



Tenth (special) sitting

Thursday, 13 June 2002, 10 a.m.

President: Mr. Elmiger

ADDRESS BY THE RT. HON. OWEN SEYMOUR ARTHUR,
PRIME MINISTER OF BARBADOS

Original French: The PRESIDENT — It is my honour, and a pleasure, to declare open this special sitting of the 90th Session of the International Labour Conference, and to welcome our guest, His Excellency, Mr. Owen Seymour Arthur, Prime Minister of Barbados. Please allow me, Prime Minister, to extend to you a warm welcome on my own behalf — and, of course, on behalf of all the participants at this session of the International Labour Conference.

The rapid development of Barbados is an example to remind us that it is quite possible for small countries to build a society capable of meeting the challenges posed by the process of globalization of the economy.

However, the tragic events of last September, which exacerbated the already clear signs of economic slow-down, simply serve to underline the risks attached to an ever-increasing interdependence in the world economy.

These events had a particularly strong impact on the economies of the Caribbean — particularly on their economic activities linked to tourism, which was one of the first areas to suffer. Faced with this situation, the economic and social measures swiftly taken by the States of the region, particularly by your country, Prime Minister, contributed decisively to safeguarding employment and stimulating the local economy.

Prime Minister, you have recently condemned and I quote from memory, if you will allow me, “the unbelievable inability of the international community to endow itself with the means to implement the identified objectives of development and reduction of poverty”. At the same time you have called for an overhaul of the international financial system, and the institutions responsible for global economic government.

It is therefore with genuine interest that we await your words in a few moments. But tradition demands — and I wish to respect this tradition — that the Secretary-General of the Conference, Mr. Somavia, introduces our guest, His Excellency, Mr. Owen Seymour Arthur, to the Conference.

The SECRETARY-GENERAL — Your Excellency, I am particularly pleased to welcome you today, the first Prime Minister from the Caribbean to address our Conference. Thank you for accepting our invitation, honouring us with your presence, and sharing with us your perspectives on globalization. You have been, and are, a respected leader, and a voice for

the Caribbean. You have also spoken for small and vulnerable States on the global stage.

While you willingly engage in globalization processes, you have earned a reputation for fighting from within for a different kind of globalization; the globalization that gives people and countries a fair and fighting chance to make their way with dignity and equity.

Prime Minister Arthur has served this cause as Chairman of the Commonwealth Ministerial Group on Small States, and as Chairman of the Global Conference on Small States. Having you here reminds us that Barbados has achieved an admirable level of prosperity, security and stability in the global economy. Yet as so many other countries, it is small, open and vulnerable — and the comments that our President has just made, in relation to 11 September, are so relevant.

Keeping steady in difficult times is a major challenge all countries face, and your experience in weathering that storm, balancing social and economic objectives after 11 September, is most relevant.

We also greatly appreciate the importance that you attach to social dialogue. It has been a keystone in the security and stability that Barbados has enjoyed. Perceived not as a constraint, but as an instrument of development, it was normal, not exceptional, to shape your government response to the recent crisis in partnership with employers, workers and other sectors of society.

We have much to learn from the experience of the Caribbean, as we examine different ways of benefiting from globalization through the work of our World Commission on the Social Dimension of Globalization.

We have today the privilege of enriching ourselves with your words, with your wisdom, with your real life experience. Thank you for being here today with us. Friends of the Conference, let us welcome the Prime Minister of Barbados, His Excellency the Right Honourable Owen Arthur.

The Rt. Hon. Owen S. ARTHUR (*Prime Minister of Barbados*) — I accepted the kind invitation of the Director-General to be the first Caribbean leader to address this distinguished assembly, conscious of the historic symbolism of my presence here and proud of the heritage in whose name I have the honour to address you today.

For our modern Caribbean society, uniquely so among the family of nations, has in every respect been the product of the successful ordeal of free labour.

We are a resilient people, a people who have survived the trauma of genocide, wars and invasion, of

slavery and indentured servitude, and have forged our own creolized culture, our own Caribbean civilization. None of what we have achieved would have been possible without the monumental role played by the labour movement in the political, social and economic development of our region.

Trade unions in the Caribbean arose in the late 1930s out of the widespread social protest against the conditions of extreme poverty, economic deprivation and exploitation, social injustice and racism which characterized the colonial societies of that era.

From their very beginning, and ever since then, they have been concerned not only with wages and other conditions of labour at the workplace, but with wider political and social issues and, fundamentally so, with matters of governance within the context of social justice.

