



## Sixth (special) sitting

Wednesday, 11 June 2003, 10 a.m.

President: Mr. Wamalwa

ADDRESS BY HIS EXCELLENCY, MR. THABO MBEKI,  
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA

The PRESIDENT — It is a great pleasure for me to declare this special sitting of the 91st Session of the International Labour Conference officially open. Today, our Conference is honoured by the visit of His Excellency, President Thabo Mbeki of the Republic of South Africa. I call upon the Secretary-General of the Conference to welcome His Excellency, President Thabo Mbeki.

The SECRETARY-GENERAL — Your Excellency, Mr. President, it is a privilege and an honour to welcome you to our ILO home. We greet not only the leader of South Africa, but the leader of a new Africa. We welcome the Chairman of the African Union and the pioneer of the New Partnership for Africa's Development (NEPAD).

Mr. President, for everyone in this room the very name of your country evokes a struggle. The struggle was and is yours but the struggle is also ours. Apartheid stood for everything we stand against. Our institution fought hard against apartheid; indeed, we are proud that, on his first visit to a United Nations organization, Nelson Mandela came here and spoke to the ILO in 1990. He had been released from prison, but South Africa had not been liberated. He thanked us for our commitment through the dark and difficult years and he called on us, as he said, to “walk the last mile together”.

Mr. President, you were on that journey for justice before you took your first steps. As you have said, you “were born into the struggle”. Your father, your mother, instilled it in you, and at an age when most people are not even ready to plan their own future, you were helping to forge your country's destiny. You did it as a student leader, then you did it through many long years of exile. You did it building coalitions and campaigns for freedom. You did it by heading the ANC Department of International Affairs. You did it as a key negotiator during the last days of apartheid. You were there, at long last, to bury that evil in the graveyard of infamy.

Mr. President, your life's work symbolizes values that our organization strives to make real in the world of today: dignity, justice, dialogue, understanding, partnership.

As you said at the launch of the African Union in Durban last year, “We must mobilize all segments of [...] society, including women, youth, labour and the private sector to act together to maximize our impact and change our continent for the better [...]. Time has come that Africa must take her rightful place in global

affairs. Time has come to end the marginalization of Africa. We call on the rest of the world to work with us as partners.”

President Mbeki, we stand with you, we stand with Africa, we stand with your mission to eradicate the scourge of poverty, to promote decent work, to build lasting peace and reconciliation, to promote an African renaissance, and we pledge to keep working with you on the journey for social justice.

Over the many hard years, many of us in this room, and so many of our predecessors in the ILO, longed to hear the following words:

We welcome a man of vision and courage. We welcome the President of a democratic and free South Africa, His Excellency, President Thabo Mbeki. Thank you for being here with us today.

Mr. MBEKI (*President of the Republic of South Africa*) — I should start by introducing myself. I come from Africa, I am employed. I am certain that the job that I do qualifies for the description decent work. Although I would not like to broadcast this matter too loudly, I would say I earn a living wage. However, I owe the position I occupy to a decision taken by millions of our people, the most of whom are poor.

These poor masses elected the ministerial members of our delegation and myself into government in the knowledge that it would ensure that the new democratic order in our country does everything to extricate them from their miserable condition of poverty and underdevelopment. Many among these masses are unemployed, with no guarantee that they will get a decent job tomorrow. They number among those about whom Juan Somavia, has written in his outstanding Report *Working out of poverty*. As he says, for these our fellow Africans, “Poverty is a nightmare. It is a vicious circle of poor health, reduced working capacity, low productivity, and shortened life expectancy. For families, poverty is a trap. It leads to inadequate schooling, low skills, insecure income, early parenthood, ill health, and an early death. For societies, poverty is a curse.”

These masses expect us everyday and wherever we may be, to speak out and act against poverty. They expect us to approach the challenge of poverty eradication honestly, without prevarication, and implementation programmes that actually produce results.

They have the “will to survive” of which Juan Somavia speaks, but need the support and possibilities to move up the ladder of opportunity for which he calls. They expect us to address the structural failures, the ineffective economic and social systems, the inadequate political responses, the bankrupt policies, marginalization and insufficient international support

that are the cause of their poverty, as the Director-General correctly points out.

The International Labour Conference and the International Labour Organization occupy an important place among the global forces that have to join and are a part of, the war on poverty. Our people and the social partners of our country represented at this important Conference, as well as our community organizations, feel privileged that they have you as comrades-in-arms in the struggle to eradicate poverty in our country, in the rest of Africa and throughout the world.

