



International
Labour
Office
Geneva



Director-General's introduction to the International Labour Conference: Consolidating progress and moving ahead

ILC 93-2005/Report I (A)

A time for reflection

We continue to live in a time of rapid change in the world of work that poses many new organizational and policy challenges for governments and workers' and employers' organizations. The period ahead is likely to be critical to the shaping of the ILO's role and of the multilateral system for the decade to come. At issue is the value and the dignity of work in our contemporary societies.

Since my 1999 report on decent work, the International Labour Conference has been a rich laboratory of new ideas and insights into the world of work, based on the experience of our constituents and their own constituents. What is said at the Conference has roots in the real lives of individuals, families, enterprises and communities. Because the ILO is tripartite and because we deal with what people actually do to make a living, we are the international organization that is closest to the pulse of our societies.

In past years, I have submitted for your consideration successive follow-up reports for your reflection and to stimulate your discussions in plenary: *Reducing the decent work deficit*; *Working out of poverty*; and *A fair globalization: The role of the ILO*. We have benefited from the major contribution to global debates made by the World Commission on the Social Dimension of Globalization established by the ILO. The Global Reports under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work have given us invaluable and often alarming information. For each agenda item, the Office has prepared special studies to underpin each year your exchanges.

Your ensuing discussions have enriched our thinking in the Office and guided the decisions of the Governing Body. This conjunction is particularly well expressed in the programme and budget before you. The Governing Body debates demonstrated our clear agreement to make decent work a global goal based on the ILO's four strategic objectives. That requires action at the local, national, regional and global level and is an ambitious objective, no doubt; but it is not unrealistic in time, given the strong support it has received and continues to receive in wide circles beyond the ILO. Both in developing and developed countries, more and more people understand that the ILO's tripartism has connected with them. It interprets well their expectation that those in public and private authority will implement the policies that can

“give me a fair chance at a decent job”. This is one of the most widespread democratic and legitimate demands worldwide and we are at the forefront of that struggle. It is also key to addressing many security risks emerging in different parts of the globe. Good job opportunities, personal dignity, family stability and peaceful communities go hand in hand. For many, it is the test of whether democracy and freedom can also deliver a better quality of life at work for all people. Election after election sends us that message.

Within the framework of our programme, making decent work a global goal requires four interlinked sets of actions by the ILO:

- First, to make further progress, the ILO will need to lead an effort to reinvigorate tripartism and contribute to a strengthening of trade unions, employers’ organizations and ministries of employment, labour and social affairs. We must work together to expand the voice and influence of tripartism on national and global issues.
- Second, ILO constituents can campaign to make decent work for all a guiding principle of national economic, social and environmental development strategies. Promoting agreement on its central importance to society and the economy will help to bring about a convergence of policies in different fields and avoid the risk that lack of coherence constrains growth in decent work opportunities and sound investment and macroeconomic policies.
- Third, a similar drive is needed at the level of the multilateral system to recognize the significance of decent work for the international development agenda and its contribution to the goals of poverty reduction and a fully inclusive and equitable globalization which were called for by the Millennium Declaration.
- Fourth, through decent work country programmes, the ILO should equip itself to contribute more effectively within its mandate to national sustainable development, as well as to the international policies giving it support.

Unfortunately, we face a wide gulf between the needs expressed to us by constituents and the financial possibilities we have to respond to them. I have addressed that reality by making our processes more effective through strategic budgeting, implementing significant savings in our administrative and operational costs, transferring resources to the regions and expanding the technical programmes. With the support of the Governing Body, we will continue to pursue savings and efficiencies to live within our means so we can do more, while enhancing the effectiveness of our activities. I know budgetary issues are difficult for all of us. But I would be remiss in my responsibilities to the Conference if I did not tell you that the promise of the ILO and the expectations it has generated in this early twenty-first century cannot be fully realized with the present level of resources. We will continue to serve our constituents to the best of our abilities but unfortunately not to the extent that their realities demand.