Indeed, the labour movement across the entire Caribbean was the crucial force in the vanguard of the struggle for self-governance and its essential contribution has been to fashion the forms of governance for the new societies and economies that have been built from the ground up in our Caribbean region.

It is therefore no coincidence that three of Barbados' ten national heroes have held offices of leadership in the trade union movement in our nations, and two of Jamaica's, as well as the national heroes of Antigua and Saint Kitts and Nevis.

This is in addition to the role that our Caribbean trade unionists have played in the ILO and in the international labour movement. Indeed, two distinguished Barbadians, Sir Frank Walcott and Senator Leroy Trotman, who is here with us today, have had the honour of presiding with distinction over the International Confederation of Free Trade Unions.

I address you today, therefore, from the perspective of a tradition which is rooted in the conviction that the possibilities for successful societal transformation and development cannot be conceived in isolation from concepts of governance. It is in such a context that I share with you a perspective of the labour movement and the governance of global development.

We are in the throes of a historic transition in the affairs of this world. I refer, of course, to the emergence of a global economy which holds the enormous potential for either expanding the world's wealth and lifting all of mankind to a new, permanent plateau of material fulfilment, or for tearing apart our very social fabric.

It is as if the words of Charles Dickens apply: these can be the best of times or the worst of times, a season of light or a season of darkness, the spring of hope or the winter of despair.

No one in their right mind would question the necessity for national economies to participate and be integrated in the global economy. No one really wants a return to the inefficiencies of state-controlled economies or to the bloated bureaucracies of the welfare state. There can be no doubt that the free and fair market can itself be the most effective force in society for innovation and the creation of wealth.

It would also be an idle occupation to seek to stand in the way of the transforming effects of the revolution in information and communication technology, or to dispute that an expansion of world trade, fairly distributed, can generate a sustained improvement in global welfare. The robust flow of capital internationally, in support of the sustained expansion of production capacity, is indeed to be welcomed.

However, it would also be freely conceded that the benefits of globalization in all places and circumstances remain more in the realm of things hoped for rather than evidence of things already achieved.

To begin with, one of the most troublesome aspects of contemporary international developments has been the coexistence of a process of lopsided globalization, reinforced by an equally lopsided international policy agenda — a phenomenon that, unchecked, will perpetuate long-standing asymmetries in international development and indeed, will invent new ones.

Quite frankly, the conditions for genuine global development can only be achieved if the existing dominant agenda in support of free trade, the protection of private investment and intellectual property rights, and the creation of an environment conducive to financial and capital mobility, is counterbalanced and enriched by equal concern for matters pertaining to labour mobility, codes of conduct for transnational corporations, the development of sound rules to govern international competition and the development of compensatory financing mechanisms to sustain the participation of those in danger of being left out or being left behind.

The new global economy also requires rules, instruments and institutions to mitigate the worst effects of unfettered market forces and, in so doing, to ensure the widest and the most equitable distribution of the benefits of an efficient and dynamic global economy.

Indeed, we have especially to be on our guard to avoid falling victim to the beguiling allurements of the dominant ideology of globalization, the ideology of liberalization.

For the free market cannot do it all. It does not contain the sum total of all human knowledge and wisdom, nor does it encompass and reflect the full range of human endeavour, human needs and concerns. Indeed, that is precisely why for millennia people have invented governments in the first place, so that citizens can together act consciously to shape the spontaneous economic and social natural processes that are going on around them. Here, perhaps, lies the difference between a bazaar and a civilization.

There is now abundant evidence, as Will Hutton has recently observed, that the indiscriminate working of the market is creating a new, dangerous situation in which careers, living standards and relationships are being placed in a permanent state of contingency, dependent upon the next twist in the market's volatile judgement.

Indeed, across too wide a band of economic activity, the ends of production are now being set only to maximize shareholder value. And the shareholder-value driven global corporation has come to enthrone aggressive cost-reduction strategies, focusing on layoffs, pay and benefit reductions and a peripatetic approach to hiring as their essential elements.

In addition there is clearly too great a tendency for national economies to be pressurized to compete for foreign investment by providing lower standards of labour rights and protection, as well as lower taxes on the profits of corporations. Capital can therefore go regime shopping for the best conditions, stimulating a race to the bottom in respect of labour standards and social investment.

As if all of this were not bad enough, the incessant flow of capital globally has led financial markets to a new propensity for booms and busts which, because of

their global scope and their global power, have become the new modern destabilizer. And it is sadly workers everywhere who are bearing the brunt of the new destabilization in the form of job losses, dislocations and community and family breakdown.

Our world needs a new, sensitive and sensible balance between the market and the public interest, keeping in the forefront the needs of the people that the public interest must serve.