It is also in the same spirit that I must thank you for the opportunity you have given us to address you. As our people and the distinguished delegates know and expect, we, and you, must focus once more on the central and urgent challenge of the global war on poverty.

In the *Parable of the talents* in the Gospel according to Saint Matthew, a money merchant, angry that one of his servants did not discharge his duties as a fund manager by using the talent given to him to trade on the money market, said: "Thou wicked and slothful servant, thou knewest that I reap where I sowed not and gather where I have not strewn. Thou oughtest therefore to have put my money to the exchangers and then at my coming I should have received mine own with usury. Take therefore the talent from him and give it unto him who hath ten talents. For unto everyone that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath. And cast ye the unprofitable servant into utter darkness: There shall be weeping and gnashing of teeth."

Among the hundreds of millions in the African world from which we came, as we travelled to Europe, the utter darkness into which the money merchant casts his unprofitable servant, there is much weeping and gnashing of teeth. Those who do not hear and do not see the agony, have neither ears to hear, nor eyes to see.

But I am certain that even they who do not see or hear the people have seen the great volumes of literature that describe in the greatest statistical detail and graphic language the extent of the poverty that afflicts billions in Africa and the rest of the developing world.

The poet has written: "If music be the food of love, play on. Give me access of it that surfeiting, my heart may sicken and so die." Since we speak here of neither music nor love, we cannot ask for excess of information about the incidence and human consequences of poverty, because we have enough of it. The simple fact is that we who sit in this room, and others like us who are not here but constitute the global leadership of all humanity, know everything we need to know about poverty.

The surfeit of information available to all of us tells us that we live in a world defined by a deep economic and social structural fault that mirrors the angry outburst of the money merchant in the *Parable of the talents* when he uttered the ominous curse not just to the servant, but to the poor of the world: "For unto every one that hath shall be given and he shall have abundance, but from that hath not shall be taken away even that which he hath."

Obviously, we have to explain what we have just said, lest we stand accused of special pleading and being overly dramatic. The European Union has what it calls European Structural Funds. These funds support social and economic development and modernization

among the members of the Union and account for over one-third of the total EU budget.

From these funds, for the period 2000-06, the EU allocated a total of €16.6 billion to the United Kingdom for specific purposes. The specific funds concerned are: the Regional Development Fund, which aims to improve the economic prosperity, social inclusion, development and diversification of industry in areas that are lagging behind the rest of the Union; the Social Fund, which assists with human resource development and equal opportunity schemes to end unemployment by, among other things, training workers in skills that match available jobs; the Agricultural Guidance and Guarantee Fund to encourage restructuring and diversification of rural areas; the Financial Instrument for Fisheries Guidance to modernize the fisheries sector and related industries; and the Fund for Community Initiatives. These funds are available to all of the countries of the European Union and, as we know, most of these countries are highly developed.

Quite correctly, the EU made the determination that there are certain regions within the member countries of the Union that are so underdeveloped, relatively to the rest of the Union, that it would be incorrect to rely on the market to supply the resources to end such underdevelopment. It therefore decided that the only way to address the problem would be to direct specifically targeted official funds to the affected areas, to ensure that they reach the necessary levels of development.

Put simply, the Union decided that it had to engage in a deliberate process of resource transfers to ensure the even development of all communities within the Union.

We are convinced that this was and is a correct decision and practice. I would like to believe that all of us here share this view and applaud the European Union for not falling victim to the view which the financier George Soros has described as "market fundamentalism", which would lead the EU to conclude that the underdevelopment we have spoken of can best be solved by reliance on market forces.

I am certain that the distinguished delegates here are all familiar with what is known as the "Washington Consensus", which was developed in the early 1990s. This was a list of policy prescriptions that were said to be necessary to stimulate economic growth, especially in developing countries, ensuring among things, the necessary capital flows into countries that respected these prescriptions. These included trade liberalization, fiscal discipline and "sound" macro-economic policy, privatization, deregulation, tax reform, absence of civil strife, democracy, promotion of inward investment, secure property rights, avoidance of "crony capitalism", adherence to all manner of standards relating to banking and financial markets, and others. The rules that have been set tell the poor that unless they can reassure the "haves" that more will be given to them they must not expect the "haves" to concern themselves about the fate of the "have nots".

Many developing countries, eager to secure much needed investments to pull their peoples out of the morass of underdevelopment, embraced the Washington Consensus policy conditions for growth and used whatever capacity they had to implement them.

A weekly newsletter dated 12 April 2000, *Sand in the Wheels*, addresses the question of capital flows in

the context of the debt burden of the poor countries. It said: "Nobody today contests the fact that the public debt is an intolerable burden for many countries and peoples of the South. Even the international financial institutions admit that this is so. Not that the debt is the only reason for poverty, or for the widening gap between rich and poor, or for the blockage on development, but it sums up and amplifies these problems."