So, with these thoughts going through my mind, I asked myself what would be the best contribution I could make to your discussions this year.

In talking to many of you, I sensed a desire for a moment of active reflection – of thinking ahead but keeping our feet on the ground, recognizing that changes are swirling around us in the world of work. That excluded a new lengthy report to chew on and, rather, I felt that it might be more useful to take the time to digest fully where the discussions of my previous reports have brought us. We should seize the moment to think together as we prepare ourselves for the future.

Looking forward, what is perhaps uppermost in my mind is the need for us to bring together, in a comprehensive way, the many rapidly changing patterns in the world of work and the ways in which they affect our mandate and programmes and challenge our technical capacities. Together, they bring far-reaching new questions to the door of governments, employers and workers. We of course know a lot about individual issues, but we need to strengthen our efforts to identify the way labour markets and jobs are changing, their interactions, and their policy implications within a globalization process, which is itself evolving. This knowledge base should be, after all, the “core” of our core competencies.

As we prepare ourselves to implement the next programme and budget, I am launching a process within the Office – in the regions and at headquarters – to bring together and assess

our knowledge on changing patterns of work and production. We will naturally also draw heavily on the experience and networks of our constituents. Together with a better perspective on major trends and their implications for our mandate and future activities, I am sure it will help us identify, as well, information gaps and weaknesses in our critical mass. I plan to bring the results to you in time for next year's Conference. Your insights into key aspects of this issue are welcome in the plenary discussion this year.

In fact this year, with the major social policy report on the theme of "Youth: Pathways to decent work", we are already examining the outlook for the next generation of the world's workforce. I am looking forward to the discussion in the Conference Committee on this issue and their conclusions.

But we also have immediate challenges. This short introduction to the Conference highlights a number of current issues before the Organization, many of which have figured on the agenda of the Governing Body during the past year, and are summarized in the report of its Chairperson, Mr. Séguin.¹ Our reports can be considered together.²

Consolidating progress to move forward

My proposed 2006-07 programme and budget is a continuation of a process we began together in 1999 when we shifted our programming methodology to an approach based on strategic objectives and measurable outcomes. This now enables the Governing Body and the Conference to see more clearly how we allocate resources to our policy priorities – and subsequently to assess results. I believe that it has improved, and is continuing to improve, the governance of the ILO by ensuring that the Governing Body and the Conference can decide on objectives and evaluate performance.

The Strategic Policy Framework for the programme continues to be built on the four pillars of decent work – fundamental principles and rights at work, employment and income opportunities for women and men, social protection, and social dialogue and tripartism. They form an integrated concept of the principles and policies essential to advancing conditions of life and work worldwide. Together with the cross-cutting themes of gender equality and development, they represent a contemporary expression of the ILO's enduring values and mission.

The programme and budget which has been submitted to this year's Conference takes as its theme "Making decent work a global goal". It continues to modernize our mechanisms of strategic planning, responding to the changing but increasing demands for our services. On the programme side, I was pleased to see broad agreement on priorities during the process of preparation and discussion of my proposals. In general, our constituents value the work of the Office and are asking for more technical support.

The extensive discussions on the level of the budget were difficult. Nevertheless I believe that my proposals, which were adjusted to take account of the various views expressed, are well-balanced. I have maintained the real level of resources for the regions, increased funding for tripartite initiatives on youth employment, ensured basic funding for the Maritime Conference, allocated a small amount for urgent institutional investments and made substantial reductions to the overall level of the budget initially proposed as requested by major funders. I commend the programme and budget to you and look forward to its adoption at the budget level recommended by the Governing Body.

The Millennium +5: The Decent Work Agenda in the multilateral system

In September this year the United Nations General Assembly will open with a Heads of State Summit to review the implementation of the Millennium Declaration five years on. As we know, progress is mixed and concern is increasing that too many countries are making too little progress towards the goals established for 2015.

