



# ***Provisional Record***

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## **Reply by the Director-General to the discussion of his Report**

### **1. Introduction**

The President of this year's Conference, Minister Cestmir Sajda of the Czech Republic, has rightly received many expressions of admiration and gratitude for his work over the last two weeks. It has been a real pleasure for me to work with such a knowledgeable, wise and amicable colleague. His attentive and sensitive handling of our business has set the tone for what I hope you will all agree was a smooth-running Conference which dealt with a large volume of important and sometimes very detailed matters. My gratitude is also due to his equally hardworking Vice-Presidents, Ms. Abdel Hady, the Minister of Manpower and Migration of Egypt, Mr. Jorge de Regil from Mexico for the Employers' group and Mr. N.M. Adyanthaya from India for the Workers' group. They all fully merit the honour of presiding over the world parliament of labour. They can return home tired but proud of a job well done.

Let me thank Minister Carlos Tomada of Argentina on this occasion for his comprehensive summary of the enormous volume of work accomplished by your Governing Body over the last year. The Governing Body is the engine room of the ILO and his report shows that it is in full working order! I must highlight his outstanding stewardship of this governance institution of the ILO.

The Conference was extremely well attended. The diversity of cultures and experiences you represent is extraordinarily enriching for our Organization. The information, ideas, proposals, comments and criticisms you have expressed in the plenary and in the Committees will inspire the work of the Office and the Governing Body in the year ahead. Allow me however to quote one speaker in particular whose words captured much of the spirit that inspires the commitment of delegates to the International Labour Conference. Sharon Clair introduced herself as the first Maori Vice-President of the New Zealand Council of Trade Unions and introduced us to some of the philosophy of her people about the relationships we should have between ourselves, with our environment and in our work. She said that "work is one of the most important avenues by which we come to know ourselves as people". I think we would all agree with that, and it is why the ILO is such an important place for people from all over the world to meet and come to know and respect each other.

But we are failing to live up to the opportunities we have for dialogue because we still, despite so many appeals for change, have far too few women at our Conference. In terms of all those accredited to the Conference, women number 24.3 per cent, whereas they were 22.2 per cent last year. Governments are doing better than the Employers and Workers. Just over 30 per cent of Government delegates are female whereas about 20 per cent of Employer' and 17 per cent of Workers' delegates were women. It is also

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noteworthy that women have a lower proportion of titular positions. On Government delegations 18.8 per cent of titulars were women this year. The comparable number for Employers was 12.6 per cent and for Workers 10.1 per cent. I share the view of the Credentials Committee, which “strongly deplores the fact that this percentage has remained low for several years”. In the plenary session, only 41 of the 286 who spoke were women (14 per cent) and, in the Special Session on Child Labour, of the 53 who spoke 16 were women (30 per cent). Twenty-four delegations had a composition comprised of at least 40 per cent women, and I would like to name them: *Austria*, Australia, Bahamas, *Belize*, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Estonia, *Finland*, France, Germany, *Ireland*, Lithuania, Namibia, *Norway*, Poland, *Rwanda*, Slovakia, *Slovenia*, Sweden, Switzerland, United Kingdom and the United States. Seven delegations (those in italics) were at 50 per cent or higher.

We were honoured to receive the first woman elected to lead an African country, Her Excellency Ms. Ellen Johnson Sirleaf of the Republic of Liberia. She spoke eloquently of Africa and Liberia’s terrible legacy of barbarous civil conflict. Looking to the future she saw for her country a journey which “must be nurtured continuously by our commitment to national renewal, an agenda to reconcile, a vision to rebuild and a determination to study war no more”. In building peace through poverty alleviation, sustained economic growth and development, she explained that “our national agenda encapsulates a vision deeply rooted in our determination to humanize and restore dignity to the Liberian labour force”. Unemployment was now over 85 per cent and idleness among youth was fuelling social disenchantment. “For us employment is synonymous with peace.” She highlighted manpower development as one of the priority areas for her administration. This included restoring labour administration as a function of government, training, a review of labour laws against international standards, measures to eliminate child labour and human trafficking and a national labour conference. She further called for international partnerships for Liberia with the ILO and others through frameworks such as the G8, the Millennium Development Goals, the follow-up to the World Summit Outcome Document and the forthcoming United Nations Economic and Social Council High-Level Segment. “Our international and national strategies must aim at fighting poverty and secure a firm foundation for sustainable and equitable growth that will bring real dividends to the working class and the poor in our various countries.”

Reversing global trends towards unfair and unequal markets was vital. The President commended a recent ILO visit which had helped her Government to develop an Emergency Employment Programme as a first step towards a long-term Employment Action Programme. “The rebirth of our nation will rest on the effective and timely implementation of the emergency programme in the shortest time.” She saw the Decent Work Agenda as highly relevant to Liberia and called for ILO assistance through a decent work country programme based on private-public partnership and tripartism. She concluded by informing us that Liberia would be submitting several ILO Conventions to the legislature, including Conventions Nos. 100 and 138 and the new Maritime Labour Convention. The short signing ceremony at the end of her address made Liberia, which is the second largest flag State in the world, the first country to ratify this new Convention. It was a moment of great significance for Liberia and the ILO, which I fully expect to launch a powerful wave of further ratifications.

His Excellency President Oscar Arias Sánchez of Costa Rica, who as a Nobel Peace Prize laureate symbolizes the continuing struggle for peace, social justice and development, opened his address to the Conference by expressing his sense of solidarity with the values and principles of the ILO. He saw formidable challenges in advancing towards a more just globalization and in reacting to dizzying technological and economic changes. Costa Rica was therefore proud to support fully the ILO which “is doing more than anyone else to ensure that the social dimension of globalization is not relegated to oblivion or subordinated to the imperatives of economic accumulation”. Reflecting on

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some of the major dilemmas facing the human race, he highlighted the importance of human values in public policy. “We make ethical progress when we place decent work and the defence of human dignity at the centre of our public policy.” He further echoed United Nations Secretary-General Kofi Annan’s call at the Vienna Summit of European and Latin American Heads of State and Government for “an institutionalized reflex which constantly asks ‘What can this do for jobs?’

The President focused on two strategic tasks, investment in education and free trade. He said: “Nothing prevents the creation of decent jobs like indecent education”. Furthermore, we need “teachers who are qualified, committed and compensated – conditions on which the success of the entire system of education depends”. Equal education for women led to equal employment for women which in turn helped to build a just society, which was the foundation for growth, development, peace. The struggle for better jobs through education and skills was also deeply connected to demilitarization and disarmament. “Another fundamental element in solving the problem of employment is international trade.” He saw free trade not as a destination but as a road that needs to be travelled correctly. Open economies enable dynamic and productive industries and the creation of jobs in sufficient numbers and quality to meet the needs of youth. For Costa Rica, the free trade experience had been positive but not perfect. His country faced growing problems with the distribution of wealth and still unacceptably high levels of poverty. Nevertheless, he believed these problems would only have been worse if the economy had not been opened up. He did not see that “reducing economic barriers leads inevitably to a weakening of labour standards” but that “each of our governments should insist that all free trade agreements respect labour rights and even consider this respect to be an essential condition for any agreement”. His Government was committed to the right to collective bargaining and to approval of a labour law reform that would facilitate judicial processes that protect the rights of workers. Developing countries need trade that is free and equal for all, but “when it comes to free trade we are all equal but some are more equal than others”. Industrial countries should therefore offer more than solidarity. Consistency was also needed. If they believed in free trade then they should open all markets. Commitments to social justice and democracy at home should be matched internationally. In closing, the President stressed “that many of the most serious threats to peace and democracy that we face today come from countries with high rates of unemployment and underemployment. As never before, our destinies are intertwined, and this is the reason why the ILO’s dialogue is essential”.

## **2. Changing patterns in the world of work**

Many speakers commented on our Report on Changing Patterns in the World of Work, often referring to the relevance and timeliness of the information and analysis it contains for their own countries. The President of the Conference, Mr. Sajda, recalling his experience in business, started the debate by welcoming the Report as an inquiry into the knowledge base the ILO needs to serve its clients. He found that “the Report raises important issues for our Organization and makes for very interesting reading”. Mr. Funes de Rioja, on behalf of the Employers’ group, also expressed satisfaction with the Report’s focus on change and opportunity, saying that “enterprises and employers’ organizations face these changing patterns every day, and we have to be able to translate them into opportunities – not just for our enterprises but also for our workers”. For the Workers’ group, Sir Roy Trotman commended the Report as “an excellent probe into issues related to the world of work”, which would serve “as a reference text for workers’ organizations all over the world in their strategizing about their future” and, he hoped, for employers’ organizations and national governments. Mr. Tian, Minister of Labour and Social Security, China, found the Report “full of rich and realistic insights”. Mr. Togari, Vice-Minister of

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Health, Labour and Welfare, Japan, recommended the Report as “a good guideline for activities at the ILO as we move forward”.