This matter is truly urgent because perhaps the most alarming feature of today's world, characterized by the rapid globalization of markets and production, is the conspicuous absence of a meaningful international agenda for social development and upliftment.

There is indeed an international agenda of sorts, as has been expressed in well-intentioned declarations at United Nations summits. But the purposes of such an agenda have been undermined, monstrously so, by the demonstration of a remarkable unwillingness to provide the supporting resources, as reflected in the drastic decline of official development assistance and the harshness of the conditionalities still attaching to financial support for the programmes to lift the poorest of the poor out of their deprivation.

Professor Helleiner, in an address to UNCTAD in December 2000, put the issue in this way:

“As the full implications of a globalized economy become more apparent, it becomes ever more evident that many of the functions of government, in particular the supply of public goods and the pursuit of social objectives, will somehow have to be undertaken at the global level. Yet there is nothing remotely resembling a ‘global government’. Nor is there one visible on any reasonable time horizon.”

I submit to you that there is nothing inherent in the new global economy or the technologies which drive it that makes it imperative or efficient to treat labour like a commodity, or that generates the lopsided economic development agenda or the weakness of the social agenda. For globalization is not a freely existing entity, created by nature, it is shaped by and is the product of policy decisions and it is a reflection of a specific form of political economy.

There will in consequence be no balanced and humane agenda for global development unless and until the distortions in the structure of global governance are acknowledged and corrected.

This brings me to the issue of the relationship between the labour movement and the governance of international development. Trade unions and the fight for decent labour standards have proven historically to be the agents of social stability. Karl Polanyi, writing at the end of the Second World War, for example, argued that the dismantling of labour market regulations in the late nineteenth century provoked such social and political upheaval in the twentieth that it led to the collapse of the world economy and to two world wars.

On a more positive note, however, in my own English-speaking Caribbean region, the relative political, social and economic stability that we have enjoyed over the past 50 years is attributable in no small measure to the preponderant role that the labour movement has played in fashioning the new forms of governance that we now enjoy.

Just as trade unions in the Caribbean in the colonial era went beyond wages and conditions of work to fight for the wider social objectives of the working people, so too must they, and their counterparts

everywhere, engage in the struggle to ensure that the aims of global economic growth are compatible with the aims of global social justice.

The 1944 Declaration of Philadelphia, which preceded the setting up of the Bretton Woods financial institutions, reaffirmed this broad social mandate of the International Labour Organization. It explicitly called for the ILO to ensure that international economic and financial policies were consistent with social policy objectives and the welfare of all people.

While the ILO in the period following the Second World War focused more on ensuring national compliance with labour standards, it is clear that under the leadership of the current Director-General, Juan Somavia, the ILO is returning to its fundamental vision of promoting broad social objectives.

In this regard, we are pleased that the ILO played a critical role in fashioning the outcomes of the 1995 World Summit on Social Development, and last year established a World Commission on the Social Dimensions of Globalization. This is a brilliant initiative that I hope will pave the way for an international consensus on the type of global governance without which it will be impossible to civilize globalization.

Indeed, there is no international organization that is better placed to ensure that global economic growth is socially sustainable than the International Labour Organization. It is a tripartite organization. It is the social organization par excellence, not because health, education and housing are not important, but because work is so central to our lives.

Freud got it exactly right when he claimed that the two enduring human pursuits are love and work. And work is not just a means to an end. It is a source of self-esteem and self-fulfilment. It is the most common way of engaging with society. It makes man the social animal that he is. It gives structure to life itself. Hence, the vital importance of ensuring humane conditions of work, in other words “decent work”.

You must allow me to use this occasion to support the evolving consensus that the primary responsibility for supervising, regulating and ultimately enforcing global standards, encompassing the core ILO Conventions, rests with the International Labour Organization and not with the World Trade Organization nor any other international organization.

I submit to you that the linkage of labour standards with trade is both immoral and counterproductive. It is immoral because it reduces what is an end in itself — human rights — to a means to an end. Compliance runs the risk of being applied and enforced selectively, and of being biased against the developing countries.

For example, in one of the most advanced industrial societies, juveniles are judicially executed. This is morally repugnant, and a violation of the Convention on the Rights of the Child.

But it would be foolhardy to suggest that such a practice should attract sanctions against that industrialized society.

It is even reasonable to fear that the conditions under which migrant labour works in the industrialized countries will also escape scrutiny in any linkage between labour standards and trade.

It is also unconscionable that countries in which trade unions are being squeezed out of industries should be advocating linkages between labour standards and free trade. Frankly, the advocacy of linkage is often only a protectionist device. If competition from abroad gets too tough, rich countries feel that

they have the right either to use conventional protection against imports or, through linkage, to attempt to drive up the costs of production in poor countries.

