I wish to congratulate the President of the Conference, Minister Alhaji Muhammad Mumuni on his recent election and greet Rolf Thüsing, Chairperson of the Employers' group and Bill Brett, Chairperson of the Workers' group. Distinguished delegates, ladies and gentlemen: I would like to make special mention of the presence here today of the President of the State Council of the Republic and Canton of Geneva, Ms. Brunschwig-Graf, Ambassador Gyger, a friend of us all, and the recently elected Mayor of Geneva, Mr. Muller. I am very pleased that they are among us and would also like to welcome our friend Mr. Koechlin.

I also wish to thank our colleagues from the multilateral system who are with us here today. I would ask Mr. McCarthy to thank Mary Robinson for being here at the beginning of the meeting. I also thank Mr. Fortin and Mr. Schatzzer for being here amongst us, as well as Mr. Kean.

Above all, I would like to welcome all of you. There are so many friends and acquaintances here today who first helped me to have a comprehensive understanding of the ILO, who gave me advice, who guided me throughout the campaign and during the period of transition.

My first reaction is therefore simply to say thank you. I am here because of you, and because of your massive vote of confidence. As you know, I was elected with nearly 80 per cent of the votes in the Governing Body.

I want to thank you for your confidence. And I also want to say that I interpreted this mandate as a mandate to modernize the ILO; as a mandate to introduce change to ensure that our institution will address today's problems with modern thinking but without ever losing sight of the values on which the ILO was founded.

Since March of this year, I have been devoting myself to this task. My proposed changes are contained in the Programme and Budget proposals for 2000-01 and the Report which is submitted to this Conference.
I do not believe it necessary to go into a detailed analysis of these documents which you have received. Discussions on these reports during the Conference will provide the Office with the necessary guidelines for the future. I only wish to point out that the process of change has already begun, on the basis of decisions adopted in March by the Governing Body.

In this respect, I would like to pay tribute to my predecessor, Mr. Hansenne. I have had a unique experience. I took office on 4 March, and on 8 March I had to submit my programme and budget proposals to the Governing Body. You will understand that in the case of any normal change of leadership in an international organization, this would have been absolutely impossible. And yet it was possible. It was possible because I was elected very much in advance and was able to set up a transition team several months before I actually took up my post. This transition team had the full support of my predecessor in terms of staff and equipment.

There was also a decision by the Governing Body, very graciously accepted by Mr. Hansenne, that given the very little time available for a discussion of the next budget, I should be entrusted with preparing it with the support of the ILO staff.

All this is to stress that we have experienced an extraordinarily institutional transition. And I should like to say that what we did achieve here in the ILO is unique and constitutes a historic precedent. We showed a great institutional capacity to undertake a very orderly but effective transition.

I now wish to make some preliminary comments on the strategic objectives we have set. As you know, the first conclusion I wished to convey to the Conference through the Governing Body was that we should try to give focus to the activities of the Organization, in clear priorities. I therefore proposed to focus our activities around four strategic objectives.

The first relates to fundamental principles and rights at work. This is the historical mandate of the ILO, expressed in its Conventions. A friend of mine from Latin America said to me during the campaign: "Juan, never forget that we, the workers, are the reason for the very existence of the ILO". Indeed, this is an institution that was created with the objective of promoting social justice and dignity at work through its successive Conventions. The Declaration that was adopted last year is therefore of vital importance and I have singled it out in the "InFocus" programmes that we need to develop relating to the strategic objectives, to promote a basic social standard for the world.

The second subject that I have chosen for a strategic objective of the Organization is the creation of employment. I would call this the political mandate of the ILO -- the one that comes from the streets, the one that comes from the people, the mandate to which I wish to see the ILO commit itself for the creation of more and better jobs.

If you go out on to the street around the world and ask: "What is the ILO?", many people will say they do not know. But if you explain that it is an organization that, amongst other things, wants to help create jobs, then people will say: "Ah, that's an institution that interests me". After fundamental human rights, access to employment is probably the most widely shared aspiration of people everywhere. We must be able
to promote this because we know well that employment is the first step to escape from poverty and social exclusion. Obviously, within a tripartite ILO, in which we have employers and workers, we know full well that the creation of employment is contingent upon a favourable climate for investment and the creation of enterprises. The two areas are inextricably linked.

The third strategic objective that I have proposed is social protection. This I believe to be the ethical mandate of the ILO. The first reality we must face is that the vast majority of people in the world has no social protection. It is a concept that is foreign to their daily lives.