The praise for the Report is most encouraging. As I said in my opening remarks, we prepared this Report in a different way from my previous thematic reports to the Conference. On this occasion we conducted an extensive Office-wide discussion on the range of issues connected to the world of work. Staff from all over the world and from all the different sectors and departments within the Office contributed information, ideas, analysis and experience. Whilst our Standing Orders specify that it is my responsibility as Director-General to present reports to the Conference, I must say that on this occasion your expressions of appreciation should really be addressed to the whole ILO staff. I am very proud of the work of our team, and the response to this Report will certainly encourage them all to continue to develop and keep our knowledge base up to date so that we can provide the services you request. We will reflect on the various recommendations to provide further similar reports in the future.

Discussion of the issues raised in the Report can be grouped under four broad themes mentioned by a large number of delegates.

## **2.1. Decent work and the international development agenda**

Many speakers expressed strong support for the progress we have made in recent years in enlarging the recognition of the role of the ILO in international development and the central importance of the creation of decent work opportunities to the reduction of poverty. As Mr. Bartenstein, Federal Minister of Economics and Labour of Austria, emphasized: “Another gratifying achievement of the ILO and its efforts to ensure political coherence in the international field is the recognition by the United Nations Summit of Heads of State and Government in September 2005 of decent work and productive employment as global objectives.” He and many others warned, however, that “our efforts must continue unabated, and we must use international forums to give a social dimension to globalization that integrates the objective of decent work and, in particular, the protection of core labour standards”. Mr. Mdladlana, Minister of Labour of South Africa, observed that “employment plays a critical role in the full realization of individuals and societies. Whilst employment can further social integration and social cohesion, it can also lead to exclusion by limiting access to jobs, by the provision of income too low to satisfy basic human and social needs, thus fermenting submission and marginalization”. Mr. Acharya, speaking for the Government of Nepal, observed: “It is a palpable reality that the weakest and those on the lower rungs of the economic ladder, trapped in a vicious circle of poverty at a low level of equilibrium, have to face low productivity, low growth and high unemployment. They have been systematically marginalized from this globalized stream of prosperity. Therefore, our collective efforts should be directed towards promoting an inclusive and fair globalized region that encompasses all”. Mr. Huguency Filho, Government delegate of Brazil, affirmed that “the concept of decent work is a universal aspiration of our society in the face of the opportunities and challenges of globalization”.

Many participants in the debate spoke about the importance of decent work opportunities for women and men living in poverty. Ms. Jämtin, Minister for International Development Cooperation of Sweden, said: “The most fundamental challenge to humanity is to eradicate poverty, and in our efforts to achieve the Millennium Development Goals we need to depart from the perspective of the poor. In terms of economic growth, this means considering the poor as economic actors. It requires that we enhance the prospects of poor people to take part in, and reap the benefits of, increased and more efficient production of goods and services.” A number of speakers expressed concern about

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increasing inequality within and between countries. Mr. Kurshid Ahmed, Workers' delegate from Pakistan, called for "the establishment of an equitable international economic order that grants developing countries a fair share in international trade and access to up to date knowledge and technology to enable them to improve the lives of their people" and for action at national level to narrow wealth disparities through policies "to ensure fair wages, strengthen public services and guarantee social security coverage for workers".

Mr. Castillo Caminero for the Employers of the Dominican Republic argued that to address threats to peace and human development, it was important to tackle uncertainty and insecurity: "We believe that the time has come to rethink the means of action of the ILO and of the entire United Nations system, if we want lasting peace and the welfare of humanity." Mr. Kudatgobilik, Employers' delegate, Turkey, urged that "employment creation should be the top agenda item at the ILO and other related international bodies". Mr. Asif Hayat Malik, Secretary, Ministry of Labour, Manpower and Overseas Pakistanis, Pakistan, described how his Government had "brought the social sector to the centre of development planning" in its recent Poverty Reduction Strategy Paper and Mid-Term Development Framework. The Minister of State for Labour and Employment of India, Mr. Chandra Sekhar Sahu, described his Government's policy approach to the enormous employment challenges facing his country, with 90 per cent of its 400 million workers working in the informal economy, half the population aged under 25 and a need to create 10 million productive jobs every year. "Employment policy should not just aim to create more jobs but should also ensure that working conditions in both existing and new jobs are adequate. We broadly agree with the principles espoused by the decent work programme of the ILO."

Mr. Spidla, European Union Commissioner for Employment, Social Affairs and Equal Opportunities, affirmed that "the promotion of decent work for all is a major objective of the internal and external policies of the European Union. The Commission intends to mobilize its policies so as to contribute to the implementation of the universal goal of decent work for all that was proclaimed in the conclusions of the United Nations summit last September". Ms. Abdel Hady, Minister of Manpower and Migration of Egypt, also said that "the aim is to work towards a global vision of development, in cooperation with the various international bodies, in order to create employment and improve working conditions. All of this can only be achieved through successful policies aimed at reducing poverty and creating new jobs in decent working conditions". Ms. Engelen-Kefer, Workers' delegate from Germany, expressed the view that "decent work for all can only be achieved if economic, social and labour market policies work together. It is time to prioritize this truth in conjunction with the other international institutions, be they responsible for business, finance, trade, the environment, migration or children's rights, to name only the most important". Mr. Senevirathne, Minister of Labour Relations and Foreign Employment of Sri Lanka, declared that "we should be proud of the achievement of the ILO for innovating the vision of decent work, and taking it beyond the ILO into the United Nations system, making it a global goal recognized by our leaders at the World Summit in September 2005".

Translating increasing global awareness of the centrality of decent work to development and adjustment processes was emphasized by a number of speakers, many of whom referred to the importance of the ILO's decent work country programmes in supporting member States' development plans. I will return to this topic in overviewing the debate on the implementation of the 2004-05 programme and budget.

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## 2.2. Work and society: Combating poverty, discrimination and social exclusion

Mr. Kulundu, Minister of Labour and Human Resource Development, Kenya, said that “work has meant different things to different people in different parts of the world, and even at different times. One universal undeniable reality, however, is the value of work as a source of dignity. In every society or community we derive our relative economic and social worth from the type of work, craft or profession we engage in”. Work in the family and community that is unpaid should not be overlooked. Ms. Sto. Tomas, Secretary of Labor and Employment of the Philippines, pointed out that to do so “effectively eliminates mothers and sisters and grandmothers – many women, in fact, and perhaps a few courageous and hard working men, who cook, clean house, wash and do the other mundane things that allow the rest of us to run factories, offices and businesses”. Calling for all of us to value such work in a much better way, she pointed out that “society owes its continued existence to this natural support mechanism”. Ms. Byers, Workers’ delegate from Canada, said that “for working women, access to quality, affordable childcare means equality in the job market. It opens doors to greater job security, to skills training and to the ability to compete for jobs”.

For Ms. Kalata, Minister for Labour and Social Policy of Poland, “the availability of decent work is the foundation for stability and social advancement”. Similarly, Mr. Gryshchenko, Employers’ delegate from Ukraine, saw a global jobs crisis which constituted “an ‘opportunity gap’ [that] has a very negative impact on people’s lives, depriving them of decent earnings, a sense of self-worth and family stability, all of which ultimately destabilizes the real economy”. Mr. Thys, General Secretary of the World Confederation of Labour, drew attention to the fact that, “not a day passes without thousands of workers losing their jobs with no certainty of being able to find another, while young workers are offered jobs that are blatantly precarious, where they will be stuck for a long time. To that must be added the whole array of people excluded from the world of work because of their handicap, race, sex and/or religion. For all these people the world of work is like a no-go area. This situation must be corrected”. As Ms. Fatime, Minister of the Public Service, Labour and Employment of Chad explained, “despite the tripartite efforts to achieve the goal of decent work, the light at the end of the tunnel is still invisible, because of poverty, migration, HIV/AIDS, armed conflicts and youth unemployment. These are the challenges that have to be met if we are ever to be able to speak of fundamental rights at work and decent work”.

A number of delegates spoke about the reform of social security systems. Mr. Basesgioglu, Minister of Labour and Social Security of Turkey, explained that “the aim of the radical changes made in the social security system is not only to ensure financial sustainability, but also to make it more effective, equal and comprehensive”. Mr. Stateo, Minister of Welfare of Latvia, emphasized that “it is crucial to facilitate dialogue between employees and employers in order to ensure smoothly functioning employment relations, balance social security and flexibility on this basis of mutual compromise and thus provide the necessary incentives in entrepreneurship”. Mr. Ryder, General Secretary of the International Confederation of Free Trade Unions, highlighted the fact that the ILO had “pointed out the dangers of the trend towards privately funded pension schemes”, and that “those warnings are now being borne out by events”. The ILO had an important insight into a key policy issue and its voice should have been heard – but it was not, or at least not clearly enough. “The lesson is that the ILO, whilst not having a vocation to stand out against prevailing policy orthodoxies, must sometimes do so.”

