



CHECK AGAINST DELIVERY

**Opening address by Juan Somavia
Director-General of the International Labour Office
to the Tripartite Meeting on Promoting Fair Globalization
in Textiles and Clothing in a Post-MFA Environment
(Geneva, 24 October 2005)**

Thank you, Jean-Jacques Elmiger, for your words and for offering your skills and expertise once again to the ILO as you take on the responsibilities as Chairperson.

Thank you Sally Paxton and the rest of the ILO team for all the work that has gone into organizing this tripartite meeting and the excellent report that has been prepared for it.

And thanks to all of you. The fact that this meeting has attracted twice as many participants as initially planned demonstrates the great interest in forging tangible, practical strategies forward.

As you know, textiles and clothing is a US\$350 billion a year sector. It encompasses 40 million workers—many of whom are women; hundreds of thousands of enterprises—many of which are small and medium sized; and export processing zones, some with questionable reputations. It stretches across dozens of countries—and touches every consumer in the world.

For more than 40 years, an international quota system has regulated trade in textiles and clothing and thus the development of the industry worldwide. Today, the Multifibre Arrangement is no longer there.

Together, we are here to look at the consequences of the phasing-out of those quotas ... to examine the trends ... to see why and how some countries have taken better advantage of the new opportunities ... analyze what imbalances are being created ... observe if the new situation is fair for everyone ... share lessons and knowledge.

The goal is to craft strategies and policy responses on how best to adapt to the changing environment so that throughout the global supply chain we can combine competitiveness, decent work and fair rules of the game.

There is perhaps no other sector that better demonstrates the linkages between the individual workers who are part of a production chain, and the workings of the global economy. This sector symbolizes the potentials and problems of global production systems.

We need to address the transformation of the textiles and clothing sector in a socially responsible way.

Competitiveness for the global textile and clothing industry in the post-MFA environment is about producing the right product, at the right price, at the right moment, under the right conditions of work throughout the supply chain.

All these elements have a critical social and political component that has to be taken into consideration when designing effective responses at the national and international levels. Indeed, experience shows that looking at the challenge from a social as well as an economic lens is the high road to productivity and clearly pays dividends. Our experience in Cambodia is one prominent case in point that demonstrates what is good for workers is good for business.

Current snapshot

The report we have prepared for this meeting is our first attempt to present a snapshot of the situation, as it stands, a few months after the abolition of quotas. Amidst the uncertainty, it highlights both hopes and fears in importing and exporting countries.

The background report shows that the distribution of the benefits of liberalization of trade in these industries has so far been uneven.

This confirms one of the main findings of the World Commission on the Social Dimension of Globalization.

The World Commission found that the social and economic imbalances of globalization were serious but could and should be corrected with the right policies.

The way to get there is not by rolling back the opening of markets and stifling the potential gains from increased international trade and investment, but by finding solutions with a strong eye on what happens to people, families and communities. As the industry moves into a much more competitive environment, the situation cries out for a coherent response from the multilateral system.

We need to work together to achieve a more even distribution of the potential benefits of the post-MFA environment and to deal equitably with the downside that may come with it.

I hope this meeting might focus on what we at the ILO can do in collaboration with other agencies—including financial institutions such as the World Bank.

We are tripartite—governments, workers and employers—the real actors of the economy coming together from many spheres of experience to dialogue, share ideas, exchange perspectives, develop common understandings, and then take action.

Action to advance balanced solutions around enterprise development, employment creation, rights at work and social protection. Action on the Decent Work Agenda.

This approach has international endorsement. Just last month, world leaders gathered at the United Nations and unanimously agreed to an Outcome Document that puts them on record in support of decent work and a fair globalization.

It includes an unprecedented and unambiguous commitment to the ILO's Agenda by more than 150 Heads of State and Government.

Three potential areas of discussion

The challenge before us today is to translate that broad vision into a practical approach for this particular sector. I would like to bring up three issues that seem important from our reading of what is happening in the industry.

First, we could and should do more to upgrade the skills and employability of workers and managers entering and leaving the industry. Everywhere I go I hear simultaneously fears about unemployment and concerns over skill shortages. Surely these skill imbalances are holding back growth in output and employment, especially in developing countries.

In a larger sense, this approach is about moving from a perspective that is focused mainly on protecting jobs to one that puts the accent also on protecting and empowering workers.

After all, we live in an economy that is full of change. Jobs are created. Jobs disappear. Jobs move. What every worker deserves are dynamic public and private policies aimed at empowering them and ensuring they have the adaptability and dignity to weather turbulence and move from one job to another with adequate support to do so.

As we meet in Geneva, European leaders are also focusing on the same issue—how to smooth the rough edges of employment change without slowing down the shift of structures that are no longer competitive. This includes the idea of a European Fund to ease adjustment in a global economy.

Second, we could do more to provide better information about changes in the flows and possible shocks in the supply chains that link consumers and designers all the way to fibre producers. This would surely help avoid some of the huge swings in orders that are so disruptive to the lives of smaller businesses and workers.

Third, what can we do to develop a more collaborative and socially responsible approach to the management of the supply chains in the sector? Can the adjustment to the frequent market shifts in the sector be both more efficient and also fairer, especially to the weakest links in these chains?

Each of these issues is more likely to be better addressed if we carry on building respect for fundamental rights at work and developing sound industrial relations systems. That means dialogue around common objectives. And again, the Cambodia experience, which you will hear about later, illuminates some of what we have done at the ILO.

Foundation of social dialogue

The promotion of tripartism and social dialogue is one of the ILO's strengths; it is also a strong foundation for the elaboration of sound post-MFA integrated strategies.

This meeting is a good example of dialogue and tripartism between acknowledged experts who are at the same time the actors involved in a new trade regime with far-reaching implications.

It is also a critical ingredient to responding in a concrete way to the call by the leaders of the world to promote decent work and a fair globalization.

Your challenge in the coming days will be to provide guidelines for all those who have to deal, on a daily basis, with the new “rules of the game” and to address the manner in which ILO policies and tools can be useful for all concerned.

It is a vital moment and opportunity. Maybe—if we have the vision and the will—the end of the quota system can herald the beginning of a commonly agreed, new people-centred approach to promoting fair globalization in the textile and clothing industry for the benefit of workers, enterprises and consumers.

Thank you for coming together to help fashion the way forward.