The importance of employment for women and youth in poverty-reducing development is recognized in the Millennium Declaration. Nevertheless, the Decent Work Agenda, with all its

¹ Report of the Chairperson of the Governing Body to the Conference, *Provisional Record* No. 1, International Labour Conference, 93rd Session, Geneva, 2005.

² My Introduction to the Conference serves as Report I (A) envisaged under article 12 of the Conference Standing Orders. The Appendix is the Report on the situation of workers in the occupied Arab territories.

components, could make a much bigger contribution to achieving all the goals set out in the Millennium Declaration. The United Nations Secretary-General's report on the Millennium +5 for the General Assembly, "*In larger freedom*",³ underscores the importance of "providing decent jobs that both provide income and empower the poor, especially women and younger people". On this basis, greater emphasis needs to be given to the centrality of productive employment for poverty reduction than was contained in the Millennium Declaration and the Millennium Development Goals.

Alongside the follow-up to the Millennium Declaration, the multilateral system is engaged in a range of actions founded on commitments made at the series of major summits in the 1990s. This year is the tenth anniversary of the Copenhagen and Beijing conferences, both of which marked major progress in the integration of the ILO's focus on employment and labour issues into the global social development and gender equality agendas.

During its Beijing +10 review this March, the Commission on the Status of Women adopted an economic empowerment resolution which specifically made reference to the Decent Work Agenda and the World Commission on the Social Dimension of Globalization's report. The poverty eradication commitment of the Copenhagen Summit has had an important impact on the work of the United Nations and the Bretton Woods institutions, serving as a substantive foundation for the Millennium Declaration. It has also given global political support to the importance of core labour standards and thus paved the way for the Declaration on Fundamental Principles and Rights at Work. However, unfortunately, the two other interlinked goals of full employment and social cohesion established by the Social Summit, have not received the same attention. This was underlined by the United Nations Commission for Social Development last February.

Articulating the synergies between full employment, poverty reduction and social cohesion, with a strong gender perspective, is an important part of the ILO's mandate that is particularly relevant at the present time in many parts of the world. In our work with countries, the World Bank and other agencies on poverty reduction strategies and in other development planning mechanisms, the ILO has sought to highlight that for the vast majority of individuals, families and communities, having a fair chance of finding and keeping a decent job is critical for successful action on poverty.

The Office and constituents will need to maintain and increase this advocacy of a decent work perspective in economic and social policies locally, nationally and internationally. The ILO's unique structure, giving representatives of workers and employers an equal standing with governments in decision-taking, provides a vital connection to the reality of daily working life and of managing enterprises that the multilateral system sorely needs.

This is confirmed by the support expressed in a number of recent international meetings of ministers and of Heads of State and Government for an increased focus on decent and productive employment in a global policy environment conducive to inclusive social and economic development. The African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa, held in Ouagadougou in September 2004, decided, *inter alia*, to "place employment creation as an explicit and central objective of our economic and social policies at national, regional and continental levels for sustainable poverty alleviation ...". In the same vein, the Organization of American States' Summit of the Americas, to be held this year in Argentina, will address the issues of poverty, employment and democratic governance.

The Lisbon agenda of the European Union and the recent social policy statement of the Commission go in the same direction. Next October, in the Republic of Korea, we will be addressing these issues at our tripartite Asian Regional Meeting, bringing together member States from Asia and the Pacific and the Middle East, as we did in February with member States from Europe and Central Asia at the European Regional Meeting in Budapest.

Looking beyond the Millennium +5 Summit, the ILO is called upon to play an increasingly active role, within our mandate, in national and international discussions about strategies for poverty reduction, job-intensive growth and wider development issues, and in building an inclusive and equitable globalization.

In this regard, the report *A fair globalization: Creating opportunities for all* of the World Commission on the Social Dimension of Globalization has created awareness of the centrality of decent work in ensuring that globalization becomes a positive force for all the world's

³ United Nations General Assembly (New York, doc. A/59/2005).

people. In resolution 59/57 on the report, the United Nations General Assembly "... within the framework of the comprehensive review of the implementation of the United Nations Millennium Declaration ... Calls upon the organs and bodies of the United Nations, and invites the organizations of the United Nations system, to consider within their mandates the report of the World Commission, and also calls upon Member States to consider the report; ... Invites relevant organizations of the United Nations system and other relevant multilateral bodies to provide information to the Secretary-General on their activities to promote an inclusive and equitable globalization ...". By so doing, the General Assembly has acknowledged the contribution of the report and is fostering a necessary discussion within the multilateral system on this important issue.