Mr. Otaredian, the Employers’ delegate of Iran, saw a widening gap between the rich and poor in terms of the increasingly unequal distribution of employment opportunities around the world, which is resulting in a number of dangerous trends in international

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migration and even social stability. “Hence, when countries are plagued with high unemployment, and in particular with high youth unemployment, the top priority should remain employment creation.” Mr. Lafond, Workers’ delegate from Mauritius, noted that, “with this constant rise in unemployment, precarious situations, poverty and social inequality, workers and their families are feeling increasingly insecure”. The scale and rapidity of changes in the world of work and its consequences for countries and the international community was a feature of a number of delegates’ remarks. Mr. Fonseca Vieira da Silva, Minister of Labour and Social Solidarity of Portugal, summed up well the sentiments of many speakers: “The resulting disparities reflect extreme inequalities in levels of development between different regions and result in migratory flows of people seeking better living conditions. International migration calls for a generalized effort to integrate workers and their families in their country of destination, a generalized effort that does not in any way lessen the need for an equally general commitment to the balanced development of the least favoured regions. These disparities also reflect the crushing weight of the informal economy, which takes the form of employment without rights and growing pressure on social security systems. Informal work very often results in unfair competition, which is harmful to enterprises and decent work.”

Migration in search of work did however have potential benefits for workers and for countries of immigration. The temporary nature of a part of international migration helps many receiving countries to fill labour shortages. As Mr. Alka’aibi, Minister of Labour of the United Arab Emirates, who spoke on behalf of the Council of Ministers of Labour and Social Affairs of the Gulf Cooperation Council States, said: “Workers do not leave their countries with the aim of emigrating and settling in these [GCC] States. They come, rather, with temporary work contracts for specific tasks, upon completion of which they return to their countries of origin ... Such a process can only be beneficial for the economies of the two parties.” He further stressed that the GCC States’ laws were in line with international standards, reflecting their concern to ensure “that workers’ rights are respected and that they are recruited without discrimination and without distinction with respect to race, nationality, religious beliefs and cultural tradition”. Nevertheless, as Mr. Doz, the Workers’ delegate of Spain graphically described, many migrant workers from Africa were taking terrible risks to try to find jobs in Europe. On behalf of Spanish trade unions he called for “concerted national and international action, which implies a firm commitment on the part of governments and international organizations: to guarantee equal rights for immigrant workers and their integration into the society of their country of destination; to promote the development of their countries of origin through international cooperation, fair trade and a solution to the external debt problem; and to regulate migratory flows by means of international agreements, while at the same time combating criminal organizations engaged in trafficking people”. Ms. Levitskaya, Deputy Minister of Health and Social Development of the Russian Federation, pointed out that “growing labour migration brings with it both undoubted advantages for the development of national economies and also problems related to the very complex issue of regulating labour markets”.

### **2.3. Globalization and the transformation of employment structures**

Many speakers addressed the multiple challenges faced by employers, unions and governments stemming from the transformation of the global economy driven in large part by technological change and the opening of markets. Mr. Trogen, the Employers’ delegate from Sweden encapsulated the issues well when he said that “work patterns have always been changing, but the development today goes much faster, mainly because of the use of information and communications technology, which affects industry and trade all over the world ... These changes in turn put demands on governments, companies and trade unions to act or react much faster and also more smartly than earlier”. Mr. Sweeney, the Workers’

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delegate of the United States, drew attention to the impact of trade liberalization measures which had meant that “the global labour force has effectively doubled in just 15 years and the 1.4 billion new entrants, many from China and India, work for wages and in conditions far below those of workers in the industrialized countries. Add in unparalleled technological information, communication and transportation advancements, and you see why the challenges facing us all are so enormous”. Mr. Lee, Minister of Labour of the Republic of Korea, pointed out that “with the globalization of the world’s economy, flexibility is no longer a matter of choice but has become a prerequisite”. But, in adapting to these changes, he emphasized that “reducing polarization in the labour market requires special attention and care for the vulnerable working class. I believe this is one of the basic pillars of decent work”.

Ms. Chao, Secretary of Labour of the United States, noted “that despite the different challenges facing many nations today, there is one basic challenge that all nations face, and that is the importance of creating new jobs”. In the United States most new jobs were “high value, requiring higher skills, more education. So, by definition they pay above-average wages. This trend is creating a skills gap in our country. This is the mismatch between the skills of our workforce and the skills required for the new jobs being created. Our challenge in the United States is to help workers continually update their skills and ensure that they have access to job training and education”. Many other speakers echoed her concern about a growing skills gap. Mr. Fong, Minister of Human Resources of Malaysia, explained that in his country there was a need to “ensure our workers upgrade their skills through training and lifelong learning in order to help them meet the changing needs of our industries to remain employable. This will also help our workers earn more through increased productivity. This is especially relevant for low-wage workers, who are more at risk because of structural unemployment”. Mr. Suparno, Minister of Manpower and Transmigration of Indonesia, described his country’s approach as “an integrated three-in-one concept of training, certification and placement [which] will, I believe, be able to create job opportunities to eradicate poverty”. Employment and training is of particular importance for women. “Guaranteeing better access to education for women means empowering them to find more qualified, better paid and more productive employment” as Ms. Pecherot, Workers’ delegate of France noted.

Mr. Killeen, Minister for Labour Affairs of Ireland, agreed that “we must all make a major effort to improve productivity, earnings and working conditions in order to reduce poverty. We must also place youth employment at the top of the global jobs agenda. We must integrate policies and programmes for decent and productive work into development strategies. We must invest in education and skills development to overcome digital divides within and among countries. We must continuously upgrade worker and management skills to ensure technological development and competitiveness”. Ms. Coke-Lloyd, the Employers’ delegate of Jamaica, while offering a diagnosis of the 31 per cent rate of youth unemployment on the island, described “an important compact that the Jamaican Employers’ Federation established with the National Training Agency of Jamaica to advance critical initiatives to promote the preparation of ideal citizen-workers through highly accredited, outcomes-based training and certification, which are required by employers”.

Mr. Behuria, the Employers’ delegate of India, spoke about the benefits of rapid technological change and also of a growing skills divide in his and other developing countries. “Facts say that, against vocationally trained manpower of 80 per cent in Japan, 68 per cent in the United Kingdom, 75 per cent in Germany, 78 per cent in Canada, India has only 5 per cent.” He argued that “employability skills cannot be job specific, but are skills that cut horizontally across all industries and vertically across all jobs, from entry level to chief executive officer”. He also stressed the importance of “equipping young people with basic, higher-order and effective skills ... There is a strong ethical and practical imperative facing all of us who help prepare people for the labour market”. In this

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connection, Mr. Van Leeuwen, General Secretary of Education International, drew attention to serious problems in training, attracting and retaining schoolteachers. “In many developing countries, the wages – when they are paid – are so low that teachers are driving taxis, working in hotels or even in the informal economy just to survive. Yet, quality education for all is one of the keys to the prospect of future decent work for today’s young people, and they deserve, they need, qualified teachers able and available to give them full attention.”

The impact of trade and financial market liberalization on employment and working conditions figured in many speeches. Ms. Romchatthong, Employers’ delegate from Thailand, said that for employers “cheap labour costs no longer appear as the most critical incentive. Customer expectations have gone far beyond buying cheaper priced, better quality and quicker delivery products. They have been awakening to the fact that they will not support and be part of the ‘sweat and toil’ products from the hands of exploited workers of all kinds”. Ms. Filatov, Minister of Labour of Finland, believed that “the ILO has, with distinction, underscored the social dimension of globalization. We can and should turn globalization into an advantage for people and prevent the problems posed by it”. Similarly Mr. Hjort Frederiksen, Minister for Employment of Denmark, argued that “the social dimension of globalization is not only about one’s own nation’s preparedness for change and competition, it is a challenge for the international community to help ensure that all countries benefit from globalization. In this, the ILO plays a central role”. Mr. Guiro, Workers’ delegate from Senegal, stated “This is why workers are calling for the reform of the multilateral system and a proper appreciation of issues related to the right of workers to employment and to the equitable nature of the multilateral trading system, which is a precondition for the elimination of poverty.” Mr. Mohammed, Employers’ delegate of Iraq, also believed that “we need to try and bring our influence to bear on globalization, so as to ensure that the fruits of globalization are distributed in a more equitable manner amongst all peoples and nations of the world. Our aim is that globalization should also have a social dimension, ensuring that its benefits are shared by all, under a democratic system where all countries and nations carry equal weight and where the poor countries are also represented in the dialogue on globalization, so that equitable structures can be put in place”. Mr. Boisson, Employers’ delegate of France, stressed the inseparable link between decent and productive employment, “especially when the objective is to reduce poverty, which is only possible if we develop productive employment, as the generator of wealth, in a world whose demands are immense”. Ms. Sharan Burrow, Workers’ delegate from Australia, said: “The ILO is an anchor in a world being pulled in many directions by the gale forces of globalization.”

