



Second sitting

Thursday, 4 June 2015, 10.15 a.m.

President: Ms Jaunzeme

REPORTS OF THE CHAIRPERSON OF THE GOVERNING BODY AND OF THE DIRECTOR-GENERAL: DISCUSSION

The PRESIDENT

It is my great pleasure to declare open the second sitting of the 104th Session of the International Labour Conference.

This morning, we shall begin with the presentation of the first report of the Selection Committee, which is contained in *Provisional Record* No. 3-2. Ambassador Majali of Jordan, the Chairperson of the Selection Committee, will present her first report. We shall then move onto the general discussion on the Reports of the Chairperson of the Governing Body and of the Director-General. These Reports were presented in plenary on Monday of this week. As usual, the Director-General's Report contains an Appendix, *The situation of workers of the occupied Arab territories*. You will find full details of the rest of the plenary programme over the days to come in the *Conference Guide*, available at the distribution desk and, of course, on the Conference website.

Before starting the discussion, I should like to make the following statement on behalf of all the Officers of the Conference, to remind you of the principles which we must uphold in our debate. These principles were established by the Working Party on the Programme and Structure of the ILO, approved by the Governing Body and communicated to the Conference in 1967. You can find them in paragraphs 54–58 of the fourth report of the Working Party.

The Officers of the Conference wish to draw the close attention of all delegates to the contents of paragraph 58, which reads as follows: “In periods of acute political tension, the ILO has a twofold responsibility – to uphold the values of human freedom and dignity enshrined in its Constitution, and to circumscribe rather than extend the area of international tension by ensuring the fullest possible degree of continued cooperation in pursuit of the objectives of the ILO. Every delegate to the International Labour Conference therefore has an obligation to the Conference to keep these considerations constantly in mind, and the President has an obligation to ensure that the Conference does not lose sight of them.”

The debates of the International Labour Conference must not encroach on what is being discussed

by the Security Council and the General Assembly of the United Nations in New York, which have responsibility for political decisions under the Charter of the United Nations. I should like to ask all delegates to comply with these principles; the Officers of the Conference are committed to ensuring that they are upheld.

I should also like to say that I rely on you all to conduct our discussions with both the openness and the dignity that are appropriate to the highest international body in the realm of social and labour-related matters. Freedom of expression is a vital feature of the International Labour Organization. To exercise this right in a spirit of mutual respect, it is essential that all delegates use parliamentary language, respect the accepted procedure, refer only to the items under discussion and avoid raising any question alien to these matters. This discipline is necessary if we want our work to be effective and successful.

Please note that the duration of speeches is limited by the Standing Orders of the International Labour Conference to five minutes only, corresponding to approximately three typewritten double-spaced pages. This time limit will be strictly applied. It is therefore strongly recommended that delegates reduce courtesies to a minimum. The lectern is equipped with a timing device which allows speakers to see how much time they have left. A bell will sound once the time limit is exceeded. With a view to transparency, and because respect for timekeeping is a collective responsibility, the timing display is also projected onto the two screens facing the plenary hall, so that delegates in the room are able to see the speaking times as well. This will also enable delegates speaking further down the list to see how fast progress is being made, and to prepare themselves for making their presentations. I should point out that this strict time limit does not apply to the interventions by the Employer and Worker Chairpersons as they open the general debate with their group statements.

Every delegate will have the right of reply if he or she feels there is a need to respond in the event that his or her government has been challenged. In such cases, delegates must inform the President of the sitting before that sitting finishes that they wish to exercise their right of reply. Please make such requests by coming up to the podium and informing the Clerk. The Clerk will transmit the request to the President, who will agree with the delegation concerned on a time at which the reply may be made.

The reply should refer only to the point under debate. It should not exceed two minutes, and it should be delivered in correct, parliamentary language. Please keep in mind that it is not the practice in our Organization to allow replies to a reply.

If there are no objections, may I take it that these arrangements are agreeable to the Conference?

(It is so decided.)

**FIRST REPORT OF THE SELECTION COMMITTEE:
PRESENTATION AND NOTING**

The PRESIDENT

We shall now turn to the next item on our agenda, which is the presentation of the first report of the Selection Committee.

I call on Ambassador Majali, Permanent Representative of Jordan, to take the floor from the lectern and present her report.