In this context, the constituents of the ILO are well placed to enhance awareness of the Decent Work Agenda in relevant international organizations and to promote improved coherence in policy-making and implementation. At the national level this requires a stronger voice for ministries of employment, labour and social affairs and strengthened tripartism.

Decent work country programmes

The preparation of decent work country programmes is an important operational innovation. They will be the integrated expression of the ILO's contribution and support to decent work as a national objective in any particular country. Progressively, they will be the main delivery vehicle for the Programme and Budget for 2006-07. I trust they will enhance the capacity of the tripartite voice of the world of work to be heard and taken into account in policy-making at local, national and international levels. The integrating strength of the Decent Work Agenda helps our Organization to deliver more and better services to constituents. It also enables us to interact more effectively with other international organizations to work together in addressing the challenges of shaping a fairer globalization and achieving the goals set by the Millennium Declaration.

We will be discussing with constituents how the ILO can best support them to integrate the different strands of their own strategies for decent work. The programmes will build on the encouraging experience gathered in the decent work pilot programme which we initiated in 2001 and on the experience of our regular core activities. This pilot programme showed that there was no blueprint, but that they should evolve through a process of dialogue to respond fully to national needs and priorities. National ownership drives this approach. Some programmes are likely to be more comprehensive than others, at least to start with. Our aim is to ensure that by integrating our portfolio of policy tools we can increase the impact of our activities and support the essential role of employment, labour and social affairs ministries, trade unions and employers' organizations in national development.

I am optimistic that the very broad agreement around the four pillars of decent work will generate both the political will and the operational capacity to make major progress in placing decent work at the heart of development strategies and the drive for poverty reduction. Decent work country programmes, designed and implemented with the governments, employers' organizations and trade unions of our member States, should give a practical thrust to our common efforts to ensure that national development strategies contribute effectively to improving decent work opportunities. We welcome delegates' advice on how to realize the full potential of this new approach.

Our ability to deliver will – given the obvious restraint on regular budget resources I have mentioned – depend to a large extent on the mobilization of significantly increased extra-budgetary resources for technical cooperation. On this issue, we must work together to ensure that cooperation policies of developed countries include in a much more prominent way the necessary support to the span of issues involved in the implementation of the Decent Work Agenda; for example, reinforcing the organizational capacities of the social partners, the labour inspection responsibilities of ministries or the development of labour market institutions are rarely an important part of official development assistance.

In this respect, African finance ministers, in a memorandum to their Heads of State in August 2004, expressed the view "that the present context, characterized by a strong correlation between poverty and the lack of decent work, requires that employment be placed at the heart of official development assistance priorities".

We must also create better conditions to support the exchange of experiences among developing countries on technical and policy issues of common interest. This area, I believe,

has great potential and could be funded not only by traditional donor countries but also by developing countries themselves interested in promoting South-South cooperation among countries with similar problems.

Youth: Pathways to decent work

The ILO is playing a major international role in policy development for employment of young people as lead agency in the United Nations Secretary-General's Youth Employment Network (YEN) which is supported by the United Nations General Assembly resolution on promoting youth employment.⁴ We are working together with the World Bank and the United Nations. Eleven countries have stepped forward to volunteer as lead countries for the YEN: Azerbaijan, Brazil, Egypt, Indonesia, Islamic Republic of Iran, Mali, Namibia, Nigeria, Rwanda, Senegal and Sri Lanka. I want to thank them. They have committed themselves to playing an active role in the preparations and implementation of national action plans for youth employment. The Commission for Africa, launched by British Prime Minister Tony Blair, has called on developed countries to provide an additional US\$30 million over three years to expand the YEN to 25 sub-Saharan African countries in support of the prioritization of employment, with youth as a key target group – agreed at the African Union's Extraordinary Summit in Ouagadougou.