The newsletter says further that "Too often, payments on debt take precedence over vital needs of the population. Take sub-Saharan Africa, which paid out \$14.5 billion to service the debt — four times the total sum spent on public health. Take Latin America, where the service of the debt represents annually 35.6 per cent of the sub-continent's exports of goods and services. Take Mozambique, so recently hit by terrible floods, and where in 1995, 33 per cent of the budget went to servicing the debt against, only 3 per cent for health, and 7 per cent for education. Examples are legion.

The Washington Consensus urged countries that bear this debt burden to implement its policy options as a necessary requirement for the creation of the conditions that would result in the solution of their problems of poverty and under development through the market mechanism. These countries had to make themselves as beautiful and alluring as the best mythical maiden in order to attract the rich suitors with investment funds, who populate the global capital markets.

On the other hand, and quite correctly, a developed and prosperous country, the United Kingdom, has been allocated €16.6 billion by the European Union to address development challenges that are relatively minor compared to those confronting the developing world. In the instance of the United Kingdom, as with other relevant regions within the European Union, no call is made that these regions should beautify themselves for the benefit of the market and depend on this market to supply the resources to pull them out of their relative backwardness.

Bear in mind that even as it tried to prepare itself for the suitors, sub-Saharan Africa was transferring to the rich countries of the North, including those of the European Union, \$14.5 billion to service its debts. As a result, and as we all know, these African countries could not provide jobs, adequate health services and nutrition, education, housing, clean water and sanitation and other basic necessities to their citizens.

Part of the money given to the United Kingdom is for what the European Union describes as "a unique peace programme" in Northern Ireland. Again, we believe that the European Union was correct to take this decision. But for developing countries, there must be peace, stability and "absence of civil strife", to use the words of the Washington Consensus, before the rich can consider giving any financial assistance. In one case, resources are allocated to achieve peace. In another, peace must be achieved before assistance can be considered.

The newsletter to which we have referred is aptly called *Sand in the Wheels*, and it speaks eloquently of the cruel reality of the obstacles that ensure that many developing countries remain poor. It continues to say that "debt is also revelatory of the state of relations between North and South. Structural adjustment programmes were imposed on countries of the South to restore their capacity for debt repayment, and

caused further deterioration in the living conditions of the most fragile classes of the population. The financial transfers from South to North in service of the debt set a mortgage on all chances of development, representing as they do four times the OECD budget for public aid to development".

The money merchant in the Gospel according to St. Matthew, had said that "for unto everyone that hath shall be given, and he shall have abundance: but from him that hath not, shall be taken away even that which he hath."

Indeed, we have seen how in the past decade, as globalization brought faster growth and better living conditions to some parts of the world, the majority of poor countries have become increasingly marginalized, sinking more and more into poverty.

At the same time, many of these poor and developing countries spend their limited resources to train, develop and increase the capacity of their human resources. This, as we know, is one of the conditions for these countries to achieve sustained development, integrate into the global economy and begin to compete with the developed countries.

Unfortunately, however, these rich countries use their enormous resources to entice and recruit some of these skilled workers and professionals away from their poor homelands to work in the developed countries. To those that have ...

Much the same thing can be said about other matters, such as commodities, terms of trade, market access, access to affordable drugs and medicines, and others. Again, to those that have ...

Accordingly, the poor citizens of the world are right to pose the question to all of us at this Conference and in other global forums – what can we do together to end the intolerable situation foreseen in the *Parable of the talents*.

When we studied economics in South Africa and England, my lecturers and professors told us that we must understand this clearly, that the central and immanent driver of the capitalist economy is the maximization of profit.

Even as we struggled to understand such interesting phenomena as "elasticity curves", memorize the phrase unrelated to human society, namely "other things being equal", and having mastered such categories as "supply" and "demand", we had to remember that the critical organizing principle of the myriad of the goings on in the market place was the profit motive.

I have not attended a class in economics for some time now. But after much reflection, I can think of no reason why today's South African and English lecturers and professors of economics would say anything to their students that would be different. I presume, therefore, that, other things being equal, profit maximization remains an immanent feature of the capitalist economy.

I must also suppose that having understood, this the European Union took the decision that there are certain social challenges that those who must necessarily pursue maximum profit should not, and cannot, be expected to address.