The traditional systems of social protection apply to a limited number of citizens in the developed world -- and a few in the developing world who are privileged to benefit from such systems. But most people, particularly those working in the informal sector, have no conception of what social protection involves. So, if we want to make this a central and vital theme, we must be able to identify the ways in which this can be developed in the developing world and in the excluded sectors of the developed world. We must find ways to extend reasonable social protection to those sectors where it does not exist. This, I believe, presupposes defining the ways in which we intend expanding coverage, as well as the methods, mechanisms and systems of funding to achieve our aim.

But this is also a mandate which calls for creativity. Social protection will be a challenge because we know all too well that questions are being posed about traditional systems of social protection. We must therefore maintain the values which inspired them -- but, at the same time, we must also identify the best, most modern ways of putting these traditional values into practice.

A much broader concept of security is emerging in the world -- a security that encompasses people, individuals, human security, and the ability to respond to a wide range of situations so that families and communities can live without fear, without risk. Many of the topics addressed by the ILO can contribute to developing an analytical basis for creating this broader concept of social protection. This is a concept of socio-economic security that I have called "people's security".

The fourth area that I have identified as being important is tripartism and social dialogue. This I would call the organizing mandate of the ILO. There is no influential social dialogue without strong employers' and workers' organizations; there is no effective tripartism without strong labour ministries and modern labour administrations. I personally feel that a great many initiatives lie ahead in order to strengthen the social actors, and I am prepared for the ILO to move in this direction.

I have also indicated that the topics of development and gender -- equality for women -- will constitute cross-cutting issues in all four strategic objectives.

All of this is captured in the notion of decent work. These four strategic objectives are contained within this concept; it also reflects the traditional efforts of the ILO to promote full, productive and freely chosen employment.
The second change we have embarked upon involves shaping the new strategic budget of the ILO on the basis of these four strategic objectives for the ILO. I shall refer to this in the appropriate Committee tomorrow when it begins its deliberations.

The third change is that on the basis of these decisions I have set up a Management Team for the Office, made up of six Executive Directors, and which I head. The Executive Directors will lead the four areas I have outlined, as well as the support activities for funding, administration and technical cooperation.

Why have I mentioned these organizational considerations? Why do I attach such importance to monitoring and evaluation as well as to personnel policy? And why have I initiated contacts with the Staff Union? It is because I am convinced that modernization of the Office is essential if we want the ILO to be more effective and visible and to assume its natural and proper role. We must be more relevant as an international institution. But nobody is going to hand us this role "on a plate". We must strive to achieve it.

Modernizing the Office presupposes not only a better structure but also a different style. Unfortunately, in the past, there has been use of obscure bureaucratic powers in some sectors which damaged the image and spirit of the institution. I have given instructions to the Management Team to establish the necessary channels for consultation and dialogue with their staff. I want a healthy and transparent Organization with sound practices of management and internal communication. I want a working environment that is relaxed and creative but at the same time very efficient.

But as you well know, none of this will occur overnight. All the same, I want to state here at this Conference that I will keep up the pressure for improvement of management methods in the house, both in substance and in form. I am aware of the fact that all these changes create uncertainties. For this reason, I have indicated that the new policies will be implemented in a relatively brief period of time for an institution of this size, and will be completed in November with a discussion of the new budget proposed for the 2000-01 biennium.

I have begun a dialogue with the Regional Directors, who are here at this Conference, and the heads of the Multidisciplinary Teams, whom I invited to Geneva at the end of May, to discuss the structures in the regions and their interaction with the new structures in the Office.

I also believe it is important for the Organization that the relations between the Office and the Governing Body be those of cooperation, collaboration and partnership and that we should share a common central objective: efficiency and effectiveness in carrying out our mandate. I deeply believe in consultation and in an informal exchange of ideas and suggestions with members of the Governing Body, and I will continue with the practice that I have already begun.

Everything that I have said until now has a single objective: to be better equipped to undertake the challenges facing the ILO only a few months before we embark upon a new century. But I am convinced that the strategic objectives alone are not enough. In
order to be credible, we must have an organized, orderly and transparent house, in order to back the objectives that we have set for ourselves.

The most important challenge will be to identify our role in a new world with a global economy and in the post cold war period. It goes without saying that concerns about the social repercussions of globalization are growing in all countries. We are aware that a mechanical projection of current trends will not resolve the problems of uncertainty and lack of security affecting so many people and families all over the world. We are also aware that solutions are not obvious. They have not yet been found and still the clock of human uncertainty keeps on ticking.