The ILO and the YEN are also committed to the United Nations Millennium Development Goals, in particular Goal 8, which sets as one of its targets the development and implementation of strategies for decent and productive work for youth, in collaboration with developing countries. These responsibilities are a reflection of the long-standing commitment of ILO constituents and the Organization to the promotion of decent work for all young women and men.

I want to highlight the Conference Report, *Youth: Pathways to decent work*, which provides a global overview of youth employment and the socio-economic factors which help or hinder young people in getting decent jobs. It has been prepared with a view to developing further our policies and actions on a crucial part of our agenda.

The first employment experiences of young women and men occur at a time when opportunities can be opened or closed. These have a determining influence on the whole of their subsequent working lives. The Report discusses national-level initiatives and identifies key lessons in formulating successful policies and programmes. It also illustrates ILO support to constituents in promoting decent work for young people, highlighting approaches and tools that have been – or could be – useful to constituents.

Promoting entrepreneurship and enterprise creation is key to increasing employment generally and youth employment in particular. This is an area where tripartite knowledge and experience can help define best practices to stimulate an enabling environment for investment covering the wide range of diverse policy needs from self-employment to foreign investment. For many young women and men, jobs in smaller enterprises are the first step into working life. Some young people go on themselves to start a business. A healthy small firm sector is an important part of strategies to alleviate the vicious cycle of poverty and social exclusion. Governments need to encourage a broad and dynamic concept of entrepreneurship to stimulate both individual initiative and broader initiatives in a wide range of organizations which include, but go beyond, the private sector: local community initiatives, cooperatives, the public sector, workers' and youth organizations and many others. From primary school onwards, we need to promote a culture of creativity in all fields of life.

I look forward to the advice from the Committee on Youth Employment to the plenary on how to take forward our goal of ensuring that the current generation of young women and men now entering the labour market will have the chance to find and keep a decent job or start and develop a business, including productive activities in the informal economy and the rural sector. This is a critical issue for the stability and security of many countries, and it is decisive as to whether the world can mobilize not only to leave poverty behind us but also to show that adults can act responsibly towards the next generation.

Standards: Setting, promotion and application

The second Global Report on forced labour is the subject for discussion under the follow-up to the Declaration on Fundamental Principles and Rights at Work. Each year the follow-up

⁴ United Nations General Assembly resolution (A/RES/57/165).

process helps us to know more about the issues involved in achieving full respect for these rights and principles. This year for the first time we have estimated that there are at least 12.3 million victims of forced labour around the world. Of these, 9.8 million are exploited by private agents, including more than 2.4 million in forced labour as a result of human trafficking. The remaining 2.5 million are forced to work by the State or by rebel groups.

I hope that this Report raises further awareness of an unacceptable practice that should never be tolerated. I invite you to put it uppermost on your advocacy agenda. We must be leaders in combating and prosecuting those for whom trafficking and debt bondage are seen as normal sources of income. Trafficking alone is a 32 billion dollar global business. This is basically an ethical issue that confronts our consciousness as individuals and societies. Eradicating forced labour is difficult but possible. Through a multi-stakeholder global alliance, we should be able to muster the will – from local communities to international organizations – to end forced labour. Tripartism should lead the way.

This year's Conference will also see the culmination of several years of preparation and discussion of possible new comprehensive standards on work in the fishing sector. We shall also take a further step forward with an integrated approach to a promotional framework for occupational safety and health. These are two key contributions to our policy tools. Much hard work has gone into underpinning your analysis of those items. I am certain that we shall move forward.

The General Survey on hours of work, *From fixed to flexible?* shows yet again the importance of the ILO's systematic collection of information on the issues covered in our standards as a means of benchmarking what is happening in the world of work. The discussion in the Conference Committee on the Application of Standards on this General Survey can also make a useful contribution to the Decent Work Agenda; indeed, despite the obvious and often repeated interest in the subject, we have over the years had few occasions to examine the delicate but important issue of working time.