I presume that, in this way, they came to the conclusion that it would be unreasonable to expect that the problems of underdevelopment in the Merseyside and the Scottish Islands and similar regions of the United Kingdom could be solved by those who, ineluctably, must be driven by the objective of profit maximization.

If all of these assumptions are correct, the question must necessarily arise as to whether the much larger problems confronting Africa and the rest of the developing world can be solved through a preponderant dependence on those who, objectively, have no choice but to pursue the goal of gaining maximum profit from their economic activities.

As we have sought to argue with regard to various regions of the United Kingdom, this same question is arising with regard to many major cities in developed Europe. These are also affected by the process foreseen in the *Parable of the talents*, with visible signs of widening disparities in wealth, growing impoverishment for some, increasing numbers of the working poor, and expanding numbers of people who have effectively dropped out of the labour market.

The burden of our argument is that, as leaders of the peoples of the world, we have to understand properly and without prevarication the facts available to all of us, which confirm the correctness of the prediction of the money merchant reported in the Gospel according to St. Matthew.

Having taken this position, I believe we must also make the determination, as the European Union has, that there are certain challenges of poverty and underdevelopment that can only be addressed through a conscious process of resource transfers from the rich to the poor, globally. The decision must therefore be taken that those elected by the people to represent them and to pursue the public good, above sectional interests, have an obligation to ensure that such resource transfers take place. The process of globalization says this decision can no longer be taken solely at the national level. The war against global poverty calls for global action.

I am convinced also that the leadership gathered here, and others elsewhere, should also recognize the fundamental truth that the greatest quantities of stored value available to address the critical and structural global challenges of poverty and underdevelopment — capital — are in private hands.

Accordingly, meaningful ways and means have to be found to mobilize this capital to help finance the eradication of global poverty, in its own interest, while keeping in mind the feature central to its nature, of the optimization of profit.

At the beginning, I said I belong among those who are employed. I am certain that, as an individual, I must also ask myself the question as to what I should do to contribute to the common fight to eradicate poverty. I would not ask the question out of a sense of altruism, and perhaps not even out of a sense of class solidarity.

I, who dispose of no wealth and live by the sweat of my brow, will say to myself that it makes no sense that those who are employed today should be unemployed tomorrow. It is an intolerable burden on me that I should live in daily fear of retrenchment. It is equally unjust that my rights as a working person should be threatened, because there is another at the factory gate who is ready to take my place on the factory floor, because he or she is ready to accept lower wages, intolerable working conditions, casualization of labour and non-implementation of the standards set by the ILO.

Having arrived at this position, I must ask myself the question — what should I do, in my own interest, to end poverty and underdevelopment, to contribute to the realization of the objective so eloquently advocated by Juan Somavia — “working out of poverty”.

All these players, the governments, the business-people and the workers, are present in this room. I am certain that each has a material interest in the solution of the problems of poverty and underdevelopment. I am equally certain that all of us will make greater and faster progress towards achieving this common goal if we act together as social partners, in the tripartite alliance that defines this Conference and the ILO.

The poor of the world watch and wait to see what decisions we will take and what programmes we will implement. These are the billions cast out into outer darkness among whom there is much weeping and gnashing of teeth. They are convinced that collectively we have the power to do something to change their condition, including putting them on the ladder of opportunity that will lead to the eradication of poverty through decent work, of which the Director-General has written.

Perhaps they do not know this, but all of us here do, that the resources exist within the world economy and society to achieve the objective of the eradication of poverty, globally. The question we must all answer is why we are not using these resources to achieve this goal that is of central importance to the poor and unemployed, but also to those of us present here, who represent the tripartite constituency of the ILO.

During the past few years, the world community came together at the United Nations Millennium Summit, the Doha Development Round, the Monterrey Summit on Financing for Development and the Johannesburg World Summit on Sustainable Development. If we are serious about defeating the forecast made in the *Parable of the talents*, we have an obligation fully to implement the critical decisions we took at these meetings. We have a duty to ourselves to ensure that the resources are available to achieve the objectives that humanity set itself at these historic gatherings.

During this period, the peoples from whom I come, the Africans, launched the New Partnership for Africa's Development (NEPAD). Through these processes, the African masses have made the statement that they will act together, to end war and conflict on their continent, to end dictatorship and domination by corrupt elites, to use their means and capacities to end poverty and underdevelopment in Africa, to bring to a close a long period during which many in the world saw everything African as the very representation of human backwardness and barbarism.

At the same time, these African masses have made the call to the rest of the world to respond to the noble objective of human solidarity by annulling the curse of the ancients that billions of human beings shall be cast into the outer darkness, there to weep and gnash their teeth.