## **2.4. Modernizing the governance of the world of work**

Adapting labour laws and the institutions of social dialogue to changing patterns in the world of work, while ensuring full respect for fundamental rights at work, was addressed by numerous speakers. Mr. Taliadoros, Minister of Labour and Social Insurance of Cyprus, said that “the impact and the forces of globalization present us with huge challenges but also with great opportunities. Our policies and actions should be guided by a fundamental principle, namely, to ensure an equitable distribution of the benefits of world economic growth ... In this connection, it is important that every effort be made to protect the rights of all involved, especially those who are most affected by the ongoing structural reforms and transition. These rights should not be seen as an obstacle to growth but, rather, as a prerequisite, facilitating structural change”. Mr. Ryder, the General Secretary of the International Confederation of Free Trade Unions, found the Report’s discussion of trends in labour law insightful and drew the conclusion that “debate on reconciling flexibility and security at work does not need to generate outcomes somewhere along some

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unilinear spectrum between total freedom to hire and fire at one extreme, with employers as imagined winners, and total job security at the other, with trade unions and their members supposedly emerging triumphant. Rather, through dialogue and bargaining, with the State picking up the role that it must – the quintessential added value of ILO process – results can be had which, if it is too trite to call them win-win outcomes, can at least get us out of the impasse of zero-sum games”. Mr. Potter, the Employers’ delegate from the United States, also found the Report’s treatment of labour market governance relevant for global firms. “Good workplace governance and a stable business climate are essential prerequisites for investment, economic growth and job creation”, he said. He also argued that, since ILO standards on fundamental rights at work are effectively the local law of virtually every nation and are integral to every labour market, “The ILO now has a critical stake in maintaining the integrity of the implementation of its standards at the local level by governments and a broad range of external stakeholders.”

Many speakers saw a need to find through social dialogue a new balance between flexibility and security in the labour market. Mr. Andrade Lara, Minister of Labour and Social Welfare, Chile, noted that “it is necessary to establish the bases for a new labour culture that is based first and foremost on dialogue and tripartism, along with respect for workers’ and employers’ rights, a balanced labour administration and the socially responsible role that capital must play in the elimination of poverty and other inequalities”. Mr. Van Vukrem, Employers’ delegate, South Africa, argued that “The lack of effective social dialogue often goes hand in hand with political instability and the consequential lack of foreign investment needed for economic growth.” Mr. Nordmann, Secretary of State of the Federal Department of Economy of Switzerland, stated that “our principle challenge is to put in place a set of conditions that ensure an optimal balance between working conditions and a flexible labour market. Social dialogue is a means of finding flexible solutions that have been negotiated with responsible social partners and adapted to national condition..” Mr. Bougouma, Minister of Labour and Social Security, Burkina Faso, reminded us that “we certainly need economic growth if we are to improve the well-being of our peoples. That said, we are convinced that that growth can only have a real impact if the necessary steps are taken to guarantee the corresponding social progress”.

Ms. Radičová, Minister of Labour, Social Affairs and Family of Slovakia, also explained her Government’s support for “models supporting stability of jobs through better security for working families, on the one hand, and through active employment policies for the unemployed and disadvantaged, on the other hand”. Mr. Martínez, the Workers’ delegate of Argentina, argued that “a globalized world cannot and must not be an excuse for playing down the importance of setting standards to protect employment. On the contrary!” Mr. Huamán Rivera, the Workers’ delegate of Peru, emphasized that “a decent labour pact that commits employers, workers and above all governments to immediate, concrete action in the implementation of national decent work must be a precondition for the opening up of trade”. Mr. Gálvez Mamani, Minister of Labour of Bolivia, stated that, “with these initial steps, our Government is building the foundations of decent, full employment, which in our view is the only way of eradicating poverty and child labour”. Mr. Costache, Employers’ delegate of Romania, noted that “specific attention needs to be devoted to the fundamental standards of the ILO and of the European Union, in order to guarantee an adequate level of protection – what one might call ‘flexisecurity’ – which is a characteristic of societies that are ready and able to take globalization and its benefits into account without relinquishing internal cohesion, integrity and the quality of life”.

A number of speakers made reference to the ILO’s role in the field of corporate social responsibility (CSR). Mr. Tateisi, Employers’ delegate of Japan, focused his remarks on this subject, pointing out that, while CSR should take full account of corporate initiative and diversity, “there are common core elements of CSR that must be appreciated by all companies ... The ILO Declaration on Fundamental Principles and Rights at Work adopted in 1998 must be termed: of critical importance as a CSR-related standard to be

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universally applied". He added that "CSR begins with compliance with laws and regulations" and that "the basic task of conditioning this legislation must be performed by governments". He interpreted the essence of CSR as describing the way in which companies meet the aspirations of society, saying "it is only when they serve society that companies can reap a profit as compensation commensurate with their contribution". Mr. Trotman, speaking on behalf of the Workers' group, was more sceptical. The CSR "initiatives are generally well intentioned ... [but] are frequently unilaterally determined for the express purpose of avoiding the collective bargaining exercise and full recognition of the fundamental principles and rights at work, as detailed by the ILO. Where we can have CSRs pursued and arrived at by consultations with workers' representatives, and faithfully adhering to the principles covered by our ILO Conventions as their minimal point of departure, then our group may continue to support them". Mr. Cortebeek, Workers' delegate of Belgium, pointed out that the ILO needed to do more to attract multinational enterprises to its discussions "These multinational enterprises are hardly represented at all by the national employers' federations, or are represented only unilaterally through their headquarters. Yet they figure more and more largely in our debates, with resources that are often greater than those of whole countries".

A number of Governments addressed the importance of attracting the sort of foreign direct investment that boosts both the quantity and quality of employment. Ms. Mahase-Moiloa, Minister of Employment and Labour of Lesotho, said that "the objective is to enable our fledgling [textile] industry to become more competitive in the global economy. Enhancement of our competitiveness shall not be at the expense of our workers as at all times we strive to ensure that human dignity and principles of decent work continue to prevail at the workplace". Mr. Bunwaree, Minister of Labour, Industrial Relations and Employment of Mauritius, also felt it "essential that we undertake comprehensive and far-reaching reforms built around the people and designed to reposition ourselves for sustainable growth, stability and development. It is a fact that collaboration between the public and the private sector is a sine qua non requirement for economic growth and the protection and development of sustainable livelihoods". Mr. Shreshtha, Employers' delegate from Nepal, noted that "the challenges for business are not limited to dealing with traditional issues of workers' rights, but also imply dealing with issues of productivity, increased competition, environment and social responsibility". Mr. Silaban, Workers' delegate of Indonesia, argued that "it has been proven that the promotion of freedom of association and collective bargaining is never an obstacle to business and attracts foreign direct investment". Mr. Alsalim, Minister of Labour of Jordan, said that "the important developments in the areas of transport and telecommunications, as well as the economic openness dictated by the rules of globalization and free trade, require, more than at any other time, the establishment of rules to safeguard decent work as an important element of national, regional and international strategies". Mr. Dorado Cano, Government delegate of the Bolivarian Republic of Venezuela, stated that "for there to be decent work there has to be a decent world, based on other values and principles whereby human rights are the underlying premise of economic and social models, especially the defence and protection of labour and trade union rights".

For many speakers the principles contained in the ILO's international labour standards provided a framework for the adaptation of national laws and practices. Mr. de Geus, Minister for Social Affairs and Employment of the Netherlands, said that "Conventions are made to be observed worldwide. The role of the ILO through technical cooperation should be focused on the ratification and effective implementation of Conventions. Technical Conventions need to be kept sharp in order for them to function optimally. From time to time they need to be reviewed in the light of new developments and the number of ratifications." Mr. Takagi, Workers' delegate of Japan, stressed that, while many Conventions are ratified, there remain a "large number of problems concerning their implementation. I would like to point out that, while globalization is rapidly expanding, the importance of the supervisory and monitoring mechanism should be

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highlighted more”. Mr. Betancourt, Employers’ delegate of the Bolivarian Republic of Venezuela also mentioned that, “as employers and workers, we have to review our Conventions critically and constructively, since ultimately it is we who are the real actors of productive economic activity, and we must therefore strengthen our organizations so as to be able to defend our rights and principles and make our enterprises the backbone of a world economy that generates wealth and social well-being.” Mr. McKennirey, Government delegate of Canada, observed that “it is also time to move forward with the modernization of international labour standards if we are to ensure the continued credibility of the ILO’s normative role. A streamlined and up to date set of international labour standards that can be widely ratified and implemented is essential. We need to build on the recent success of the Maritime Session of the Conference that resulted in the consolidation of 68 instruments into a single, comprehensive Convention and includes new mechanisms for flexibility. Supervision can be enhanced through greater focus on outcomes, sharing of best practices and the identification of opportunities for technical assistance”.