Ms MAJALI (*Chairperson of the Selection Committee*)

It is my privilege to present the first report of the Selection Committee, which is contained in *Provisional Record* No. 3-2.

As you are aware, the Selection Committee has responsibility for the day-to-day running of the Conference, and takes a number of decisions at its first meeting to ensure that everything goes smoothly and efficiently. One of the first of these decisions, which are all set out and explained in the report, was to adopt a programme of work, as proposed by the Governing Body, which will allow the Conference to complete its agenda in the space of two weeks. The Committee also confirmed a number of principles facilitating the work of the Conference.

In this connection, the Committee stressed the collective responsibility that falls on all participants at the Conference to ensure the best possible management of time. My fellow Officers of the Selection Committee and I therefore urge all committee Officers to observe strict punctuality in running their meetings, starting and concluding on time in so far as this is possible, and taking all steps to avoid delays. The Officers of the Selection Committee, to whom the Committee delegated responsibility for routine matters of a non-controversial nature, including establishing the programme of meetings, will make all efforts to this end.

The Selection Committee also considered the question of the application of the Cook Islands for admission to membership of the International Labour Organization. Under article 28 of the Standing Orders of the Conference, as the Cook Islands is not a United Nations member State, its request for admission needs to be examined first by a subcommittee of the Selection Committee. Our Committee accordingly set up a subcommittee to examine this application by the Cook Islands.

I wish to inform the Conference that the subcommittee, the composition of which is set out in section 6 of the report, will meet on Monday, 8 June to conduct hearings with the observer delegation sent by the Government of the Cook Islands. It will report back to the Selection Committee on Wednesday, 10 June. The Selection Committee will then report to the Conference on this matter, a report that I shall present at the end of the afternoon, following the World of Work Summit on Thursday, 11 June. In principle, the question of the Cook Islands' ap-

plication for membership will then be put to a record vote, which will be held in plenary on the morning of Friday, 12 June. In the event of a positive outcome, the Cook Islands will become the 186th member State of the ILO.

As I mentioned, these and other decisions taken by the Committee, including inviting a number of international non-governmental organizations to be represented as observers in committees dealing with items on the agenda in which they had expressed a particular interest, and the appointment of the Conference Drafting Committee, are set out in *Provisional Record* No. 3-2, available on the website and at the distribution desk downstairs.

In closing, I should like to express gratitude on behalf of the Committee for the President's visit to us at our first sitting; her presence was much appreciated. I also wish to thank my fellow Officers, Mr Matsui for the Employers and Mr Cortebeek for the Workers, for their excellent support, and I look forward to working with them for the rest of the session.

With that, I submit the first report of the Selection Committee to the Conference.

The PRESIDENT

May I take it that the Conference has taken note of the first report of the Selection Committee?

(The report is noted.)

**STATEMENTS BY THE CHAIRPERSONS OF THE
EMPLOYERS' AND WORKERS' GROUPS
OF THE CONFERENCE**

Mr RØNNEST (*Employer, Denmark, Chairperson of the Employers' group*)

The theme of the Director-General's Report is highly relevant. Globalization, advances in information and communications technology (ICT), migration patterns and demographic trends, among other factors, are clearly transforming the world of work. The ILO has to address the future realities of work – not to question fundamental principles and rights at work, but to aim to ensure that these rights and standards continue to be relevant and enforceable in new work environments. A successful process for a discussion on the future of work needs to be properly articulated and focused, and is urgent. It should contribute to the key objective of generating guidance for the direction of the ILO in its second century. A wide involvement of relevant external parties is expected, but it must not cause the prerogatives of the ILO constituents to be undermined.

The creation of a high-level commission should be carefully considered through the lens of recent experiences. A Conference report on the 100th anniversary of the ILO has undoubtedly symbolic value, but there is an immediate need to anticipate this impending reality, and the Employers therefore consider that a full discussion on the future of work could very usefully take place at an earlier session of the Conference – in 2017, for example.

I want to stress the importance of ensuring a methodical and focused approach: the ILO needs, as a first stage, to explore how organizational, technological and sociological changes will affect the way we work and, as a second stage, to examine how these elements impact other areas such as social protection systems, the Decent Work Agenda, informality and the skills gap. If this is not done, any

analysis risks repeating general policy discussions that already take place in the ILO.