I would like to make some general comments that encompass the proposals that I have put in my report. First, the ILO should, I believe, have the means to contribute towards developing a new paradigm combining understanding of the social impact of macroeconomic policies, understanding of the economic implications of social policies and the impact of both of these on growth, investment, and the creation of enterprises and decent jobs. I believe that the most important analytical contribution that we can make is to move towards a more integrated approach to the adjustments to the global economy we are experiencing. We must put universal values embodied by the ILO at the heart of social and economic analysis. A new, integrated analytical capacity will enable us to overcome existing deficiencies in the multilateral system which, by virtue of its exclusively thematic organization, is divided up into specific areas: finance, monetary policy, health, education, culture, social affairs. This "thematic" approach will continue to provide sectoral solutions to problems that are integrated and global. Continuing on these lines will only lead to frustration in the future. It is a clear analytical and political reality that there are no sectoral solutions to integrated problems. I believe that the ILO is particularly well placed to make a contribution in this area, precisely because of our tripartite composition, which brings us so close to social and economic reality.

The second point I would like to make on this is that, if the global economy does not gradually begin to extend its benefits to growing sectors of the population, it will run the risk of losing its legitimacy in the eyes of the people. I believe that the social market economy is an achievement of the end of this century, that private initiative has an extraordinary ability to generate wealth, and that an economy open to competition is more efficient than a closed economy; but I also believe that if its advantages are not equitably distributed, then its credibility will be increasingly called into question politically. We are beginning to see this now.

The ILO must be able to propose policies that combine and integrate economic efficiency with social efficacy. We must be aware that there are political and ethical limits to poverty, unemployment and social exclusion.

Third, in order to deal with this reality, we need cohesive, creative tripartism, that engages in dialogue, a genuine tripartism for the future, a tripartism that comes up with new solutions and is capable of leadership and clarity in the midst of confusion, that dares to innovate and is not afraid of imagination, and makes social dialogue a normal practice in our society.
There is another tripartism, one that is fearful, repetitive and anchored in the past, and confronts the ILO with three incompatible sets of demands; this kind of tripartism is doomed to irrelevance and will never have an impact on the world outside our meeting rooms.

There are natural divergences of interest, and these should not be hidden. What is more important is to highlight the obvious convergences of interest. We need to seek reasonable agreements and solutions, fresh understandings, proposals that are innovative, yet sensible.

I want to see a win-win tripartism that is bound to succeed, that is self-confident, that will inspire respect and admiration outside the ILO. I have no doubt that you are able and willing to achieve this. The Office is at your service to this end.

Fourth, a good example of what I have just said is the proposed Convention concerning the immediate elimination of the worst forms of child labour. I believe that it will be possible to reach agreement on these abhorrent forms of labour, and that this will represent an extraordinary contribution to today's world.

Child labour in general is obviously a very complex issue linked to development, educational opportunities, and parents' work. Despite obstacles, the ILO, through its IPEC programme, is generally successfully attempting to reduce child labour.

But what we can do with this new Convention is something else. We are all acknowledging that there are morally aberrant forms of child labour that no family anywhere in the world wants its children to perform. These are situations that have nothing to do with development problems, cultural perceptions or spiritual traditions. Children everywhere in the world would beg their parents not to be trapped in such situations. If we reach agreement on this Convention, we will have made a giant step forward. We will have made child labour a basis for global consensus, with no room for disagreement about eradicating the worst forms of child labour.

In a world without causes, where it is so difficult to come up with the kind of cause that can touch our hearts and minds and mobilize our wills, why not offer the eradication of the worst forms of child labour as a global cause? This would be a cause to galvanize us as people and as the international community. It would be a cause the ILO could pursue to unify the world, a cause for which we would need to act swiftly and immediately, beginning the day after the Convention is adopted. This is the major challenge we face at this session of the Conference.

Fifth, you are also going to discuss technical cooperation. This is another area in which we can develop creative tripartism because there is no doubt that this is one of the ILO's major topics. Our four strategic objectives will find their expression in cooperation policies within each region, reflecting the diversity of their problems. As you know, I attach considerable importance to this subject and since I have submitted a report on this topic I will not talk at length about this. I would however like to stress the political significance I give to agreeing on a very strong technical cooperation structure and the resulting extra-budgetary support.
Sixth, I have to take into account that I am the first person from the developing world to be elected to head the ILO. Naturally, I will be especially sensitive to cross-cutting development issues that are part of all our activities, reflected not only in the four strategic objectives, but as well in the specific development concerns of the Workers' group, the Employers' group and, of course, the Government group. Development is an inherent part of today's reality that cannot be overlooked in our analysis of how we are going to carry out our mandate and assume our responsibilities.

We must understand the specific context of regions and subregions as well as the specific circumstances of the Eastern and Central European countries in transition and countries that are going through a crisis because of the impact of the international financial system, or the forces of nature. It is essential to support a retuned ILO that can be sensitive to differences and can respond with subtleness to the different ways in which the same problem can manifest itself in different societies. It seems to me absolutely indispensable to develop this institutional capacity. I believe it is important to foster a sensitivity about the culture of development. You cannot really understand problems of development so long as you have a somewhat mechanical approach and solutions cannot be proposed simply because they work in other countries. We need a richness of outlook, an ability to differentiate, to understand the specific situations to respond to the real problems and propose new solutions.