It is, however, a misguided exercise because the weight of the evidence generated by economists has shown that trade with poor countries is not responsible for driving down wages in rich countries.

Human rights, including labour standards, are too sacrosanct to be used as bargaining tools or as instruments of foreign or trade policy. Human rights should be advanced by the appropriate international agency within an evolving framework of global governance.

The ILO should therefore be charged with the responsibility of ensuring compliance with international labour standards. If the ILO lacks teeth, as some complain, I say give it teeth. And let those teeth bite indiscriminately, wherever labour standards are violated, in developing or developed countries alike.

The ILO must have more clout in the formulation of global financial and trade policy, and must not function in solely an advisory capacity. This may well entail creating new mechanisms for coordination between the ILO, the IMF, the World Bank and the World Trade Organization. It may, indeed, call for reform and restructuring in all of these institutions. But it is essential that we develop, as a matter of urgency, an international consensus of what is required to maintain a socially responsible global economy; one whose benefits not only include working people but also include the many developing countries that find themselves currently suffering only the negative effects of globalization and trade liberalization, and reaping none of the benefits.

The Government of Barbados believes that the International Labour Organization's Decent Work Agenda and its four principal pillars — employment creation, respect for fundamental principles and rights at the workplace, social dialogue and social protection — constitute an essential part of the strategic framework within which our national development must be carried out.

Indeed, I cannot begin properly to express the great value to my country, Barbados, of the operation of a social contract between the Government, the labour movement, the private sector and civil society, as expressed in four protocols over the past decade.

That social contract has generated the social capital that stabilized our economy and society during its most dangerous depression, and it has been the chief resource on which we have drawn in recent times to underwrite the longest sustained period of prosperity in our history.

We have indeed now evolved a social dialogue in Barbados through which a national consensus is arrived at before any important decisions affecting the economic or social well-being of our society are put in place.

The Barbadian delegation here today will leave your conference to participate in national consultation to develop policies to comprehensively reform our taxation system, to revolutionize our social security and pension arrangements, and to continue to refine the policies to reposition our national economy so as to integrate more effectively it into the new Caribbean single market and economy, the hemispheric economy of the Americas, and indeed the entire global economy.

In the years ahead, there is every good reason to believe that the range of issues with which our social

partnership will have to grapple will broaden and intensify as we, the social partners, confront together the complex new global matters that we cannot ignore — for such is the price of global interdependence.

I submit to you today that Barbados' development has already been civilized by our social partnership. Thanks to it, we face the present and the future with confidence. That is our happy lot because there are persons who have constituted the Barbadian delegation, and who are here today at your meetings, who have practised what they preached and have infused their contribution to our national development with the best precepts drawn from your deliberations.

I would therefore fail in an important way were I not to place on international record the gratitude of a grateful nation for their work and their worth, and for the inspiration that the International Labour Organization has provided for the very ethos of my nation's development.

The age of global governance has arrived. Our own experience at governance suggests that this will require new processes through which disputes are resolved, consensus is built and performance continually reviewed. Such processes must, of necessity, be transparent, accountable and democratic. They must involve State, business, labour and civil society, all of whom have equal stake in human sustainable development.

We fully anticipate that the International Labour Organization will be called to play a crucial role in ensuring that such global economic development proceeds in a more equitable manner, and that we truly reconcile the needs of a dynamic global economy with the human rights to security, fairness and sustainable livelihoods.

And you must press on with the performance of that role in the assurance that the distant sounds that you hear are those of your Caribbean supporters cheering you on.

Original French: The PRESIDENT — Prime Minister, in your excellent speech for the delegates here in the assembly you have underlined what are for you — and the international community — the framework conditions necessary to assure balanced globalization.

You also outlined the means for establishing a fair distribution of the benefits of globalization; and with great political intelligence you reminded us of the breadth of the social justice mandate, which is that of the ILO, and at its heart the key concern of any political policy — human beings.

You have given us a message of hope, the hope that we can all continue unceasingly to carry out the work of the ILO in the framework of decent work in the context of the globalization of the economy.

In this respect, Prime Minister, on my own behalf and on behalf of all of the participants here who applauded you so warmly, I would like to express my deepest thanks.

It was a real privilege for everybody here to be able to listen to your message of hope for the future of the world and the ILO.

We paid very close attention to your words and I think that they have encouraged us all to complete the task which we have before us.

Thank you once again, Prime Minister.

(The Conference adjourned at 10.45 a.m.)

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