The Report provides an overview of employment and wealth distribution today against a backdrop of worsening global unemployment, growing inequality and falling wage shares. Income inequalities in several countries raise important challenges and legitimate concerns, but progress should not be ignored, especially in terms of poverty reduction. Poverty rates have declined in all regions and the income of an average citizen of a poor country is now closer to the income of an average citizen in a rich country. Furthermore, the emergence of a growing middle class in countries like China and India and in many African countries heralds further improvements, and we should not underestimate the continuous employment growth in many countries. Therefore, let us rather look at the whole picture and not pessimistically assume that the existing employment and income distribution situations will inevitably persist, or be replicated in the near future.

The classic employment relationship, based on a clear hierarchy and well-defined job categories, if that has ever existed, is evolving into a more complex and mature employer–worker relationship. This, of course, means that changes in attitudes and competences are required – in the areas of initiative, communication skills, social skills, customer-oriented attitudes, and so on. While the new trends are still far from having universal reach, any reflection on the future of work needs to properly integrate such factors if we are to better understand what policy measures are required.

The Report properly acknowledges that: “The prospect of a single job for a working life [and] ... a lifelong attachment to a single enterprise employer ... [have] become outdated in today’s world of work.” Importantly, it also acknowledges that demands for flexibility are being met with diverse work arrangements. Flexible work arrangements are not per se insecure. A worker’s perception of job security depends on both the terms of service, and the conditions in the wider labour market such as unemployment rates and efficient labour market policies. Workers who have choices – those free to change their jobs – feel more secure than those in economies with high unemployment and large informal sectors. In short, employment stability is no longer only dependent on having a permanent contract.

Similarly, not all non-standard jobs are of low quality – demonizing them fails to recognize their value to both workers and employers. Well-designed and regulated non-standard forms of work or employment can protect workers and help enterprises by enhancing capacity to respond and to adapt to market demands. They can also be a mechanism for recruiting and retaining workers, harnessing skills and expertise, and better reconciling work, life and family responsibilities.

The ILO should respond to these new and evolving demands with a mix of policies that ensure employability through the acquisition of cutting-edge skills and competences, effective active labour market policies and well-designed social protection tools, among others. The Director-General states that technological change “has created more employment than it has destroyed, and has pushed overall living standards to new levels” and that “any attempt to resist innovation should not so much be

considered misguided or self-defeating, but quite simply impossible”.

Managing and adapting to change is a key driver of success. In this regard, the Employers agree with the Director-General highlighting the lack of effective action on a scale necessary to meet the “skills mismatch” and “employability” criteria of the future. A better connection between education systems and businesses is indispensable, and the ILO has to take a much more ambitious approach to addressing skills needs arising from the new realities of work. It also has to undertake greater efforts to provide rigorous analysis of labour market trends and to anticipate realities. Public–private sector collaboration is critical for anticipating and fulfilling skills needs and providing complementary channels for accessing skilled labour.

The Employers welcome this initiative, and stress the need for urgency, ambition and efficiency. A Conference discussion on the future of work is required as soon as possible, and we are waiting eagerly to engage in this process.

Mr CORTEBEECK (*Worker, Belgium, Chairperson of the Workers’ group*)

A discussion on the future of work is crucial for the ILO and the role that it will play in the second century of its existence. Let me commend the Director-General on his Report. When a value-based organization like the ILO is looking towards its future it is essential to remember what lay at its foundation. Allow me also to quote from the Preamble of the Constitution: “universal and lasting peace can be established only if it is based upon social justice; ... the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries”.

The Declaration of Philadelphia, which remains fully relevant today, also provides useful insight into the guiding principles of the ILO: that labour is not a commodity; that freedom of expression and of association are essential to sustained progress; that poverty anywhere constitutes a danger to prosperity everywhere; that the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers enjoy equal status with those of governments.

A key purpose of the future of work initiative should be to provide the ILO with the tools to realize the objectives of social justice set out in 1919 and 1944 and further elaborated in 2008, and to make them a reality in member States as we approach the first centenary of the ILO’s existence.