### **3. Global Report on the effective abolition of child labour**

With as provocative a title such as “The end of child labour: Within reach” we were expecting keen interest and a lively debate, but the appreciation of this Global Report since it was launched in the beginning of May, as well as during the day-long interactive debate, surpassed our expectations. The discussions demonstrated very clearly that the members of the Organization are more than ever united in their resolve to eliminate child labour as a major pillar of the follow-up to the Declaration on Fundamental Principles and Rights at Work and as a prerequisite for the achievement of the Decent Work Agenda. A number of speakers also commented on the Report in their speeches to the plenary.

Still, as Mr. Tabani the Employer spokesperson pointed out, while a decline of 11 per cent in child labour, and an even greater decline of 26 per cent in hazardous work is certainly impressive, the staggering figure of 218 million children that remain trapped in child labour is unacceptable. This remark was echoed in the statement by Mr. Annakin, Deputy Secretary of the Department of Labour of New Zealand, that it was “sobering to note that there is still a virtual continent of 218 million children lost to society”. Moreover, as Mr. Steyne, the Worker spokesperson, remarked: “Sixteen million children have moved from the worst forms of child labour, not to school or appropriate training as Convention No. 182 requires, but to other jobs. While perhaps not hazardous, they must be jobs for which the children have not attained the minimum age, otherwise they would not be included in the statistics. Of the 44 million children removed from the worst forms, just over 7 million were 15 years or older. That suggests that 43 per cent of the children between the ages of 5 and 14, previously in the worst forms, are still working. We know where children of that age should be. They should be in school, not at work”.

The discussions demonstrated substantial agreement on three important features of the Report. First, all interventions pointed out the strong link between the elimination of child labour and education for all, and the important role that education and training in general plays in the struggle against child labour and efforts to improve youth employment opportunities. As Mr. Ahsan Akhtar Malik, Joint Secretary of the Ministry of Labour, Manpower and Overseas Pakistanis, put it: “Indecent education supports creation of indecent jobs. So education is vital to avoid this situation”. Mr. Ali, Workers’ delegate from Sudan affirmed that “our children belong in school and not at work”. Mr. Abdul Hussain, Workers’ delegate of Bahrain, stated that “our societies must guarantee both economic growth and a just distribution of wealth”, so that the poor are in a position to “withdraw their children from the labour market and place them in school where they

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belong”. This was backed by Mr. Jiwarajka, Employers’ delegate from India, who drew attention to the fact that “experience over the years has shown that education can be a viable alternative to child labour, and [that] quality education and its linkages with employment prospects is crucial. If formal education does not lead to employment opportunities, schooling will not emerge as a viable option to work, forcing the parents to decide otherwise”. This is why all major child labour elimination programmes must be education-centric. Secondly, the fact that there was no decline in the incidence of child labour in Africa was considered a serious issue of concern and a strong justification for renewed efforts to assist the continent in coming to grips with the problem.

I was encouraged to hear continued commitments by the delegates from Africa. Ms. Atsimadja, Employers’ delegate from Gabon, expressed the Employers’ shared “idea that it is necessary to strengthen the capacities of employers’ organizations to adopt a comprehensive approach to child labour through appropriate means and relevant methods that are adapted to their national context in which they do their national business”. Ms. Zahi, Workers’ delegate from Morocco, reminded us that “there is no culture or religion in the world which tolerates child labour” and that “we need financial resources and political determination” to ultimately celebrate the “end of child labour: mission accomplished”. Ms. Abdel Hady, Minister of Manpower and Migration of Egypt, also confirmed that “abolishing child labour has become achievable provided that we invest the political will and technical assistance required for this”. Thirdly, since two out of three child labourers that work are in agriculture, this large sector was identified as one that required more attention in the years to come.

There was a clear call for policy coherence both nationally and internationally by many speakers. As Mr. Tabani of the Employers’ group reminded us, “there are other organizations within the United Nations system which have been increasingly active in this field – in particular UNICEF, UNESCO, WHO, UNDP and the World Bank. Though the ILO no doubt is the centre of excellence on this issue, it needs to increase its cooperation with these multilateral organizations for sharing knowledge and expertise and to ensure that there is no overlap”. Specific suggestions were made for more cooperation with UNICEF, UNESCO and the World Bank, and many speakers mentioned the newly formed Global Task Force on Child Labour and Education for All as a positive example. Mr. Andres, Parliamentary Secretary of State, Federal Ministry of Labour and Social Affairs, Germany, stated that “in many countries the close link between poverty and child labour represents a vicious circle for the families concerned. Often, the work of the children is a major component of the family livelihood and, frequently, their only means of survival. We must break this vicious circle”. Regarding the target proposed in the draft plan of action, most speakers agreed with the proposal that member States should commit themselves to eliminate worst forms of child labour by 2016. Some speakers felt that ten years is too long a period while a few other delegates described the target as very ambitious. Speakers for the Workers and some governments proposed that the target should not be for the elimination of the worst forms of child labour but should cover all forms of child labour. The Governing Body will debate and decide on this in November, when the Plan of Action on this principle will be discussed.

While there was broad consensus that the ILO’s work on child labour in the next four years needs to focus on Africa and on agriculture, there were also calls for continued improvements in the process of data collection – in particular on the worst forms of child labour, research, policy advice and documentation of good practices. Mr. Tabani expressed the Employers’ collective view that “sharing experiences and information among member States goes a long way towards helping governments and the social partners to find new and creative ways of responding to the problems of child labour. The ILO can certainly act as a catalyst for these exchanges”. In this connection it is worth noting that the International Conference of Labour Statisticians in 2008 is expected to adopt international standards on the collection of child labour statistics.

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Many speakers emphasized the importance of girls' work. There was reference to hazardous work, and to child labour in mining in particular. Many delegates also called for more attention to the various unconditionally by worst forms of child labour, such as child labour in illicit activities, bonded labour, trafficking, and the commercial sexual exploitation of children, as well as to the need for reliable data on these most horrendous forms of child labour. Mr. Stostad, State Secretary of the Ministry of Labour and Social Inclusion of Norway, said that "special attention should be given to girls, who are often exposed to the worst forms of exploitation, for example in the sex industry". Ms. Edwards, Government delegate from Jamaica, shared the view of her country that "household chores and domestic work can be hazardous and constitute, in fact, child labour". Mr. Carter, Government delegate from the United States, stated that "efforts to identify, prevent and rehabilitate children involved in criminal activity, particularly in gangs involved in drug trafficking and other crimes, need more focus". As Mr. Steyne, the Worker spokesperson, reminded us, we should not forget that "the elimination of child labour requires decent work for adults". To live up to these expectations it will be necessary for donor support to IPEC to continue over the next four years so as to allow the programme to maintain a critical mass of expertise as well as a broad range of activities in the field.

#### **4. Situation of workers of the occupied Arab territories**

My Report entitled "The situation of workers of the occupied Arab territories" drew comments from many delegates, who all expressed their grave concern about the current situation in the occupied Arab territories, and the links between employment and the living standards of the population and political developments. Mr. Alghatami, Employers' delegate of Oman, drew attention to "the tragic situation of employers and workers in the occupied Arab territories", where "the economic situation is deteriorating and workers and employers are being deprived of their basic rights as a result of an unjust economic blockade and other unjust measures". This remains "a source of great anxiety and concern", as Mr. Chaouch, Minister of Social Affairs, Solidarity and Tunisians Overseas, noted. Ms. Jalali, Workers' delegate of the Islamic Republic of Iran, said that "the ILO is not, and must not, be indifferent to the sufferings of the people who endure pain, anxiety, fear and death". Mr. Mdladlana, Minister of Labour of South Africa, noted that "the rights of Palestinian workers and their families constitute one of the essential steps on the path towards socio-economic development, security, peace and enhanced freedom in the occupied Arab territories".

The long history of ILO support to the Palestinian workers and their families was evoked by many speakers. The delegate of the Palestine Liberation Organization, Mr. Alzaroo, expressed his gratitude "for the ILO's past and current efforts with regard to Palestine and the occupied Arab territories, especially in the light of the extremely difficult and unusual situation of workers and peoples in Palestine". Speaking on behalf of the Council of Ministers of Labour and Social Affairs of the Gulf Cooperation Council States, Mr. Alka'aibi, Minister of Labour of the United Arab Emirates, acknowledged "the efforts made by the Organization within the framework of technical cooperation to benefit Palestinian workers and those in the occupied Arab territories". He also called "for extra steps to be taken to support the Palestinian Fund for Employment and Social Protection and to promote the development of capacities and social dialogue to rebuild these territories".