Standard setting, as well as the promotion and application of standards, embeds values that command widespread – and in some cases universal – support into the whole of our Organization. In a turbulent world the ILO has an anchor in the principles and good practice contained in our Conventions, Recommendations and other normative instruments. The system continues to evolve to meet new challenges while safeguarding the often hard-learned lessons of the past. The work of our Committee of Experts on the Application of Conventions and Recommendations comes to fruition at a time when the Committee on the Application of Standards is examining its reports at each Conference. Reading the Committee of Experts' report, which addresses so many difficult situations around the world, reminds us of how much time and care is taken to help our member States respect their commitments. The Office, as always, is prepared to act on your conclusions through dialogue and technical cooperation.

The form and style of the Conference

The Governing Body has recently resumed consideration of possible improvements in the functioning of the International Labour Conference. One aspect we are examining is how to combine the constitutional duties of the Conference with a more modern and interactive style of event.

Various possibilities include a wider use of the well-known method of panel discussions in the plenary in which a small number of speakers introduce a topic for debate, and delegates put forward their views or ask questions to the panel in very short interventions without prepared speeches; at the end of the session, the panel speakers are given an opportunity to respond. This approach makes it more interesting and useful for everybody. I constantly hear complaints about the monotony of set speeches, although stating positions must continue to be a key role of the plenary.

Many delegates also find the length of the Conference cumbersome because of other responsibilities. Shorter Conferences would, however, entail advance meetings and negotiation of texts that require adoption. Thus shorter may not mean less costly or time-consuming to the Organization and to countries which send tripartite delegations. However, there may well be other options to be considered.

Delegates clearly wish to inform others about significant developments in their own country and this is very useful and important. I believe we should also consider how we might make greater use of the Internet as a means of exchanging information and ideas to supplement the

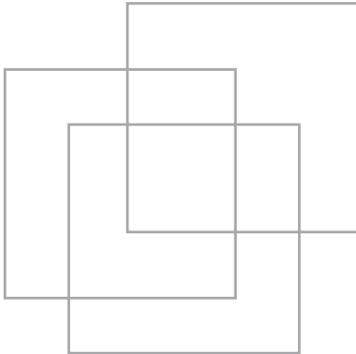
vital interaction between delegates which occurs in the debates at the Conference. But the Internet is not yet universal, and perhaps we can find other ways of achieving this part of the function of the Conference so as to better use our plenary sessions for interactive exchanges to enrich our policy development.

Other possibilities include special events organized by employers' and workers' organizations for Conference delegates. The tripartite regional dimensions of the ILO's work could also find more prominence in the agenda and activities of the Conference or its preparation. Some have even suggested that the Conference could, from time to time, be held in cities other than Geneva, with an appropriate contribution from the host country, which would considerably improve the visibility of the ILO and its work around the world – although this could prove to be very costly.

We need to redouble our efforts to ensure that all delegations include more women. It is time, indeed past time, to move towards a target of at least 40 per cent of Conference delegates being women.

Ideas on the form and style of the Conference would be welcome at this stage of our reflection. The task would be one of innovation while keeping the strengths and essential features of the International Labour Conference – the considered tripartite negotiation of key policy positions and international labour standards as well as the delegates' freedom of speech.

On all of these issues, I seek your vision and your guidance. The 2005 International Labour Conference presents a timely opportunity for our constituents – the leading voices in the world of work – to reflect on the challenges we face together in our complex, difficult and changing world. No individual or institution has all the answers. But by staying true to the values we represent and that are the strength of our Organization, I am convinced that we will offer our distinctive and vital contribution to building societies that are more fair and a world that is more secure. I am confident that dialogue and discussion will help guide the way for us all as we seek common sense solutions to deliver dignity to workers and decency to work.



ISBN 92-2-115361-4



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