We concur with the three-stage process of implementation. We agree that the high level of ambition proposed justifies the involvement of the academic world and other relevant and interested actors, in addition to the tripartite constituents. It would be premature to decide now whether all or a large part of the 2019 Conference agenda would have to be dedicated to the future of work initiative. However, we would not support a Conference which would only have one general discussion on the future of work in addition to the Committee on the Application of Standards, which is a standing committee.

The importance of the ILO centenary justifies a high-level political tripartite commitment in the form of a declaration to be adopted by the Confer-

ence at its 2019 session. Such a declaration, however, could not set a lower level of ambition than past declarations and it would have to be followed by action. The evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization to be conducted in 2016, that will address several of the issues covered by the centenary initiative, will also have to inform any future centenary declaration. Complementarities between the two declarations will have to be ensured.

In terms of format, we are not convinced that a plenary debate would allow the level of in-depth discussion required to achieve consensus on a text. While a discussion in technical committees would permit a more focused and deeper discussion, the question of the reconciliation of the different discussions into a single declaration and the time required for that purpose would require clarification.

Today, the world of work remains marked by major decent work deficits. Some 201 million people are without a job and unemployment will continue to rise. Youth unemployment remains a huge challenge with devastating social consequences. Precarious and informal work is on the increase, the number of working poor has risen, freedom of association and labour rights are under attack, collective bargaining is being destroyed, income inequality has grown. Millions of people remain uncovered by social protection or have become less protected. Gender discrimination and the gender pay gap persist in labour markets.

The employment challenge is huge with the need to create by the year 2030 over 600 million new jobs – and, I should add, these are jobs that need to be decent.

Global supply chains today represent more than 60 per cent of global trade in the real economy. This is an exploitative model that is fuelling inequality, failing to pay living wages, denying fundamental trade union and labour rights and holding back development. There is also evidence of increasing informal work and modern-day slavery in these supply chains.

In short, we are far away from the ILO objectives of full employment and decent work for all. This is not a sustainable and inclusive growth model. It is not good for the economy, nor for societies.

We support the centenary conversations. We concur that work should not only meet material needs but also satisfy the individual's quest for personal development and the desire to contribute to something larger. However, this ideal vision of work is very far from the day-to-day lives of millions of working people, who continue to suffer daily exploitation and poverty wages out of necessity rather than choice. This is notably the case of workers in the informal economy. For that reason a comprehensive agenda of formalization will be essential to bring about the needed qualitative shift in workers' working and living conditions.

The principle of freedom of choice of employment embedded in the Employment Policy Convention, 1964 (No. 122), should be at the heart of a process of reflection on the place of work in society. Work cannot be seen as contributing to personal development and social inclusion if it is not the result of a worker's choice and if it is not decent work.

A second important element is the recognition of the boundaries of our planet and the consequences of climate change. Investments in the green econo-

my are urgently needed. For this transition to succeed, however, it needs to be just and to involve dialogue with all parties, including trade unions.

Decent work for all should remain the fundamental goal of the ILO. This involves identifying the sectors that will create the jobs of the future, such as services, the care sectors and the green economy, to mention but a few. For developing countries, investment in infrastructure and promotion of industrial policies that create higher value added jobs also have the potential of creating more and better jobs in manufacturing and services.

A macroeconomic environment that places the goal of full and decent employment at the centre of economic and social policies and seeks to stimulate aggregate demand is also fundamental to achieving decent work for all. Key to success in this endeavour is the need to coordinate policies both nationally, through the coordination of policies among relevant ministries (economy, labour, finance and trade), and internationally. Much remains to be done to realize the mandate of the Declaration of Philadelphia, further elaborated in the Social Justice Declaration, that vests in the ILO the responsibility to examine and consider all economic and financial policies in the light of the fundamental objective of social justice. This in turn places the responsibility on other international and regional organizations with mandates in closely related fields to direct their policies and country advice towards promoting decent work.

A discussion on the future of work also needs to look at the labour market institutions needed to create decent work for all. In this regard a key priority of our group is to recognize more fully the value of centralized and coordinated systems of collective agreement in combating income inequality. Wage policies, including on minimum wages, and income policies will also have to play a prominent role in this conversation.