I would also like to point out, however, that the ILO is a universal organization. The ILO is at the service of all its member States and constituents, whether in the developed world or the developing world, and therefore it is very important to maintain our capability to analyse the social problems of the developed world. In my view, this is a key element.

In a recent conversation with Minister of Labour and Solidarity Aubry, she told me she thought it was very important for the ILO to be involved in reflecting on the new social problems of the industrialized world in relation to working hours, new types of insecurity, structural unemployment and other issues. I think that in all countries there are phenomena now emerging that have to be confronted day by day, but that need to be seen in the long-term perspective. This calls for a more integrating, global approach that links them to what is occurring in other parts of the world.

Seventh, we live in a competitive world. There are private and public organizations that are beginning to offer the same products as the ILO on the market. It is therefore essential that we understand that when this happens our response should not simply be, "Why are you getting involved in this when we have the mandate?" This is no way to defend our mandate. We should defend our mandate through a capacity to compete, through quality and through the usefulness for others of what we are doing. The mandate will be defended by people wanting to come to the ILO for help, cooperation, policy suggestions, because they realize that our ideas are closer to their needs, whether of employers, workers or governments.

The quality of what we do is essential to the survival of this Organization. I want to point out frankly that the quality of our work in the Office, the quality of our work at the Conference, the quality of our work in the Governing Body -- it is the quality of our work that will determine the influence this institution has.
This is essential because -- and I am being quite frank here -- having spent the past nine years in the upper echelons of the multilateral system, I have to say that the ILO was not as present as it should have been, given its great importance. I was the instigator of the World Summit for Social Development, but surely this was an initiative that should have come from the ILO. I give you this example because I experienced it first hand.

In my view, we must not only be up to date but be forward looking, aware of what is going on, ready to seize the opportunities that present themselves, quick to change course when needed.

Let me give you an example. From the very start of the tragic saga in Kosovo, I realized that sooner or later the military action would end. And so I asked the Office to give me a plan of what we could do in Kosovo once peace has been re-established. Just as we had a first draft ready, the Secretary-General of the United Nations appealed to the pertinent organizations in the system to accompany his envoy to Kosovo on a humanitarian exploratory mission that included an assessment of future needs. And the ILO was already in a position to do so. Why do I give you this example? Because I believe that it is essential that we be fully aware of what is happening. In today's time frame, time is short and problems are instantaneous. We are living in a world of immediacy in which we cannot just say that, in two years time, we shall put this highly important, burning question on our agenda, because two years hence the whole issue may have changed radically.

For this reason, I am linking this issue to competitiveness. It relates to the future of our Organization as an institution. We must develop awareness that the quality, the excellence and the usefulness of our products, as well as the methods and pace of our work, are going to be crucial to our success. The more competitive we become, the more interest others will show in us. As you know, I am a strong proponent of the ILO collaborating more closely with the organizations of the United Nations system and the Bretton Woods institutions.

Allow me to conclude by talking about something that I feel is fundamental to what I am trying to do. I believe that institutions, like people, have values. The ILO is an institution founded on the values of social justice and the promotion of dignity at work. I identify deeply with this goal. I believe that life without values has no meaning. Ideals are the very backbone of our spirit. Conviction is the energy that moves society forward, that moves us forward as human beings. Even with our different cultures and spiritual traditions, we are all inspired by higher values. I believe profoundly in the need to approach problems through the eyes of the people. I believe that the world needs greater sensitivity towards others, towards those who are different, towards those who have been excluded.

At the same time, we must be realistic in the way that we proceed. Idealism alone, without proper organization, without a framework for action, is just a dead letter; whereas idealism combined with a capacity to act, to generate consensus, to yield agreements, is an idealism that can have a positive impact on reality. That is why we must maintain a sense of reality, and act within what is actually possible. If I had to give you an image, I would say that we must join the hand of what is possible with the hand of what is hoped for, the hand of what is feasible with the hand of what is
necessary. We need to be capable of bringing together these two facets. But, of course, whenever a new idea is proposed someone is going to say it cannot be done. And yet we know that what is impossible today will be possible tomorrow. We know that things are happening in the world today that 30 years ago appeared unattainable -- and yet they have happened.

Let me conclude therefore by saying that this task -- that of making expectations coincide with what is possible -- points us in the direction of doing everything possible to reduce the gap between the time when something is considered impossible and the time when it is shown to be possible. There will always be difficulties, questioning and doubts. But the essence, the strength, the justification of this cohesive, creative tripartism will be its ability to reduce the waiting time between hope and reality.

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