capacity in developing countries to uncover and prevent breaches, ADB collaborates with all stakeholders, including project beneficiaries, government agencies, nongovernment organizations (NGOs), labor unions, etc. For example, a 2002 regional technical workshop on labor standards included high-level decisionmakers from the public and private sectors, labor and employer organizations, NGOs, and international development agencies.

A workshop on labor issues in enterprise restructuring was also held in March 2006. ADB and ILO staff, as well as labor union representatives from the Philippines, participated in the workshop. In April 2006, ADB hosted an ADB–ILO consultation meeting in Manila to assess progress in implementing the MOU and to identify possible areas of collaboration, particularly on labor markets and social protection.

At ADB’s 40<sup>th</sup> Annual Meeting, held in Kyoto, Japan, in May 2007, ADB cooperated with Public Services International to organize a discussion panel on Core Labor Standards in Asia and the Pacific.

Through its partnership with ILO, and its assistance to developing country governments, ADB is meeting the challenge to improve labor standards in the region. ADB will continue its work with ILO and governments to address child labor issues, improve occupational safety, and reduce discrimination in the workplace. ■