The Report rightly identifies technological innovation as a key issue for the future of work. The rapid evolution of Internet-mediated ICT applications has important and often unpredictable impacts on jobs. Social dialogue and tripartism are crucial in helping to ensure that positive impacts in terms of the number and quality of jobs are maximized, and that negative impacts are foreseen and appropriate measures adopted to address them. An agenda of change cannot be limited to the development of skills, however important this may be.

It is worth recalling, however, that still half the world's population does not have internet access. Integrating increased Internet penetration into infrastructure investment is thus an important question of social and economic justice.

When it comes to the organization of work and production, a key challenge is to address the growth of non-standard forms of employment, which, all too often, have resulted in situations where workers are unable to realize their fundamental and other labour rights. These forms of work do not meet standards of decent work and treat particular groups of workers less favourably than others, thus creating a dual labour market and exacerbating inequalities, with detrimental consequences for workers and societies. We agree that there must be space for choices of employment arrangements but this should be on the proviso that people are not deprived of labour and social protection rights and that workers can choose and negotiate the terms of that choice.

The ILO should therefore look at whether there is a fair balance between the interest of companies in making a profit and the interest of society in social stability and social justice and the legitimate right of workers to have a decent job.

The assertion in the Report that in the future there will be an increasing trend of various permanent forms of self-employment would need to be carefully assessed. Would self-employment be the result of an individual choice? Would we really be talking about self-employment and not about bogus self-employment? What level would the incomes of self-employed activities have, when we know that currently the majority of the self-employed are in fact own-account workers struggling for survival, with only a small minority of them being entrepreneurs. We also noted that, according to the report *World Employment and Social Outlook: Trends 2015*, between 2015 and 2019 an estimated two-thirds of net new employment growth around the world will be wage and salaried employment.

While we agree that the private sector is an important source of employment, the future of work initiative should also look at the key contribution that quality public services, cooperatives and the social economy make to employment.

We concur that a key element of this conversation will be to look at the impact that the growing financialization of the economy has on the world of work. Here too, as in the Declaration of Philadelphia, the ILO is entrusted with the key mandate to examine the effects that economic and financial policies have on the achievement of social justice.

Lastly, allow me to comment on the governance of work. The core of the international governance of work is the adoption of international labour standards, their ratification and implementation and their supervision. A globalized world requires more – not less – regulations and the rule of law requires legislation with judicial systems that are based on rights and that promote responsibility and, when those are lacking, that ensure remedies. The challenges of the future of work initiative should also help to identify gaps in protection and the identification of new standards to respond to those gaps. We are, however, much more sceptical about the role that the report assigns to corporate social responsibility in guiding enterprise behaviour. Corporate social responsibility has shown its limitations in regulating

business behaviour, as shown in the most tragic way in the Rana Plaza disaster. Corporate social responsibility cannot serve as a substitute for the rule of law and standards, as even major companies are now recognizing. The rule of law must also recognize the role of collective bargaining and the capacity for global framework agreements with companies and global union federations to manage transparency, fair wages and conditions, and grievances. These are important issues that we will also discuss next year at the general discussion on global supply chains, including the role to be played by the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).

We agree that the future of trade union and employers' organizations must be part of this centenary initiative. At the same time, this is happening in a context where the role of social dialogue in addressing answers to recovery from the crisis, and more broadly economic and social issues, has been undermined. Accordingly, this conversation should also be looking at the reasons for this trend. In this regard, we believe that the role of governments should not be ignored. It is governments that create the enabling environment for independent organizations of social partners to exist and grow. For social dialogue to be effective it requires the ratification and effective implementation of Conventions Nos 87 and 98. The fact that half of the world's population lives in countries that have not ratified these Conventions and that serious abuses persist even in countries that have ratified them demonstrates the challenge that lies ahead.

In conclusion, the goal of social justice enshrined in the ILO Constitution remains crucial and the challenge ahead of us is to make it a reality in the twenty-first century. We live in a world with much higher levels of gross domestic product (GDP) than in 1919, yet inequality is at historic levels. We need to use the future of work initiative to show that an alternative model of development is possible and that the world of work can be the place that will drive more inclusive and fair societies. The Workers' group stands ready to take part in this endeavour.

(The Conference continued its discussion of the Reports of the Chairperson of the Governing Body and of the Director-General.)

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