Many speakers called upon the ILO and the international community as a whole to continue and to step up much needed technical cooperation to the Palestinian people. Ms. Abdel Hady, Minister of Manpower and Migration of Egypt, appealed on the international community "to assume its responsibilities in order to put an end to this

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catastrophic situation and to the continued violation of the most fundamental and basic rights which are guaranteed to all peoples". In a similar vein, Ms. Theodorsen, Workers' delegate from Norway, stressed the "utmost importance of international law and the human rights of the Palestinians". Mr. Alsalim, Minister of Labour of Jordan, shared his concern "about the situation in the occupied Arab territories and the high levels of unemployment and poverty, considering the problems that impede finding solutions. We are aware that the situation in the labour market is linked with the political situation, but we consider that the responsibility of the international community in this regard should not be limited to such considerations. In order to ensure social security in these territories and improve the standard of living, urgent measures must be taken to create decent employment opportunities". Mr. Ali, Government delegate of Bangladesh, affirmed that "it is our duty as citizens of the world to find a just and durable solution". On behalf of the Employers' group, Mr. Funes de Rioja, noted: "We share the concern of the Director-General and, as we did in the Governing Body, we once again urge donors to support technical cooperation activities. Above all, we appeal to the new Governments of Israel and the Palestinian Authority, in the interests of all nations, to make progress towards the resolution of the conflict. As social partners, we are prepared to support any initiative in this direction."

Even during these most difficult times social dialogue has remained alive. Mr. Ryder, the General Secretary of the International Confederation of Free Trade Unions reported "continued efforts with our affiliates in Palestine, the GPFTU, and in Israel, the Histadrut, to bring about positive change to the benefit of all workers. Never have those efforts been more important than they are today". Such efforts can help build the social foundations for the peace we all wish for. As Mr. Allam, Employers' delegate of Egypt, noted "that sustainable international peace will not be possible until social justice is provided, and that employers' organizations and workers' organizations in the occupied territories deserve greater support". Mr. Basesgioglu, Minister for Labour and Social Security, Turkey, expressed his hope "that the conditions in the region will improve in the direction of ensuring a lasting peace and in the observance of the ILO principles that are valuable to all of us".

## **5. Programme implementation 2004-05**

A number of delegates commented on the ILO Programme Implementation Report for 2004-05, with several also making recommendations for the current and next programme periods. Several speakers referred to ongoing discussions on possible reforms within the United Nations system and the role of the ILO in this process. Scrutiny by the Conference of the Programme Implementation Report is the apex of the various mechanisms of accountability the ILO has built into its governance structures. Your assessments are much appreciated and enable us to learn for the future and constantly improve our performance. Mr. Pheto, Minister of Labour and Home Affairs of Botswana, focused on the challenge "not only to take stock of the ILO's performance, but also to evaluate the relevance and impact of the Organization ... We will need to establish priorities and trade-offs between competing interests and demands, in view of the escalating demand for the ILO's services and the diminishing resources at its disposal". He felt there was "a greater need for self-evaluation, criticism and debate on the choices which must be made" to improve the rationalization of the activities of this Organization and the quality of its work and to maximize the utilization of the resources at its disposal. Mr. Togari, Vice-Minister of Health, Labour and Welfare of Japan, called for further efforts to economize on administrative expenses in order to concentrate ILO resources on activities and suggested that "changing patterns in the world of work means changes in the ILO's role. The ILO has to change to maintain its *raison d'être*. The Office, as well as each Member of the constituents, must recognize this fact and must take a new step".

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Mr. McKennirey, Government delegate from Canada, also mentioned that a rapidly evolving world “requires a reinvigorated and credible modern Organization that can bring forward the priorities of its constituents and include the broader international agendas. It requires an Organization that offers evidence-based analysis, such as we have seen this year, along with practical assistance to its members in meeting the challenges they face in a very difficult global economy.” Mr. Chaouch, Minister of Social Affairs, Solidarity and Tunisians Overseas, Tunisia, also requested us “to find new and innovative ways of making decent work a reality in Member countries, especially as regards the promotion of employment and the guarantee of social protection for all”. A major element in this constant striving for new and more effective ways of supporting constituents is a focus on the renewal of tripartism and the strengthening of the social partners. As Mr. Funes de Rioja argued: “We continue to be convinced that the main goal is to strengthen the ILO in the years to come. That goal can only be achieved if workers, employers and government strive together to meet the common targets that we set ourselves. For that, as the Director-General said today, we shall certainly have to rely on the determined efforts of the Office to strengthen the role of the social partners.”

Several speakers welcomed the introduction of results-based programming, management and monitoring systems at the ILO. Mr. Plaskitt, Parliamentary Undersecretary at the Department of Work and Pensions of the United Kingdom, drew attention to “last year’s review by the Joint Inspection Unit of the United Nations system, [which] provided clear advice on the way forward for the ILO in the context of a results-based management framework, which is increasingly becoming standard across the United Nations system”. He felt that improvements were needed in areas such as: an effective human resources strategy; monitoring progress towards results; ensuring that objectives are specific, measurable and time bound; moving away from defining objectives in a “top-down” manner to a process which fully engages and secures the commitment of senior managers; a comprehensive review of the field structure; and, finally, an accommodation strategy. Mr. Senevirathne, Minister of Labour Relations and Foreign Employment of Sri Lanka, noted that “the Report for the last biennium presented positive performance-based results on the four strategic objectives even at a time of zero-growth budget”. Mr. Annakin, the Government delegate from New Zealand, applauded “efforts to fully implement a culture of results-based management practices throughout the Organization so that its accountability and effectiveness can be clearly monitored and assessed.” Mr. Atwoli, Workers’ delegate from Kenya, was “happy to note that the Organization has managed to achieve at least two-thirds of the overall targets set for all the strategic objectives and cross-cutting issues, which is a clear sign of the effective and efficient utilization of available resources”. Mr. Jiménez de Aguilar, the Employers’ delegate from Spain, suggested further steps to “strengthen the evaluation of its activities with indicators reflecting specific objectives”. Mr. Wittich, Workers’ delegate of Hungary, also welcomed the efforts to make the Organization more effective and spread the application of the concept of decent work. He warned, however, that steps “being taken towards the effective exploitation of available resources ... should not endanger the promotion of meaningful social partnership”.

The ILO, as a member of the United Nations family, participates actively at the global and national levels, working closely with other agencies towards the common objective of implementing the international development agenda, including the Millennium Development Goals. One of the elements of the current discussions about United Nations reform, in which the ILO is actively engaged, concerns increased effectiveness in delivery of development assistance. For Ms. Jämtin, Minister for International Development Cooperation of Sweden, “the idea of integrating the ILO’s Decent Work Agenda with strategies for poverty reduction, to combine economic competitiveness, social dialogue and social justice, is timely and helpful. It provides a balanced approach to globalization and equips the ILO, as well as all of us, with instruments for change. The ILO has a clear comparative advantage through its normative mandate, its tripartite structure and its focus

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on social dialogue”. She also drew attention to the high-level panel on United Nations system-wide coherence in the areas of development, humanitarian assistance and the environment, which is expected to present proposals on enhancing the efficiency and coherence of United Nations operational activities. “Will this weaken the ILO? Rather the contrary. Coordination requires distinct profiles among partners, because we need the ILO and we always will, and we will need a reinforced ILO, with clearer links between its normative and operational work, to interact within the United Nations family and beyond.”

In this connection, a number of speakers welcomed the introduction of decent work country programmes as the main mechanism for delivering ILO services to constituents and for interacting with national development plans and international frameworks. Ms. Taylor, Workers’ delegate from the United Kingdom, welcomed the development of decent work country programmes stressing that “they must be rooted in tripartism and supported by the other United Nations agencies and the international financial institutions.” Ms. Menkerios, Minister of Labour and Human Welfare of Eritrea, said that they are “to be initiated and supported by dialogue as a new dimension of the programme process”. Mr. Funes de Rioja, spokesperson for the Employers’ group, said: “I want to state that we greatly appreciate the decent work country programmes which will have to be the vehicles for the ILO to respond concretely and appropriately to the specific needs and realities of each country.” Mr. Annakin, the Government delegate from New Zealand, strongly supported “the use of decent work country programmes by the ILO as a framework for effective assistance at national the and regional levels”. Mr. Dave, the Workers’ delegate of India, said: “We need to assess our common endeavours to translate decent work into realizable programmes and activities. Because it is an integrated agenda, we cannot selectively pursue decent work objectives”.

## **6. The role of the ILO in technical cooperation**

The Committee on Technical Cooperation has reviewed all aspects of technical cooperation extensively, in the light of the ILO’s mandate and Decent Work Agenda and of the new needs of its constituents and with due regard to the major challenges posed by processes of change and reform in the international environment, to which the ILO is proactively contributing. The proposed conclusions are very important and helpful to the Office in orienting technical cooperation in the years to come. I note with particular interest and satisfaction that our member States reiterate that “Full and productive employment and decent work are a central driver of development and therefore a priority objective of international cooperation.”<sup>1</sup>

This and many other elements of the Committee’s work, and the statements made during the Ministerial Panel which took place on 6 June, will usefully feed into the forthcoming High-Level Segment of ECOSOC, which has chosen to debate decent work and sustainable development as its special theme this year.