I belong among the African masses that, for centuries, have been cast, like the unprofitable servant, into outer darkness, so that some should reap where they have sowed not and gather where they have not strewed.

But these masses are people who, as Juan Somavia has said, have “enormous reserves of courage, ingenuity, persistence and mutual support”, who daily demonstrate “the resilience and creativity of the human spirit [...] the working poor are the ultimate entrepreneurs”.

For these reasons, these masses have made the statement that, whatever the odds, we will undo the curse of

the ancients. In time, it will be said, again — *ex Africa semper aliquid novi*.

At the closing plenary session of the Bretton Woods Conference, which set up the World Bank and the International Monetary Fund, on 22 July 1944, the famous British economist, John Maynard Keynes, said “It has been our task to find a common measure, a common standard, a common rule applicable to each and not irksome to any. We have been operating, moreover, in a field of great intellectual and technical difficulty. We have had to perform at one and the same time the tasks appropriate to the economist, to the financier, to the politician, to the journalist, to the propagandist, to the lawyer, to the statesman — even, I think to the prophet and soothsayer [...]. We have shown that a concourse of 44 nations are actually able to work together at a constructive task in amity and unbroken concord. If we continue in a larger task as we have begun in this limited task, there is hope for the world.”

The question this Conference will have to answer is whether, 60 years after Keynes made this statement, we still have the possibility to make the statement that “there is hope for the world”.

If we do not make this statement in a meaningful way, we should not delude ourselves into believing that only the economists, the financiers, the politicians, the journalists, the propagandists, the lawyers, the statesmen, the prophets and soothsayers, of whom Keynes spoke, have a voice.

We must remember that even those cast into the outer darkness, among whom there is weeping and gnashing of teeth, are also capable of speaking. And when they speak in the end, on all continents, including where we are meeting, they will proclaim — we are the hope of the world, free at last of the curse of the money merchant!

My personal prayer is that they would give me an opportunity to introduce myself to them, as you gave me an opportunity to introduce myself to you. At that moment, I would say to them that I did what I could to ensure that no human being anywhere in the world, regardless of nationality, race, colour, gender, age or ability, had to bear the indignity, the pain and humiliation of unemployment, hunger and deprivation. And I would pray in my heart that they believe me. I wish you a successful International Labour Conference.

The PRESIDENT — Your Excellency, it was a great privilege for all of us to listen to your most remarkably eloquent address which focused on issues that are very close to this assembly.

Your deliberate emphasis on the equality of mankind, regardless of race, colour and social status, could not have come from a better authority than yourself, having gallantly fought segregation all your life.

May I, on behalf of all the delegates in this Conference, join the Secretary-General in expressing our heartfelt condolences to the family, the Government and the people of South Africa for the recent departure of the great Walter Sisulu, whose sacrifices for the sake of freedom and human dignity will always be remembered.

As one who has lived through a political system that propagated discrimination and inequality as a national policy and refused to succumb, you and other heroes of the struggle against apartheid brought to the fore the evils that discrimination could wreak on humankind. Through word and deed, you have shown that you oppose social injustices not only in South Africa, but indeed the world over. This pursuit of social justice has now resulted in the founding of the New Partnership for Africa's Development (NEPAD), of which you are a founding member.

Your determination to promote African unity and the political and socio-economic integration of the African continent through NEPAD, is informed by the conviction that the people of Africa are interdependent and share a common destiny. We recognize the bold steps that you have been taking to place NEPAD on the agenda of the G8 Summit to secure their commitment in helping to finance specific projects. We are encouraged that the projects proposed cover vital areas for funding such as peace and stability, infrastructure development, agriculture, water and sanitation, and trade including market access. Above all, your efforts to make available affordable drugs and medicine for combating the HIV/AIDS scourge in poor countries will save the lives of millions of economically active people.

Your role as a regional peacemaker is recognized, and indeed commendable. We are all aware of your relentless efforts in resolving conflicts in Angola, Burundi and the Democratic Republic of the Congo that have caused much suffering and loss of life. In confronting the challenge of restoring peace and stability in Africa, you have made it possible for Africans to look forward to a situation of peace and enhanced safety and security for all.

We would like to express our solidarity with your vision of a free world; a world where every man and woman lives free of discrimination; the kind of world which you and other anti-apartheid heroes including Nelson Mandela, Oliver Tambo, Govan Mbeki, Walter Sisulu, Chris Hanni and others have spent your lives fighting for.

Finally, on behalf of this distinguished assembly, may I, once again, thank Your Excellency for the honour you have paid us all in addressing the 91st Session of the Conference.

*(The Conference adjourned at 10.45 a.m.)*

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