The Ministerial Panel on Decent Work as a Global Goal was one of the highlights of our Conference, and I would like to warmly thank Ms. Carin Jämtin, Minister for International Development Co-operation, Sweden; Ms. Anne Stenhammer, State Secretary in the Ministry of Foreign Affairs, Norway; Mr. Adama Sall, Minister of the Public Service, Labour, Employment and Occupational Organizations, Senegal; Mr. Athauda Seneviratne, Minister of Labour Relations and Foreign Employment, Sri Lanka; and

<sup>1</sup> Para. 1 of the conclusions concerning technical cooperation, *Provisional Record* No. 19.

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Mr. Bonomi, Minister of Labour and Social Security, Uruguay. The Ministers, together with the Officers of the Committee on Technical Cooperation, noted the enhanced international attention given to the connection between jobs and poverty reduction, and the ILO's central role in making decent work for All a reality. Donor governments confirmed their support for this approach and developing countries pointed out that decent work country programmes are fast becoming the main vehicle for creating more and better jobs for women and men worldwide. In this respect, the decent work approach constitutes a bulwark against poverty. It also contributes to ensure that the benefits of economic growth can be enjoyed equally by all. This panel discussion underlined the importance of engaging development agencies, labour ministries and social partners alike to make decent work a central driver of development and a priority objective of international development.

Technical cooperation is fundamental to the attainment of the four strategic objectives that make up the Decent Work Agenda, and the key mechanisms for delivering it at the country level are the decent work country programmes. The Committee has now given us precious guidance on the way to operationalize decent work country programmes and on integrating them in the programming framework of the multilateral system through United Nations Development Framework (UNDF) and Poverty Reduction Strategies (PRS).

Greater focus on the promotion of the Decent Work Agenda, taking advantage of the ILO's strengths, especially international labour standards and tripartism, will serve to influence the United Nations system framework and ensure the most effective contribution to national and international development strategies alike, for the greater benefit of the ILO's constituents. Furthermore, it will, as the Committee has clearly indicated, facilitate the expansion of existing partnerships and the establishment of new ones, including with the private sector. In this connection, we will accelerate work on guidelines and criteria for such partnerships and submit proposals on the subject to the Governing Body. The various conclusions relating to greater effectiveness, efficiency and coordination, as well of those aiming at a stronger knowledge base and technical capacities backing up our technical cooperation programme, are most helpful and will form part of our continuing drive to deliver effective technical cooperation services that meet the needs of constituents.

We must thank most warmly the Chairperson of the Committee, Mr. B. Bitonio of the Government of the Philippines, who together with the Vice-Chairpersons, Mr. A. Jeetun from Mauritius for the Employers and Ms. H. Yacob from Singapore for the Workers, steered the Committee to conclusions which I believe will make a major difference to the scale and content of international development assistance in support of the Decent Work Agenda.

## **7. Finance**

The Finance Committee of Government Representatives met to receive the Financial Report and Audited Financial Statements for the Sixty-ninth Financial Period and the Report of the External Auditor. In delivering an unqualified audit opinion on the financial statements, the External Auditor, Sir John Bourne, commended the Office for its efforts in closing the accounts using the new ERP system within the prescribed deadlines. A number of important recommendations have been made by the External Auditor relating to information technology, governance and short-term contracting. Implementation of these recommendations has already commenced and consultations with the Governing Body will be initiated on those recommendations requiring Governing Body decisions.

The Committee also recommended the adoption of a scale of assessments for 2007 and the restoration of voting rights for the Government of Azerbaijan. I welcome the

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efforts being made by member States to honour their commitments to the Organization, notwithstanding difficulties in their domestic economies.

May I take the opportunity of thanking the Chairperson and Reporter of the Committee, Ambassador Yimer of Ethiopia, and the Vice-Chairperson, Mr. G. Kristinsson of Iceland, as well as the observers for the groups, Mr. Barde for Employers and Mr. Blondel for the Workers. The successful work of the Finance Committee owes much to their constructive conduct of its business.

## **8. Occupational safety and health**

Occupational safety and health is a core element of the Decent Work Agenda and has been an important aspect of the ILO's work since its establishment. This year, as well as completing the work on a new Convention and Recommendation in a technical committee many speakers addressed the issue of safe work in the plenary debate, thus reflecting the growing concern that we still have tremendous human and economic suffering from occupational accidents and diseases, with 2.2 million annual fatalities caused by work-related accidents and diseases. As Mr. Larcher, Minister of Employment, Labour and Vocational Integration, France, emphasized, "protection against occupational risks is a vital human right". Calling for action to improve the situation, the Vice-Minister of Health, Labour and Welfare of Japan, Mr. Togari, stated that "we, as representatives of governments, workers and employers, are expected to collect our wisdom to eliminate such tragedies that are repeated the world over".

The Global Strategy on Occupational Safety and Health adopted by the 2003 session of the International Labour Conference, emphasized the importance of building and maintaining a national preventative safety and health culture, and a systems approach to safety and health. Building on these two pillars, the Global Strategy, inter alia, called for the development of a new instrument establishing a promotional framework for occupational safety and health. The new approach provided by these new instruments received many favourable comments. Mr. Nguyen Luong Trao, the Vice-Minister of Labour, Invalids and Social Affairs of Viet Nam, stated that "the Government of Viet Nam is supportive of the fact that the 95th Session of the ILC will adopt a new instrument on occupational safety and health with a view to further promoting this important work on a global scale". He added that "a National Programme on Occupational Safety and Health, which embodies the ILO's notion of a preventative safety culture at work, has been developed and submitted to the Government".

The Committee on Safety and Health successfully completed its second discussion and adopted a Convention and a Recommendation. The Committee worked in a constructive way, focusing on improving the outcome of the first discussion last year. The Convention is based on a new concept as guided by the Global Strategy, that is to say it is an overarching instrument with a promotional rather than prescriptive content. It will contribute to increasing the impact of existing ILO instruments and to a continuous improvement of national occupational safety and health systems, through national policies and programmes on occupational safety and health. It also aims at placing occupational safety and health high on national agendas through the endorsement of national OSH, programmes by the highest national authorities. Tripartite collaboration is a fundamental basis for the whole process. Members of the Committee expressed the hope that as many ratifications as possible would follow immediately after the adoption of the new Convention.

The Committee also adopted a resolution concerning asbestos. Asbestos is one of the most hazardous risk factors causing tremendous suffering to workers worldwide. This

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resolution will greatly contribute to enhancing the protection of workers worldwide from asbestos hazards.

The work of the Committee was greatly facilitated by the diligence of its Chairperson, Dr. A. Békés of the Government of Hungary and the Vice-Chairpersons, Mr. C. Lötter of South Africa for the Employers and Ms. P. Seminario of the United States for the Workers. We owe them a debt of gratitude for seeing home successfully a Convention and Recommendation which will help our tripartite constituents in many countries to develop systems to strengthen action for safe working conditions. I look forward to a rapid rate of ratification of the new Convention.

## **9. Employment relationship**

As we all agreed in 2003, when the ILC dedicated a general discussion to this subject, the employment relationship is one of the most challenging and important issues under scrutiny by the Conference in recent years. The discussion of the Committee proved this once again.

The question of whether an employment relationship exists between two parties is of crucial importance, for many reasons that we all know so well. Up to now most legal systems link workers' protection and access to social security to the existence of such a relationship. At the same time, there is a trend, also observed by many of you in the discussion of my Report on the changing patterns of work, towards more flexible working arrangements, very often in connection with the ongoing globalization of our world, but not only. This has placed a question, which for a long time was addressed as if it were of purely academic interest, at the heart of contemporary production systems and in the limelight of legal experts' debates.

Many countries, as witnessed by the Office's law and practice report, have adopted measures to deal with this issue; many others, as we heard in the Committee, are interested in finding a balanced approach to the development of national policies to address it. In this context, I have seen over and over again in my different contacts that there has been a growing expectation for the ILO to give initial guidance on this matter. This is what the Committee on the Employment Relationship has done through the Recommendation it approved.

Let me congratulate all parties for the spirit in which you carried out your work.

The Committee's deliberations were open and constructive; all views and concerns were considered and debated; it succeeded in finding consensus wherever possible. Agreement was reached on key issues. Let me highlight the quality of the exchanges, the high level with which all approached this delicate subject. All made efforts – valid efforts. But as we learned last year on the fishing issue, full agreement is not always possible.

On the basis of the resulting Recommendation concerning the employment relationship, we must continue to build a larger consensus on this instrument through future dialogue and exchanges of views. I share the views of the large majority of Committee members that the resulting Recommendation concerning the employment relationship builds on the consensus reached in 2003 and that it will be a helpful instrument to guide ILO member States in developing, improving or maintaining policies to address this important subject.

In a rapidly changing world of work, this issue is in flux. Newer and good practices will likely surface, new insights will be found and a wider consensus will emerge. This understanding is reflected in the strong resolution concerning the employment relationship,

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which calls upon all ILO member States and the Office to continue monitoring and assessing this issue.

The skill of the Committee Chairperson, Ms. A. van Leur of the Government of the Netherlands, was admired by all, as was the advocacy of the Vice-Chairpersons, Mr. A. Finlay of Canada for the Employers and Mr. E. Patel of South Africa for the Workers. Together they contributed greatly to the crafting by the Committee of the new Recommendation, and I thank them for their hard work and mastery of a vital but difficult set of issues.

## **10. Application of standards**

The Committee on the Application of Standards had an in-depth and constructive discussion on the report of the Committee of Experts, in particular in the framework of the cases selected by it. This year, there were some unique and welcome developments. The Committee was able to record the historic agreement reached between the Government, employers and workers of Colombia. As the Employer and Worker Vice-Chairpersons of this Committee stated, it demonstrates in a concrete manner one way in which a process and a mechanism can be put into place to ensure greater compliance with obligations under ratified ILO Conventions and the important role of social dialogue.

In the general part of its discussion, the Committee held a discussion on its own working methods. The Committee welcomed certain improvements, in particular the early communication of a preliminary list of individual cases. Beyond providing Governments with more time to prepare for a possible discussion of their cases, this approach further enhanced the transparency and efficiency of the work of the Committee. I also note that tripartite consultations have occurred during the Conference with a view to further improving the Committee's working methods.

The General Survey of the Committee of Experts, discussed by the Conference Committee this year, was on the Labour Inspection Convention, 1947 (No. 81), the Protocol of 1995 to the Labour Inspection Convention, 1947, the Labour Inspection (Agriculture) Convention, 1969 (No. 129), the Labour Inspection Recommendation, 1947 (No. 81), the Labour Inspection (Mining and Transport) Recommendation, 1947 (No. 82), and the Labour Inspection (Agriculture) Recommendation, 1969 (No. 133). The Committee highlighted the crucial importance of labour inspection for ensuring the protection of workers and compliance with labour laws at the national level, and its key role in good governance in the world of work. There was strong support for a promotion campaign for the instruments. But, as the Employer spokesperson said, while the ratification campaign might be a useful first step, ratification alone, as was clearly reflected in the General Survey, was insufficient. A number of suggestions for future action by the Office were set out, including making available a toolbox for developing effective labour inspection in member States. The Office has taken good note of these suggestions and those of the Worker spokesperson, as well as the many other suggestions made with a view to raising the profile, role and importance of labour inspection and ensuring that it has the greatest impact not only as regards workers' protection but also on the creation of a stable business climate and good governance. The Committee of Experts' report had highlighted the challenges that developing countries were facing, particularly as regards the availability of resources dedicated to labour inspection. It is here that the ILO must take up the challenge and already now appeal to international cooperation to assist those member States with structural challenges, so as to facilitate the efficient functioning of labour inspection.

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The Committee held a special sitting again this year on the application by Myanmar of the Forced Labour Convention, 1930 (No. 29), in the framework of the International Labour Conference resolution of 2000. It discussed not only the observation from the Committee of Experts, but also the developments that had taken place since June 2005. The Committee took note of the information provided by the Ambassador of Myanmar that his Government would put a moratorium of six months on prosecutions of complainants on an experimental basis and that, during this period, as an interim measure, the complaints of forced labour will be handled by the Director-General of the Labour Department of Myanmar together with the Liaison Officer. He indicated that in the meantime both sides should continue to work out the modalities and legal framework of Option 1, concerning the strengthening of the ILO presence in the country, in order that a mutually acceptable mechanism can be established. In its conclusions, the Committee underlined that, although this may sound positive, it was late and limited. Words had to be urgently completed and confirmed by deeds in all relevant matters, in particular the acquittal and release of persons who had already been prosecuted and the cessation of prosecutions currently under way. Such action was particularly important as the Conference was to discuss further action to be taken by the ILO and other organizations. The authorities now needed to enter immediately into discussions with the ILO, with a view to establishing as soon as possible a credible mechanism for dealing with complaints of forced labour. The Committee's conclusions have been taken into account by the Conference in its considerations of what further action the ILO should take to secure compliance by the Government of Myanmar.

In addition to this special sitting, the Committee carried out the examination of 25 other individual cases. Balance was achieved both between the different regions and between the different types of Conventions (fundamental or technical), while the question of freedom of association and collective bargaining continued to be predominant. This year, the regional balance was as follows: Africa (5); Arab States (1); Asia and the Pacific (6); Central and Eastern Europe (4); Western Europe (3); Latin America (5); North America (1). This list included five industrialized countries. Concerning the balance between fundamental and technical Conventions, the subjects covered were: freedom of association and collective bargaining (10); forced labour (1); discrimination (4); child labour (3); indigenous people (1); employment policy and promotion (2); occupational safety and health (1); and wages (3). The Committee emphasized the crucial importance of all the Conventions concerned for social protection and poverty reduction. In a number of cases, the Committee found reason to welcome the measures that had already been taken, or that were being taken, by governments to apply Conventions. In particular, in the context of the application of the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), the Government of Ireland was praised for its approach, involving the social partners and the representatives of persons with disabilities, to promote decent employment conditions for persons with disabilities in conformity with the Convention.

However, it also found it necessary to adopt special paragraphs to express concern over other less positive cases: Bangladesh (Convention No. 98) and Belarus (Conventions Nos. 87 and 98). In the case of Belarus, the Committee noted with great concern that there had been continued failure to eliminate serious discrepancies in the application of the Conventions concerned.

The Governments of Croatia (Convention No. 162), Costa Rica (Convention No. 98) and Zimbabwe (Convention No. 87) were invited to accept a high-level mission. The governments of Croatia and Costa Rica have already responded positively. The availability of ILO technical assistance was recalled or requested in eight other cases (Bosnia and Herzegovina, Guatemala, Islamic Republic of Iran, Kenya, Libyan Arab Jamahiriya, Pakistan, Paraguay and Philippines).

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The Applications Committee was able to complete its work under the able supervision of its Chairperson, Mr. S. Pardo, of the Government of Brazil, and the Vice-Chairpersons, Mr. E. Potter of the United States for the Employers and Mr. L. Cortebeek of Belgium for the Workers. They made a team truly dedicated to the values and authority of the ILO's standards. As well as gratitude I must also express my admiration for their work and for that of the whole Committee.

## 11. Conclusion

In my opening remarks I talked about my profound admiration for the assembly of knowledge and experience from many worlds of work represented by the delegates to the International Labour Conference. And now at the close of this session of the Conference, I remain deeply impressed by what dialogue across the tripartite membership of the ILO can achieve. We have two new instruments on the employment relationship and occupational health and safety. They both set standards for the twenty-first century which are relevant and applicable for countries all over the world and at all stages of development. We have a new policy framework for our growing technical cooperation activities. Our Committee on the Application of Conventions and Recommendations has reviewed a large caseload and made its recommendations. They carry as always considerable authority because the procedure we have developed over many years enables us to hear all the views that are offered, to examine the facts and to discuss with the parties the way forward. Furthermore, we have discussed in-depth progress against the continued blight of widespread child labour and are well placed to take forward our programme on its elimination over the next four years.

In addition, we have had a plenary debate on changing patterns in the world of work which evoked a large number of extremely thoughtful and interesting contributions. The many references to various aspects of the process of globalization give us encouragement to continue analysing the phenomenon and its impact on the ILO's mandate and the Decent Work Agenda. Together with our review of the last programme cycle, I feel that this has created a strong platform of knowledge, ideas and aspirations to take us forward. Furthermore, I take it from the many speeches that referred to the importance of the ILO's role on the United Nations team that we have a strong mandate to engage fully in the process of renewing our multilateral system, confident in the recognition we have as "the decent work agency". We will continue to work on the key issue of policy coherence and the interlinkages between growth, investment and jobs with the Bretton Woods institutions, the WTO, UNCTAD and the United Nations.

Yet, I think we could get still more from this annual world parliament of labour. I trust that the Governing Body Working Party will be making progress on developing a package of proposals for the modernization of the Conference. I think we are all looking forward to receiving them and hoping that they will be innovative. I do not need to tell this audience that it is hard to adapt long-established institutions which have passed the test of time. But, the harsh reality is that we must get more interaction and dialogue from this unique coming together of the global networks of employers, unions and public officials and ministers. We should be able to use the new information and communication technologies more fully to ensure that delegates' right to be heard is fully guaranteed while also making time and space for genuine debates on the world-of-work issues of the hour. We have a lot of interesting information and ideas for a wider audience of our constituents which we should do better at diffusing through our tripartite constituents. And we have to recognize that two weeks is a long time in the life of a minister or chief executive or union general secretary, not all of which can be devoted to the ILO. Let's try to change our patterns of work! Send me your evaluation of this year's Conference and your proposals for reform. I will undertake to put them before the Governing Body Working Party.

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Ms. Coke-Lloyd, the Employers' delegate of Jamaica, has challenged to us "to make the annual ILC more empowering and inspirational, in order to reinforce our belief in the ILC process as a value-adding tool that motivates us to go back and build our respective countries. This impressive Conference and the standards it promulgates in the world of work must drive development and employment in the nations of the earth ...". Let's take her up on the challenge!

